

ALFRISTON SCHOOL
(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2015

ALFRISTON SCHOOL
(A company limited by guarantee)

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ALFRISTON SCHOOL
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REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2015

Members

Mrs Jinna Male (Headteacher)
Mr Peter Cullimore (Community Governor)
Mr Keith C Jones (Chair of Governors) – Elected 10/09/14; Re-elected 09/09/15

Trustees (Governors)

Mrs Amanda J Blackburn-Levitt (Staff Governor)
Mr George Bodiam (Parent Governor) - Appointed 10/09/2014
Mr Christopher J Carter (Parent Governor)
Mr Peter Cullimore (Community Governor)
Mrs Irina Garland (Parent Governor) - Appointed 10/09/14, Resigned 07/09/15
Mr Keith C Jones (Parent Governor)
Mrs Milena Kurgo (Parent Governor) - Appointed 10/09/2014
Mrs Jinna Male (Headteacher and Accounting Officer)
Ms Heather McCallum (Community Governor) - Appointed 03/12/14, Elected as Vice Chair of Governors 09/09/15
Mrs Neena Phakkey (Staff Governor)
Mr Colin Schnadhorst (Community Governor)
Mrs Siobhan Towers (Parent Governor)
Ms Mary Sharp (Co-Opted Governor) - Resigned 01/07/15
Mrs Susan Ware (Parent Governor) - Appointed 02/03/15
Mr Ian Stephen Tencor – Resigned 10/09/14

Senior Leadership Team

Mrs Jinna Male (Headteacher)
Mrs Fiona Holmes-Lubiewski (Deputy Headteacher)
Mr Trevor Hails (Assistant Headteacher)
Mrs Anne Pickford (Academy Business Director)

Responsible Officer

Mr Anil Phakkey, Accountant

Company Name

Alfriston School

Principal and registered office

Penn Road, Knotty Green, Beaconsfield, Buckinghamshire, England, HP9 2TS

Company registered number

07916763 (England & Wales)

Independent auditors

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

Bankers

Lloyds TSB, Beaconsfield Branch, PO Box 1000, BX1 1LT

Solicitors

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

ALFRISTON SCHOOL
(A Company Limited by Guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2015

The Trustees present their annual report together with the financial statements and auditors' reports of Alfriston School ("the **Academy**") for the year from 1 September 2014 to 31 August 2015. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

Alfriston School operates a special academy for pupils aged 11 to 18 with moderate learning difficulties and disabilities serving a catchment area in Beaconsfield and the surrounding area. It has a pupil capacity of 144 pupils and had a roll of 137 in the school census for the summer term 2015. The school roll has risen to 144 in September 2015.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

Alfriston School is a company limited by guarantee and an exempt charity. The company's Memorandum and Articles of Association are the primary governing documents of the Academy.

The trustees of Alfriston School (referred to as "**Trustees**" in this report) are also the directors of the Academy for the purposes of company law. The Academy operates and trades/is known as "Alfriston School" and is referred to as such in this report.

Details of the Trustees who served throughout the year except as noted are included in the Reference and Administrative details on page 1.

Members' Liability

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

Trustees' Indemnities

The Trustees benefit from indemnity insurance to cover the liability not exceeding £3,000,000, of the Trustees which by virtue of any rule of law would otherwise attach to any or all of 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. The cost of this insurance in the year was £2,003.

Principal activities

The principal object and activity of the Academy is "to prepare pupils for integration into the wider community, able to enjoy and participate in life as contributing adults".

This object is met via the operation of the Academy in the provision of education for girls between the ages of 11 and 18 in accordance with its Articles.

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

Method of Recruitment and Appointment or Election of Trustees

The members of the governing body of the predecessor school as at 29th February 2012 were appointed as Trustees during the course of March 2012 to serve out their remaining terms of office.

When appointing Trustees the following is taken into consideration:

- The Articles of the Academy require the Governing Body to be comprised as follows:
 - Up to 6 community governors appointed by the Members
 - 2 staff governors appointed via staff election
 - A minimum of 2 parent governors elected by parents of registered pupils of the Academy
 - Up to 3 co-opted governors appointed by the governors that have not themselves been co-opted.
 - The Headteacher is an ex officio governor
- Trustees who are employees of the Academy (including the Headteacher) cannot exceed one third of the total number of governors.
- The skills of existing Trustees and any perceived gaps in such skills.

The structure of the Governing Body that was in place throughout the year was 14 Trustees (in this section also referred to as governors) as follows:

- 3 community governors
- 1 co-opted governor
- 7 parent governors
- 2 staff governors
- Headteacher (ex officio)

The term of office for any Trustee shall be 4 years except:

- The Headteacher
- Staff governors if they cease to be employed by the Academy

In general Trustees are replaced as and when they reach the end of the term of their office. Subject to remaining eligible to be a particular type of governor, any governor may be re-appointed or re-elected.

Policies and Procedures Adopted for the Induction and Training of Trustees

The training and induction provided for new Trustees will depend on their existing experience. Where necessary induction will provide training on charity and educational, legal and financial matters.

All new Trustees will be given a tour of the school and the chance to meet with staff and pupils. New Trustees are given a Governor Induction Pack and an Alfriston Governors' Handbook. Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees.

As there are normally only a few new Trustees per year, induction tends to be done informally and is tailored specifically to the individual.

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

Organisational Structure

The structure consists of three levels: the Trustees, Senior Leadership Team (“**SLT**”) and Budget Holders.

The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

The Trustees are responsible for setting general policy, adopting and monitoring an annual strategic plan and budget and making major decisions about the strategic direction of the Academy, capital expenditure and senior staff appointments. The Trustees are also responsible for approving the Finance Handbook under which the Academy's finances operate.

The Headteacher has overall executive responsibility for the Academy's activities including financial activities. Much of the day to day responsibility for financial activities has been delegated to the Academy Business Director.

The Headteacher is responsible for the appointment of all staff with the exception of the Senior Leadership Team which is done in conjunction with the Trustees.

The Senior Leadership Team comprises the Headteacher, Deputy Headteacher, Assistant Headteacher and the Academy Business Director. The SLT have responsibility for the Academy at an executive level implementing the policies laid down by the Trustees and reporting back to them. The SLT meet weekly and are collectively responsible for the day to day operation of the Academy, in particular organising the teaching staff, facilities and pupils.

Spending control is devolved to budget holders, with expenditure above certain limits needing additional authorisation from either members of the SLT or the Trustees (or both).

Connected Organisations, including Related Party Transactions

Alfriston School is not controlled in how it manages its operations in delivering its objectives by any third party.

Alfriston Pool Ltd is a wholly owned trading subsidiary of Alfriston School. Since incorporation on 9th July 2014, the principal activity has been the management of swimming pool facilities at Alfriston School.

OBJECTIVES AND ACTIVITIES

Objects and Aims

The principal object and activity of the Academy is "to prepare pupils for integration into the wider community, able to enjoy and participate in life as contributing adults".

The Academy's aims are: To provide a safe and happy environment, where our pupils can grow in confidence, through working with others, to acquire the education and skills to achieve their full potential.

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

Objectives, Strategies and Activities

The Academy's Vision is to be recognised nationally as a centre of excellence for the development of girls with Moderate Learning Difficulties and acknowledged as a leader and model for our specific approaches to:

- Skills Development through the provision of relevant education and attainment of appropriate qualifications;
- The enabling of Independence through the development of relevant skills and experience (including independent living and work);
- The use of Sport to build self-esteem, confidence, promote a healthy lifestyle and encourage teamwork and social interaction;
- The use of Information Technology as an enabler for lifelong learning, communication and employment.

Public Benefit

The Trustees of the Academy 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's purpose for the Public Benefit can be demonstrated by:

- The continued excellent preparation of pupils for integration into the wider community, able to enjoy and participate in life as contributing adults.
- The continued success achieved by pupils in examinations (details below).
- The extension of our support for other schools to include support for Primary School PE in the local area.
- The development of the school buildings for use by the local community including the construction of a new swimming pool which has been made available for lettings and swimming lessons from September 2014.

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

STRATEGIC REPORT

Achievements and Performance

Alfriston School was the first special school in Buckinghamshire to become an academy, and has been rated as "outstanding" by Ofsted for the second consecutive time in July 2013.

The total pupils in the year ended 31 August 2015 numbered 137.

Achievements -Year 11

- 4 pupils passed GCSE Maths
- 4 pupils passed GCSE Science
- 4 pupils passed GCSE Photography.
- 1 pupil passed BTEC Level 2 Art and Design,
- 6 pupils passed Level 1 Home Cooking Skills.
- 7 pupils passed the BTEC Diploma in Vocational Studies at Level 1
- 5 pupils passed Level 1 Awards or better in a range of specific vocational areas, including Sport and Active Leisure, IT Users, Caring for Children, Creative Media Production.
- 5 pupils passed BTEC Vocational Skills at Level 1, at Certificate, Extended Certificate or Diploma Level.
- 100% of pupils gained at least Maths and English at Entry Level 1
- 81% of pupils gained at least Maths and English at Entry Level 2
- 27% of pupils passed Maths and English at Entry Level 3
- 14 pupils passed the Duke of Edinburgh Bronze Award
- 14 pupils passed the Work Experience Bronze or Silver Award
- 113 Entry level passes between 24 pupils across 6 subjects

Achievements-16+

- 6 pupils passed Functional Skills English at Entry Level 2 or Entry Level 3
- 2 pupils passed BTEC Home Cooking Skills Level 1
- 5 pupils gained the BEBP Bronze Work Experience Award and 6 the Silver Award
- 6 pupils gained the BTEC Entry Level 3 or Level 1 Vocational Studies Diploma
- 6 pupils gained the BTEC Entry 3 or Level 1 Award, Certificate or Extended Certificate in Vocational Studies
- 6 pupils passed the Skills for Independence and Work Entry Level 2 at either award or certificate level
- 11 pupils passed Health and Safety Entry Level 3
- 2 pupils passed GCSE Photography
- 2 pupils passed BTEC Art and Design at Level 1
- 5 pupils passed BTEC Caring for Children Level 1 at either Award or Certificate Level
- 3 pupils passed BTEC Land Based Studies Level 1 at Award Level
- 12 pupils passed BTEC Sport and Active Leisure Level 1 at Award or Certificate Level
- 1 pupil passed BTEC Business Administration Level 1 at Award Level
- 1 pupil passed BTEC Creative Media Level 1 at Award Level
- 13 pupils passed the Duke of Edinburgh Award at Bronze Level

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

Key Performance Indicators

The KPIs based on the period September 2014 to August 2015 are as follows (2014 is given for comparison):

Key Performance Indicators	2015 (k)	2014 (k)
GAG & SEN Income	2408	2391
Staffing Costs to GAG/SEN Income %	75.8%	73.0%
Staffing Costs to Total Educational Funding %	72.9%	69.6%
Total Revenue Educational Income	2503	2509
Teaching and Support Staff Costs	1825	1745
Staffing Costs as % Total Revenue Expenditure	68.2%	73.2%
Total Revenue Expenditure	2676	2383

Going Concern

After making appropriate enquiries, the Trustees have a reasonable expectation that Alfriston School has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

FINANCIAL REVIEW

The majority of the Academy's income is obtained from the Education Funding Agency ("EFA") in the form of recurrent grants, the use of which is restricted to particular purposes. Following a national change to High Needs funding taking effect from 1st April 2013, the Academy now receives a significant proportion of its funding directly from Local Authorities ("LAs") that commission High Needs places at the Academy ("SEN Funding"). The grants received from the EFA and the LAs during the period to 31 August 2015, and the associated expenditure are shown as restricted funds in the Statement of Financial Activities. The grants are summarised in Note 6.

The Academy also received grants for fixed assets from the EFA and other donors. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2005), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned. During 2014-15 this included the final funding grants towards the building of a new swimming pool completed in July 2014, final grants and a Salix Loan for the refurbishment of a large proportion of the windows and a significant upgrade to the Academy's heating system in 2014 and funding for a security project including the installation of a new CCTV system in the summer of 2015. In addition, the Academy completed a planned programme of internal / external decoration, replaced a minibus, installed acoustic panels to the school hall and new catering service equipment in the dining room.

During the period to 31 August 2015, total resources expended of £2,677,140 (see notes 7 and 8 of the Financial Statements) were covered by the grants received by the school from the EFA and SEN funding. The increase in Net Current Assets for the year (after adjustment for Capital expenditure) was £97,933. At the year end the net book value of tangible fixed assets was £4,120,819 (see note 14 of the Financial Statements). Assets are used exclusively for providing education and the associated support services to the pupils of the Academy.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

FINANCIAL REVIEW (continued)

2014-15 was the first year of trading for Alfriston Pool Ltd, the Academy's wholly owned subsidiary. In its first year the trading subsidiary made a small loss of £16,405 from the provision of swimming lessons to the local community, letting the swimming pool and school hall. Income and expenditure is closely monitored, this business expanded over the first year and is expected to break even in its second year.

The Academy's approach to spending during the year has continued to be cautious for three reasons. Firstly, concern with regards to the ongoing reform of High Needs funding. Secondly, to ensure that sufficient funds would be available to finalise all outstanding payments for the new swimming pool and thirdly to ensure that sufficient reserves are available to run the new swimming pool during the first year of operation.

Reserves Policy

The Trustees review the reserves level of the Academy annually. This review encompasses the nature of the income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees have determined that the appropriate level of free reserves should be £75,000. The reason for this is to provide sufficient working capital to cover delays between the spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance.

Currently, it is the policy of the Academy to carry forward the maximum amount of funds available until the reform of High Needs funding can be assessed and sufficient income is generated to cover the cost of running the new swimming pool. Furthermore the Academy is reviewing the need to replace two classrooms currently occupying a temporary building with a permanent media suite; develop the school grounds to improve the range of facilities and opportunities for the pupils; and to extend the parking available within the school following the recent increases to pupil and staff numbers.

At 31 August 2015 the total funds comprised:

Unrestricted	108,938
Restricted:	
Fixed asset funds	4,129,106
GAG	494,686
Pension reserve	(749,000)
Other	309,235
	<u>4,292,965</u>

The deficit on the pension reserve 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 26. 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. The restricted funds will be spent in accordance with the terms of the particular funds. Unrestricted funds are for use on the general purposes of the Academy, at the discretion of the Trustees. The aim of the Trustees is to increase this reserve to meet future working capital requirements.

Investment Policy

It is the Trustees' current policy to hold cash balances in local bank deposit accounts only. This enables the funds to be accessible to support the capital projects and working capital requirements for which they have been raised.

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

Principal Risks and Uncertainties

The Academy practices risk management principles through its Board of Trustees (namely the Governing Body) and the various sub-committees. Any major risks highlighted at any sub-committee are brought to the full Governing Body with proposed mitigating actions and they continue to be reported until the risk is adequately mitigated.

The Trustees accept managed risk as an inevitable part of the operations of the Academy but maintain an objective not to run unacceptable levels of risk in any area. The subjective nature of this process requires major risks to be resolved by the Trustees collectively, whilst more minor risks are dealt with by the SLT.

The Trustees have identified four broad areas of risk – Strategic and reputational risks; operational risks; compliance risks and financial risks.

Effective procedures are in place to ensure the safety and security of pupils and staff. An annual Health & Safety audit is conducted, with a designated Health & Safety Trustee. Any issues identified are promptly addressed. Pupils are closely supervised at all times, particularly on trips. Tight control is exercised over site visitors and a rigorous anti-bullying policy is enforced. An effective Child Protection policy is in place and is reviewed annually in order to safeguard all pupils.

Financial risk is mitigated through the discipline of an annual plan, approved by Trustees in the summer term for the following academic year, starting in September. This sets the expenditure limits for all departments. It also contains a small contingency fund for the Headteacher to manage minor fluctuations. The financial aim of the annual plan is to operate within a balanced budget. The Academy has a Scheme of Financial Delegation that defines the financial expenditure limits, systems and procedures to be followed by all levels of management. This scheme is reviewed annually by the Finance Committee. Further information is included under the system of internal controls on page 14 of this report. Financial progress is reported regularly to the Headteacher and is reviewed by the Finance Committee. The Academy's Responsible Officer reviews transactions on a termly basis to ensure that procedures are being followed rigorously.

It is a major challenge to maintain and upgrade the older buildings. This risk is obviated by managing a planned maintenance programme. In the event that unforeseen significant maintenance is required the Academy is able to approach the EFA for funding. Should unforeseen incidents occur the Trustees have ensured that adequate insurance cover is in place. The Academy has produced a strategic development plan to upgrade the buildings and the facilities over the long term. This will be funded through various government and other grants, as well as through significant fund raising programmes involving parents and friends of the Academy.

Demand for pupil places at the Academy is strong, based on the reputation for an outstanding, rounded education. This reputation could be undermined should outcomes for pupils fall or be perceived to be deteriorating. Pupil progress is closely monitored throughout their school career.

Pupils are constantly mentored and coached to achieve their full potential. Reputation could also be impacted either through the loss of experienced senior staff or seriously inappropriate behaviour or incidents involving senior staff. Either could potentially lead to a drop in academic standards, reputation and ultimately a reduction in parents selecting the Academy. Career paths are provided with training and development plans to underpin this. For key posts succession plans are in place. The school has a clear code of conduct for all staff that is included in the Employee Handbook and is regularly reinforced.

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

PLANS FOR FUTURE PERIODS

The Academy will continue to strive to improve the outcomes for all pupils and will continue to ensure that all pupils get employment or places in further education or training once they leave.

The largest project in hand has been the development of the sports facilities to provide an indoor swimming pool to enhance the curriculum and to provide valuable life skills for pupils. The pool has been jointly funded by fundraising activities and a capital grant from the EFA. The build commenced in the spring of 2013 and was completed in the summer of 2014, it has been nominated for and won both design and construction industry awards. A new trading subsidiary was formed and the pool opened to third party users in September 2014. During the first year of trading the pool has provided swimming lessons for the local community including mother and baby sessions. The programme is growing steadily with the aim of generating income to cover the majority of the running costs.

AUDITOR

In so far as the Trustees are aware:

- there is no relevant audit information of which the Academy's auditor is unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

It is the intention of the Governing Body to reappoint the auditors MHA McIntyre Hudson for the financial year 2015-2016.

This Trustees' report, incorporating a strategic report, was approved by the Trustees, as the company directors, on 7 December 2015 and signed on behalf of the Trustees by:

Mr K C Jones
Chair of Governors

ALFRISTON SCHOOL
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GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2015

SCOPE OF RESPONSIBILITY

As trustees we acknowledge we have overall responsibility for ensuring that Alfriston School has in place 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 Trustees have 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 the Trustees in the funding agreement between Alfriston School and the Secretary of State for Education. The Headteacher is also responsible for reporting to the Trustees any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of trustees has formally met 4 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mrs Amanda J Blackburn-Levitt	3	4
Mr Christopher J Carter	3	4
Mr Peter Cullimore	2	4
Mr Keith Jones	4	4
Mrs Jinna Male	4	4
Mrs Neena Phakkey	3	4
Mr Colin Schnadhorst	4	4
Mrs Siobhan Towers	3	4
Ms Mary Sharp (Appointed 11/06/14; Resigned 01/07/15)	3	4
Mr George Bodiam (Appointed 10/09/14)	3	3
Mrs Irina Garland (Appointed 10/09/14, Resigned 07/09/15)	4	4
Mrs Milena Kurgo (Appointed 10/09/14)	2	2
Ms Heather McCallum (Appointed 03/12/14)	3	3
Mrs Susan Ware (Appointed 02/03/2015)	2	2

Mr Keith Jones was re-elected as Chair of Governors at the meeting on 9 September 2015 and Ms Heather McCallum was elected as Vice Chair of Governors.

Governance reviews:

An external review of the school by Bucks Learning Trust was undertaken in September 2014 which confirmed the outstanding rating of the last Ofsted inspection.

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GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

GOVERNANCE (continued)

The Finance Committee is a sub-committee of the main board of trustees. Its prime responsibility is to consider and recommend acceptance/non-acceptance of the Academy's budget at the start of each financial year. It then monitors performance against the annual budget and three year forecast approved by the main board of trustees and recommends corrective action where necessary. To ensure the validity of the monitoring reports presented to it, the Finance Committee has responsibility to agree appropriate procedures and controls covering all aspects of the Academy's finances.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mr Keith C Jones	3	3
Mrs Jinna Male	2	3
Mrs Neena Phakkey (resigned from Cttee 23.02.15)	1	1
Mr Colin Schnadhorst	3	3
Ms Heather McCallum	2	3
Mrs Milena Kurgo	1	1

REVIEW OF VALUE FOR MONEY

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

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

Improving educational results:

The qualifications and courses offered to KS4 and Post 16 pupils are continually being reviewed. 100% of our pupils were placed in further education, employment or training when they left Alfriston School at the end of the 2014-15 academic year.

The extended day activities and weekend activities offered to our pupils have been developed to improve pupil well-being and develop social skills. A wide range of residential opportunities is given to all pupils, including adventurous and cultural trips to inspire aspirational thinking and personal resilience. In 2014-15 these opportunities included residential trips to Wales, France, Italy and Center Parcs.

The Academy collaborates with other schools on sharing good practice and offers consultancy to mainstream schools to improve provision and practice in raising standards for pupils with SEN more generally.

The Academy offers a wide range of sporting events for pupils with SEN across the county to encourage healthy lifestyles, social interaction and high self-esteem. The PE staff provide a consultancy service to local primary schools to assist with their development of the PE curriculum.

GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

Improving educational results: (continued)

The construction of the new swimming pool was completed in July 2014 enabling the Academy to provide at least one swimming lesson per week to pupils and weekly sessions for our residential pupils developing both their swimming and personal skills. Use of the new pool during 2014-15 has enabled some of our girls to learn to swim for the first time.

The improvement in pupil attainment, for both year 11 and post 16 pupils in 2014-15 provides excellent evidence that these strategies are achieving success.

Financial governance and oversight:

The Academy's system of financial governance includes strong oversight by the Trustees and the accounting officer at regular meetings to set the budget, monitor the actual spending against the budget, approve high value purchases and consider changes to staffing and funding.

The Academy has kept its staffing structure under review and has deployed staff efficiently. This review also extends to the provision of services by external agencies, including therapists, brought in to provide support for the pupils.

The Pool Manager manages the new swimming pool and letting of the school premises, with the aim of covering the cost of running this new facility. A trading subsidiary of the school has been set up to ensure that this operation is fully compliant with HMRC tax regulations.

With regards to purchases, the school undertakes a best value assessment of purchases over £2000. This includes using a premises consultant to ensure specifications are drawn up and that competitive quotations are obtained for improvements / maintenance of the school site. The school has established programmes of internal and external decoration / refurbishment to ensure the premises are maintained in good order; an annual cycle is in place to prioritise work, obtain competitive quotations to an agreed specification and achieve completion of the works with the minimum of disruption to the running of the school. The same principles were applied to capital purchases, including replacing the servery in the dining room and the purchase of a minibus which is used extensively to transport the pupil for a wide range of activities including residential visits.

Principles of best value are applied to the provision of services for the school. In the Autumn of 2015, a tender exercise has been carried out for the provision of grounds maintenance services, after a full review of the specification. In all cases the school pays particular attention to the standard of the service to ensure safeguarding of both pupils and staff.

The Trustees carefully review the internal controls of the Academy which are set out in the Academy's Financial Handbook. Their decisions have been informed by the auditors and their own visits and in addition the Trustees have appointed a Responsible Officer to conduct reviews on a termly basis. Risks are managed and insurance is taken where necessary, for example, staffing insurance is taken out to mitigate the cost of long term sickness.

GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

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 the Academy's 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 Alfriston School for the period 1 September 2014 to 31 August 2015 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The Trustees have reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Trustees are of the view that there is a formal on-going process for identifying, evaluating and managing the Academy's significant risks that has been in place for the period 1 September 2014 to 31 August 2015 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Trustees.

THE RISK AND CONTROL FRAMEWORK

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Trustees;
- regular reviews by the Finance 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 Trustees have considered the need for a specific internal audit function and has decided to appoint Mr A. Phakkey as Responsible Officer.

GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

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

- testing of payroll systems
- testing of purchase systems
- testing of control account and bank reconciliations
- review of contracts in place and income streams
- review of VAT returns and reimbursements

On a termly basis, the Responsible Officer reports to the Trustees, through the Finance Committee on the operation of the systems of control and on the discharge of the Trustees' financial responsibilities. These reports have been delivered as scheduled to each Finance Committee meeting and there have not been any material control issues arising.

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 executive managers within the Academy who have responsibility for the development and maintenance of the internal control framework.

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

Approved by the Trustees on 7 December 2015 and signed on their behalf by:

Mr K C Jones
Chair of Governors

Mrs J Male
Accounting Officer

ALFRISTON SCHOOL
(A Company Limited by Guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE
FOR THE YEAR ENDED 31 AUGUST 2015

As accounting officer of Alfriston School I have considered my responsibility to notify the Trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Academy 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.

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

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 Trustees and EFA.

Mrs J Male
Accounting Officer

7 December 2015

ALFRISTON SCHOOL
(A Company Limited by Guarantee)

TRUSTEES' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2015

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2005;
- 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 Group will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company and the Group's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and the Group 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for ensuring that in its conduct and operation the charitable company and the Group 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 EFA/DfE have been applied for the purposes intended.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the Group'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 Governing Body on 7 December 2015 and signed on its behalf by:

Mr K C Jones
Chair of Governors

ALFRISTON SCHOOL
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ALFRISTON SCHOOL

We have audited the financial statements of Alfriston School for the year ended 31 August 2015 which comprise the Group Statement of Financial Activities, the Group and Academy Balance Sheets, the Group Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

This report is made solely to the Academy's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Academy's members those matters we are required to state to them in an 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 and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

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

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

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

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

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and the parent Academy's affairs as at 31 August 2015 and of the Group's 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 and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

ALFRISTON SCHOOL
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ALFRISTON SCHOOL

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

Bianca Silva (ACA) (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

15 December 2015

ALFRISTON SCHOOL
(A Company Limited by Guarantee)

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO ALFRISTON SCHOOL AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 10 July 2015 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Alfriston School during the year 1 September 2014 to 31 August 2015 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 Alfriston School and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Alfriston School and EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Alfriston School and EFA, for our work, for this report, or for the conclusion we have formed.

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

The accounting officer is responsible, under the requirements of Alfriston School's funding agreement with the Secretary of State for Education dated 29 February 2012, and the Academies Financial Handbook extant from 1 September 2014, 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 2014 to 2015. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2014 to 31 August 2015 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 2014 to 2015 issued by EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

ALFRISTON SCHOOL
(A Company Limited by Guarantee)

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO ALFRISTON SCHOOL AND THE EDUCATION FUNDING AGENCY (continued)

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.

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 2014 to 31 August 2015 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

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

15 December 2015

ALFRISTON SCHOOL
(A Company Limited by Guarantee)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating Income and Expenditure Account and Statement of Total Recognised Gains and Losses)
FOR THE YEAR ENDED 31 AUGUST 2015

	Note	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	Total funds 2014 £
INCOMING RESOURCES						
Incoming resources from generated funds:						
Voluntary income	2	-	26,510	117,700	144,210	44,551
Activities for generating funds	3,4	135,912	22,153	-	158,065	105,484
Investment income	5	3,411	-	-	3,411	1,133
Incoming resources from charitable activities	6	-	2,502,534	17,814	2,520,348	3,351,410
TOTAL INCOMING RESOURCES		139,323	2,551,197	135,514	2,826,034	3,502,578
RESOURCES EXPENDED						
Costs of generating funds:						
Fundraising expenses and other costs	4	48,152	-	-	48,152	-
Charitable activities	8	43,900	2,457,243	112,717	2,613,860	2,367,085
Governance costs	9	-	15,128	-	15,128	15,450
TOTAL RESOURCES EXPENDED	7	92,052	2,472,371	112,717	2,677,140	2,382,535
NET INCOMING RESOURCES BEFORE TRANSFERS		47,271	78,826	22,797	148,894	1,120,043
Transfers between funds	20	-	(66,539)	66,539	-	-
NET INCOME FOR THE YEAR		47,271	12,287	89,336	148,894	1,120,043
Actuarial gains and losses on defined benefit pension schemes		-	(12,000)	-	(12,000)	48,000
NET MOVEMENT IN FUNDS FOR THE YEAR		47,271	287	89,336	136,894	1,168,043
Total funds 1 September 2014		61,667	54,634	4,039,770	4,156,071	2,988,028
TOTAL FUNDS 31 AUGUST 2015		108,938	54,921	4,129,106	4,292,965	4,156,071

All activities relate to continuing operations.
The Statement of Financial Activities includes all gains and losses recognised in the year.
The notes on pages 26 to 48 form part of these financial statements.

ALFRISTON SCHOOL
(A Company Limited by Guarantee)
REGISTERED NUMBER: 07916763

CONSOLIDATED BALANCE SHEET
AS AT 31 AUGUST 2015

	Note	£	2015 £	£	2014 £
FIXED ASSETS					
Tangible assets	15		4,120,819		3,995,658
CURRENT ASSETS					
Debtors	17	89,777		394,674	
Cash at bank and in hand		1,297,715		1,067,762	
		1,387,492		1,462,436	
CREDITORS: amounts falling due within one year	18	(435,146)		(608,023)	
NET CURRENT ASSETS			952,346		854,413
TOTAL ASSETS LESS CURRENT LIABILITIES			5,073,165		4,850,071
CREDITORS: amounts falling due after more than one year	19		(31,200)		-
NET ASSETS EXCLUDING PENSION SCHEME LIABILITY			5,041,965		4,850,071
Defined benefit pension scheme liability	26		(749,000)		(694,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITY			4,292,965		4,156,071
FUNDS OF THE ACADEMY					
Restricted funds:					
Restricted funds	20	803,921		748,634	
Restricted fixed asset funds	20	4,129,106		4,039,770	
Restricted funds excluding pension liability		4,933,027		4,788,404	
Pension reserve		(749,000)		(694,000)	
Total restricted funds			4,184,027		4,094,404
Unrestricted funds	20		108,938		61,667
TOTAL FUNDS			4,292,965		4,156,071

The financial statements were approved by the Trustees, and authorised for issue, on 7 December 2015 and are signed on their behalf, by:

Mr K C Jones
Chair of Governors

Mrs J Male
Accounting Officer

The notes on pages 26 to 48 form part of these financial statements.

ALFRISTON SCHOOL
(A Company Limited by Guarantee)
REGISTERED NUMBER: 07916763

ACADEMY BALANCE SHEET
AS AT 31 AUGUST 2015

	Note	£	2015 £	£	2014 £
FIXED ASSETS					
Tangible assets	15		4,120,819		3,995,658
Investments	16		1		-
			4,120,820		3,995,658
CURRENT ASSETS					
Debtors	17	114,515		394,674	
Cash at bank and in hand		1,289,380		1,067,762	
		1,403,895		1,462,436	
CREDITORS: amounts falling due within one year	18	(435,146)		(608,023)	
NET CURRENT ASSETS			968,749		854,413
TOTAL ASSETS LESS CURRENT LIABILITIES			5,089,569		4,850,071
CREDITORS: amounts falling due after more than one year	19		(31,200)		-
NET ASSETS EXCLUDING PENSION SCHEME LIABILITY			5,058,369		4,850,071
Defined benefit pension scheme liability	26		(749,000)		(694,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITY			4,309,369		4,156,071
FUNDS OF THE ACADEMY					
Restricted funds:					
Restricted funds	21	803,921		748,634	
Restricted fixed asset funds	21	4,129,106		4,039,770	
Restricted funds excluding pension asset		4,933,027		4,788,404	
Pension reserve		(749,000)		(694,000)	
Total restricted funds			4,184,027		4,094,404
Unrestricted funds	21		125,342		61,667
TOTAL FUNDS			4,309,369		4,156,071

The financial statements were approved by the Trustees, and authorised for issue, on 7 December 2015 and are signed on their behalf, by:

Mr K C Jones
Chair of Governors

Mrs J Male
Accounting Officer

The notes on pages 26 to 48 form part of these financial statements.

ALFRISTON SCHOOL
(A Company Limited by Guarantee)

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2015

	Note	2015 £	2014 £
Net cash flow from operating activities	23	410,608	233,161
Returns on investments and servicing of finance	24	3,411	1,133
Capital expenditure and financial investment	24	(220,066)	(926,050)
CASH INFLOW/(OUTFLOW) BEFORE FINANCING		193,953	(691,756)
Financing	24	36,000	-
INCREASE/(DECREASE) IN CASH IN THE YEAR		229,953	(691,756)

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS
FOR THE YEAR ENDED 31 AUGUST 2015

	2015 £	2014 £
Increase/(Decrease) in cash in the year	229,953	(691,756)
Cash outflow from decrease in debt and lease financing	(36,000)	-
MOVEMENT IN NET FUNDS IN THE YEAR	193,953	(691,756)
Net funds at 1 September 2014	1,067,762	1,759,518
NET FUNDS AT 31 AUGUST 2015	1,261,715	1,067,762

The notes on pages 26 to 48 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention except for investments that are shown at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, the Academies Accounts Direction 2014 to 2015 issued by EFA, applicable accounting standards and the Companies Act 2006.

The Statement of Financial Activities (SOFA) and Balance Sheet consolidate the financial statements of the Academy and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

No separate SOFA has been presented for the Academy alone as permitted by section 408 of the Companies Act 2006 and paragraph 397 of the SORP.

1.2 Incoming resources

All incoming resources are included in the Statement of Financial Activities when the Academy has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

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

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund.

Capital grants are recognised when receivable 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.

The value of donated services and gifts in kind provided to the Academy are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the Academy can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Academy's policies.

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

1. ACCOUNTING POLICIES (continued)

1.3 Resources expended

Expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities are costs incurred in the Academy's educational operations.

Governance costs include the costs attributable to the Academy's compliance with constitutional and statutory requirements, including audit, strategic management and Trustees' meetings and reimbursed expenses.

1.4 Fund accounting

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

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

Restricted general funds comprise all other restricted funds received and include grants from the Department for Education.

1.5 Going concern

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy to continue as a going concern. The Trustees make this assessment in respect of a period of one year from the date of approval of the financial statements.

1.6 Basis of consolidation

The financial statements consolidate the accounts of Alfriston School and all of its subsidiary undertakings ('subsidiaries').

The results of subsidiaries acquired during the year are included from the effective date of acquisition.

The Academy has taken advantage of the exemption contained within 408 of the Companies Act 2006 not to present its own Income and Expenditure Account.

The net income for the year dealt with in the accounts of the Academy was £154,701 (2014 - £1,168,043).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

1. ACCOUNTING POLICIES (continued)

1.7 Tangible fixed assets and depreciation

ICT equipment costing more than £500 and other tangible fixed assets costing more than £1,000 are capitalised at cost 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. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and are carried forward in the Balance Sheet.

The cost of tangible fixed assets transferred on conversion to Academy Trust status is stated as follows:

- Land and buildings at their depreciated replacement cost based on a professional valuation.
- Other assets at their depreciated value as at the date of conversion.

Additions to land and buildings and other assets since conversion including assets in the course of construction, are initially included at cost.

Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy Trust's depreciation policy.

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.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold land and buildings	-	2% per annum on cost
Motor vehicles	-	10% per annum on cost
Equipment	-	20% per annum on cost
Fixtures and furniture	-	6.6% per annum on cost
ICT equipment	-	33% per annum on cost

1.8 Investments

Investments are stated at market value at the balance sheet date. The Statement of Financial Activities includes the net gains and losses arising on revaluations and disposals throughout the year.

Investments in subsidiaries are valued at cost less provision for impairment.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

1. ACCOUNTING POLICIES (continued)

1.9 Operating leases

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

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

1.10 Taxation

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

1.11 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 26, the TPS is a multi-employer scheme and the Academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the Academy 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 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 gains and losses on the settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

ALFRISTON SCHOOL
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

2. VOLUNTARY INCOME

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Donations	-	144,210	144,210	44,551

3. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Rental income	19,398	-	19,398	14,328
Catering income	-	20,006	20,006	18,788
Other income	84,766	2,147	86,913	72,368
	<u>104,164</u>	<u>22,153</u>	<u>126,317</u>	<u>105,484</u>

4. TRADING ACTIVITIES

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Charity trading income				
Income of trading subsidiary	31,748	-	31,748	-
Fundraising trading expenses				
Expenses of trading subsidiary	48,152	-	48,152	-
Net expenditure from trading activities	<u>(16,404)</u>	<u>-</u>	<u>(16,404)</u>	<u>-</u>

5. INVESTMENT INCOME

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Bank interest receivable	3,411	-	3,411	1,133

ALFRISTON SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

6. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
DfE/EFA grants				
General Annual Grant (GAG)	-	1,488,268	1,488,268	1,436,416
Pupil premium	-	52,472	52,472	39,825
Other DfE/EFA grants	-	13,023	13,023	26,237
Academies capital maintenance	-	9,291	9,291	826,280
Devolved formula capital	-	8,523	8,523	16,336
	-	1,571,577	1,571,577	2,345,094
Other government grants				
Other government grants	-	28,800	28,800	25,416
SEN funding	-	919,971	919,971	954,989
	-	948,771	948,771	980,405
Other funding				
Other income	-	-	-	25,911
	-	-	-	25,911
	-	2,520,348	2,520,348	3,351,410

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

7. RESOURCES EXPENDED

	Staff costs	Non Pay Premises	Expenditure Other costs	Total	Total
	2015	2015	2015	2015	2014
	£	£	£	£	£
Fundraising expenses	18,907	20,054	9,191	48,152	-
Costs of generating funds	18,907	20,054	9,191	48,152	-
Direct costs	1,415,600	-	241,150	1,656,750	1,652,839
Support costs	364,606	336,561	255,943	957,110	714,246
Charitable activities	1,780,206	336,561	497,093	2,613,860	2,367,085
Governance costs	-	-	15,128	15,128	15,450
	1,799,113	356,615	521,412	2,677,140	2,382,535

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8. CHARITABLE ACTIVITIES

	Total funds 2015 £	Total funds 2014 £
DIRECT COSTS - EDUCATIONAL OPERATIONS		
Teaching and educational support wages and salaries	1,415,600	1,394,350
Staff development	19,203	24,134
Educational consultancy	92,759	103,193
Technology costs	25,617	26,578
Educational supplies	71,899	65,185
Examination fees	7,427	9,047
Trips and travel costs	20,378	27,120
Other direct costs	3,867	3,232
	<u>1,656,750</u>	<u>1,652,839</u>
SUPPORT COSTS - EDUCATIONAL OPERATIONS		
Support staff wages and salaries	364,606	294,644
Depreciation	112,717	30,131
Pension finance costs	17,000	28,000
Recruitment and support	8,223	3,977
Catering supplies	89,342	86,056
Maintenance of premises and equipment	148,580	78,668
Cleaning	23,800	23,376
Energy	63,947	49,119
Rates	7,330	6,119
Legal and professional	21,845	18,765
Non staff related insurance	32,922	32,268
Other support costs	51,215	44,644
Security and transport	15,366	18,385
Bank charges	217	94
	<u>957,110</u>	<u>714,246</u>
	<u><u>2,613,860</u></u>	<u><u>2,367,085</u></u>

9. GOVERNANCE COSTS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Audit fees	-	6,300	6,300	6,500
Accountancy fees	-	8,828	8,828	8,950
	<u>-</u>	<u>15,128</u>	<u>15,128</u>	<u>15,450</u>
	<u><u>-</u></u>	<u><u>15,128</u></u>	<u><u>15,128</u></u>	<u><u>15,450</u></u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

10. NET INCOMING RESOURCES

This is stated after charging:

	2015 £	2014 £
Depreciation of tangible fixed assets: - owned by the group	112,718	30,131
Auditors' remuneration	6,300	6,500
Auditors' remuneration - non-audit	8,828	8,950
	<u>127,846</u>	<u>45,581</u>

11. STAFF

a. Staff costs

Staff costs were as follows:

	2015 £	2014 £
Wages and salaries	1,419,881	1,345,037
Social security costs	95,230	97,828
Other pension costs (Note 26)	254,018	205,651
	<u>1,769,129</u>	<u>1,648,516</u>
Supply teacher costs	29,984	40,478
	<u>1,799,113</u>	<u>1,688,994</u>

b. Staff numbers

The average number of persons employed by the Academy during the year expressed as full time equivalents was as follows:

	2015 No.	2014 No.
Teachers	14	14
Administration and support	23	23
Management	4	4
	<u>41</u>	<u>41</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

11. STAFF (continued)

c. Higher paid staff

The number of employees whose emoluments fell within the following bands was:

	2015	2014
	No.	No.
In the band £60,001 - £70,000	1	1
In the band £70,001 - £80,000	1	1
In the band £80,001 - £90,000	1	1
	=====	=====

The above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2015, pension contributions for these staff amounted to £32,566 (2014: £31,509).

12. TRUSTEES' REMUNERATION AND EXPENSES

One or more Trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The Headteacher and other staff Trustees 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 Trustees. The value of Trustees' remuneration and other benefits was as follows:

		2015	2014
		£	£
J Male	Headteacher Remuneration	85,000-90,000	85,000-90,000
	Employer's pension contributions	10,000-15,000	10,000-15,000
A Blackburn-Levitt	Remuneration	30,000-35,000	25,000-30,000
	Employer's pension contributions	5,000-10,000	5,000-10,000
N Phakkey	Remuneration	35,000-40,000	35,000-40,000
	Employer's pension contributions	5,000-10,000	5,000-10,000

During the year, one Trustee received reimbursement of travel expenses totalling £58 (2014 - £NIL).

Other related party transactions involving trustees are set out in note 28.

13. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £3,000,000 on any one claim and the cost for the year ended 31 August 2015 was £2,003 (2014 - £1,890). The cost of this insurance is included in the total insurance cost.

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NOTES TO THE FINANCIAL STATEMENTS
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14. PENSION FINANCE COSTS

	2015 £	2014 £
Expected return on pension scheme assets	33,000	24,000
Interest on pension scheme liabilities	(50,000)	(52,000)
	<u>(17,000)</u>	<u>(28,000)</u>

15. TANGIBLE FIXED ASSETS

Group and Academy	Leasehold land and buildings £	Motor vehicles £	Equipment £	Fixtures and Furniture £	ICT equipment £	Total £
Cost						
At 1 September 2014	3,672,026	20,500	314,806	-	54,833	4,062,165
Additions	109,678	14,695	23,424	31,196	58,886	237,879
At 31 August 2015	<u>3,781,704</u>	<u>35,195</u>	<u>338,230</u>	<u>31,196</u>	<u>113,719</u>	<u>4,300,044</u>
Depreciation						
At 1 September 2014	31,053	1,025	9,350	-	25,079	66,507
Charge for the year	55,848	2,169	33,851	867	19,983	112,718
At 31 August 2015	<u>86,901</u>	<u>3,194</u>	<u>43,201</u>	<u>867</u>	<u>45,062</u>	<u>179,225</u>
Net book value						
At 31 August 2015	<u>3,694,803</u>	<u>32,001</u>	<u>295,029</u>	<u>30,329</u>	<u>68,657</u>	<u>4,120,819</u>
At 31 August 2014	<u>3,640,973</u>	<u>19,475</u>	<u>305,456</u>	<u>-</u>	<u>29,754</u>	<u>3,995,658</u>

The Academy's transactions relating to land and buildings included:

- construction of pool at a value of £109,678.

16. FIXED ASSET INVESTMENTS

Academy	Shares in group undertakings £
Market value	
At 1 September 2014	-
Additions	1
At 31 August 2015	<u>1</u>

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FOR THE YEAR ENDED 31 AUGUST 2015

16. FIXED ASSET INVESTMENTS (continued)

Academy investments at market value comprise:

	2015 £
Alfriston Pool Limited, incorporated in England and Wales	<u>1</u>

The Academy holds 100% of the shares in this company which provides leisure activities.

17. DEBTORS

	<u>Group</u>		<u>Academy</u>	
	2015 £	2014 £	2015 £	2014 £
Trade debtors	3,488	6,256	3,488	6,256
Amounts owed by group undertakings	-	-	24,738	-
Other debtors	-	1,749	-	1,749
Prepayments and accrued income	50,809	237,773	50,809	237,773
VAT recoverable	35,480	148,896	35,480	148,896
	<u>89,777</u>	<u>394,674</u>	<u>114,515</u>	<u>394,674</u>

18. CREDITORS:
Amounts falling due within one year

	<u>Group</u>		<u>Academy</u>	
	2015 £	2014 £	2015 £	2014 £
SALIX loan	4,800	-	4,800	-
Trade creditors	186,670	406,172	186,670	406,172
Other creditors	988	320	988	320
Accruals and deferred income	242,688	201,531	242,688	201,531
	<u>435,146</u>	<u>608,023</u>	<u>435,146</u>	<u>608,023</u>

	<u>Group</u>	<u>Academy</u>
	£	£
Deferred income		
Deferred income at 1 September 2014	30,940	30,940
Resources deferred during the year	91,426	91,426
Amounts released from previous years	(30,940)	(30,940)
Deferred income at 31 August 2015	<u>91,426</u>	<u>91,426</u>

Deferred income relates to GAG insurance reimbursement, Sports England and phone mast rental income.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

18. CREDITORS:
Amounts falling due within one year (continued)

The SALIX loan totals £36,000 and is payable at a rate of £4,800 per annum over 7 and a half years. No interest is charged on this loan.

19. CREDITORS:
Amounts falling due after more than one year

	Group		Academy	
	2015	2014	2015	2014
	£	£	£	£
SALIX loan	31,200	-	31,200	-

20. STATEMENT OF FUNDS - GROUP

	Brought forward	Incoming resources	Resources expended	Transfers in/(out)	Gains/(losses)	Carried forward
	£	£	£	£	£	£
Unrestricted funds						
General unrestricted funds	61,667	107,575	(43,900)	-	-	125,342
Trading subsidiary	-	31,748	(48,152)	-	-	(16,404)
	61,667	139,323	(92,052)	-	-	108,938
Restricted funds						
General Annual Grant (GAG)	439,399	1,488,268	(1,366,442)	(66,539)	-	494,686
Other DfE/EFA grants	-	13,023	(13,023)	-	-	-
Funds transferred on conversion	309,235	-	-	-	-	309,235
Pupil premium	-	52,472	(52,472)	-	-	-
SEN income	-	919,971	(919,971)	-	-	-
Other Government grants	-	28,800	(28,800)	-	-	-
Other restricted funds	-	48,663	(48,663)	-	-	-
Defined benefit pension scheme	(694,000)	-	(43,000)	-	(12,000)	(749,000)
	54,634	2,551,197	(2,472,371)	(66,539)	(12,000)	54,921

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

20. STATEMENT OF FUNDS - GROUP (continued)

Restricted fixed asset funds

Fixed asset fund	4,039,770	-	(112,717)	193,766	-	4,120,819
Academies capital maintenance	-	9,291	-	(9,291)	-	-
Donations	-	117,700	-	(117,700)	-	-
Devolved formula capital	-	8,523	-	(236)	-	8,287
	4,039,770	135,514	(112,717)	66,539	-	4,129,106
Total restricted funds	4,094,404	2,686,711	(2,585,088)	-	(12,000)	4,184,027
Total of funds	4,156,071	2,826,034	(2,677,140)	-	(12,000)	4,292,965

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

- 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 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.
- All general funds are held for the purpose of education in line with the academy's objectives.
- The transfers between the restricted General Annual Grant fund to the restricted fixed asset funds of £66,539 represents amounts capitalised during the period.
- The Restricted Fixed Asset fund represents the net book value of capitalised fixed assets, together with unspent capital grants of £8,287.
- Other Government grants and DfE/EFA grants represent grants from the respective bodies as shown in note 6.
- The pension reserve fund 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 was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2015.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

21. STATEMENT OF FUNDS - ACADEMY

	Brought forward £	Incoming resources £	Resources expended £	Transfers in/(out) £	Gains/ (losses) £	Carried forward £
Unrestricted funds						
General unrestricted funds	61,667	107,575	(43,900)	-	-	125,342
	<u>61,667</u>	<u>107,575</u>	<u>(43,900)</u>	<u>-</u>	<u>-</u>	<u>125,342</u>
Restricted funds						
General Annual Grant (GAG)	439,399	1,488,268	(1,366,442)	(66,539)	-	494,686
Funds transferred on conversion	309,235	-	-	-	-	309,235
Pupil premium	-	52,472	(52,472)	-	-	-
Other DfE/EFA grants	-	13,023	(13,023)	-	-	-
SEN income	-	919,971	(919,971)	-	-	-
Other Government grants	-	28,800	(28,800)	-	-	-
Other restricted funds	-	48,663	(48,663)	-	-	-
Pension reserve	(694,000)	-	(43,000)	-	(12,000)	(749,000)
Sub total	<u>54,634</u>	<u>2,551,197</u>	<u>(2,472,371)</u>	<u>(66,539)</u>	<u>(12,000)</u>	<u>54,921</u>
Restricted fixed asset funds						
DfE/EFA capital grant	-	-	-	-	-	-
Fixed asset fund	4,039,770	-	(112,717)	193,766	-	4,120,819
Academies capital maintenance	-	9,291	-	(9,291)	-	-
Donations	-	117,700	-	(117,700)	-	-
Devolved formula capital	-	8,523	-	(236)	-	8,287
	<u>4,039,770</u>	<u>135,514</u>	<u>(112,717)</u>	<u>66,539</u>	<u>-</u>	<u>4,129,106</u>
Total restricted funds	<u>4,094,404</u>	<u>2,686,711</u>	<u>(2,585,088)</u>	<u>-</u>	<u>(12,000)</u>	<u>4,184,027</u>
Total of funds	<u><u>4,156,071</u></u>	<u><u>2,794,286</u></u>	<u><u>(2,628,988)</u></u>	<u><u>-</u></u>	<u><u>(12,000)</u></u>	<u><u>4,309,369</u></u>

NOTES TO THE FINANCIAL STATEMENTS
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STATEMENT OF FUNDS - ACADEMY (continued)

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

- 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 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.
- All general funds are held for the purpose of education in line with the academy's objectives.
- The transfers between the restricted General Annual Grant fund to the restricted fixed asset funds of £66,539 represents amounts capitalised during the period.
- The Restricted Fixed Asset fund represents the net book value of capitalised fixed assets, together with unspent capital grants of £8,287.
- Other Government grants and DfE/EFA grants represent grants from the respective bodies as shown in note 6.
- The pension reserve fund 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 2015.

22. ANALYSIS OF NET ASSETS BETWEEN FUNDS - GROUP

	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	Total funds 2014 £
Tangible fixed assets	-	-	4,120,819	4,120,819	3,995,658
Current assets	108,938	1,270,267	8,287	1,387,492	1,462,436
Creditors due within one year	-	(435,146)	-	(435,146)	(608,023)
Creditors due in more than one year	-	(31,200)	-	(31,200)	-
Pension liability	-	(749,000)	-	(749,000)	(694,000)
	108,938	54,921	4,129,106	4,292,965	4,156,071

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

23. NET CASH FLOW FROM OPERATING ACTIVITIES - GROUP

	2015 £	2014 £
Net incoming resources before revaluations	148,894	1,120,043
Returns on investments and servicing of finance	(3,411)	(1,133)
Depreciation of tangible fixed assets	112,718	30,131
Capital grants from DfE	(17,814)	(842,616)
Decrease/(increase) in debtors	304,897	(292,900)
(Decrease)/increase in creditors	(177,676)	183,636
FRS 17 adjustments	43,000	36,000
	<u>410,608</u>	<u>233,161</u>
Net cash inflow from operations	<u>410,608</u>	<u>233,161</u>

24. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2015 £	2014 £
Returns on investments and servicing of finance		
Interest received	3,411	1,133
	<u>3,411</u>	<u>1,133</u>
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(237,879)	(1,768,666)
Purchase of short term unlisted investments	(1)	-
Capital grants from DfE	17,814	842,616
	<u>(220,066)</u>	<u>(926,050)</u>
Net cash outflow capital expenditure	<u>(220,066)</u>	<u>(926,050)</u>
Financing		
New secured loans	36,000	-
	<u>36,000</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

25. ANALYSIS OF CHANGES IN NET FUNDS

	1 September 2014 £	Cash flow £	Other non-cash changes £	31 August 2015 £
Cash at bank and in hand:	1,067,762	229,953	-	1,297,715
Debt:				
Debts due within one year	-	(4,800)	-	(4,800)
Debts falling due after more than one year	-	(31,200)	-	(31,200)
Net funds	1,067,762	193,953	-	1,261,715

26. PENSION COMMITMENTS

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

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

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

NOTES TO THE FINANCIAL STATEMENTS
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26. PENSION COMMITMENTS (continued)

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

During the year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4% from September 2015, which will be payable during the implementation period until the next valuation as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £131,000 (2014: £115,000).

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

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The Academy has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Academy 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 2015 was £125,000, of which employer's contributions totalled £98,000 and employees' contributions totalled £27,000. The agreed contribution rates for future years are 22.8% 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

26. PENSION COMMITMENTS (continued)

The Academy's share of the assets and liabilities in the scheme and the expected rates of return were:

	Expected return at 31 August 2015 %	Fair value at 31 August 2015 £	Expected return at 31 August 2014 %	Fair value at 31 August 2014 £
Equities	7.10	364,000	6.70	303,000
Bonds	3.40	82,000	3.60	67,000
Property	6.00	52,000	5.90	41,000
Cash	2.30	22,000	2.90	9,000
Gilts	2.60	80,000	3.00	71,000
Alternative assets	7.10	60,000	6.70	45,000
Total market value of assets		<u>660,000</u>		<u>536,000</u>
Present value of scheme liabilities		<u>(1,409,000)</u>		<u>(1,230,000)</u>
Deficit in the scheme		<u><u>(749,000)</u></u>		<u><u>(694,000)</u></u>

The expected rate of return is estimated to be 5.7% per the actuarial report based on the estimated fund value used at the accounting date.

The actual return on scheme assets was £21,000 (2014: £45,000).

The amounts recognised in the Balance Sheet are as follows:

	2015 £	2014 £
Present value of funded obligations	(1,409,000)	(1,230,000)
Fair value of scheme assets	660,000	536,000
Net liability	<u>(749,000)</u>	<u>(694,000)</u>

The amounts recognised in the Statement of Financial Activities are as follows:

	2015 £	2014 £
Current service cost	(124,000)	(94,000)
Interest on obligation	(50,000)	(52,000)
Expected return on scheme assets	33,000	24,000
Total	<u>(141,000)</u>	<u>(122,000)</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

26. PENSION COMMITMENTS (continued)

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

	2015	2014
	£	£
Opening defined benefit obligation	1,230,000	1,076,000
Current service cost	124,000	94,000
Interest cost	50,000	52,000
Contributions by scheme participants	27,000	23,000
Actuarial losses	-	42,000
Benefits paid	(22,000)	(57,000)
	<hr/>	<hr/>
Closing defined benefit obligation	1,409,000	1,230,000
	<hr/> <hr/>	<hr/> <hr/>

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

	2015	2014
	£	£
Opening fair value of scheme assets	536,000	370,000
Expected return on assets	33,000	24,000
Actuarial gains and (losses)	(12,000)	90,000
Contributions by employer	98,000	86,000
Contributions by employees	27,000	23,000
Benefits paid	(22,000)	(57,000)
	<hr/>	<hr/>
	660,000	536,000
	<hr/> <hr/>	<hr/> <hr/>

The cumulative amount of actuarial losses recognised in the Statement of Financial Activities since the adoption of FRS17 was £25,000 (2014 - £13,000).

The Academy expects to contribute £118,000 to its Defined Benefit Pension Scheme in 2016.

Principal actuarial assumptions at the Balance Sheet date (expressed as weighted averages):

	2015	2014
Discount rate for scheme liabilities	3.90 %	3.90 %
Rate of increase in salaries	4.40 %	4.40 %
Rate of increase for pensions in payment / inflation	2.60 %	2.60 %
Inflation assumption (CPI)	2.60 %	2.60 %
RPI increases	3.50 %	3.40 %

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NOTES TO THE FINANCIAL STATEMENTS
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26. PENSION COMMITMENTS (continued)

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

	2015	2014
Retiring today		
Males	23.7	23.6
Females	26.1	26.0
Retiring in 20 years		
Males	26.0	25.8
Females	28.4	28.3

Amounts for the current and previous four periods are as follows:

Defined benefit pension schemes

	2015	2014	2013	2012	2011
	£	£	£	£	£
Present value of defined benefit obligation	(1,409,000)	(1,230,000)	(1,076,000)	(906,000)	(800,000)
Fair value of scheme assets	660,000	536,000	370,000	247,000	191,000
Deficit in the scheme	(749,000)	(694,000)	(706,000)	(659,000)	(609,000)
Experience adjustments on scheme liabilities	-	44,000	-	-	-
Experience adjustments on scheme assets	(12,000)	90,000	29,000	3,000	-

27. OPERATING LEASE COMMITMENTS

At 31 August 2015 the Group had annual commitments under non-cancellable operating leases as follows:

	2015	2014
	£	£
Group and Academy		
Expiry date:		
Between 2 and 5 years	1,325	574

NOTES TO THE FINANCIAL STATEMENTS
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28. RELATED PARTY TRANSACTIONS

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

No related party transactions took place in the year, except as disclosed in note 12.

29. 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.