

**ALFRISTON SCHOOL**

**(A Company Limited by Guarantee)**

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2016**

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**ALFRISTON SCHOOL**

**(A Company Limited by Guarantee)**

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**REFERENCE AND ADMINISTRATIVE DETAILS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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**Members**

Mr Peter Cullimore  
Mr Keith C Jones  
Mrs Jinna Male  
Ms Heather McCallum  
Mr Ian Tencor

**Trustees / Governors**

Mrs Amanda J Blackburn-Levitt (Staff Governor)  
Mr George Bodiam (Parent Governor)  
Mr Christopher J Carter (Parent Governor) – Term of office ended 06/07/16  
Mr Peter Cullimore (Community Governor) – Term of office ended 21/01/16  
Mr Paul Donald (Parent Governor) – appointed 06/07/16  
Mr Tor Farquhar (Parent Governor) – appointed 07/12/15  
Mr Keith C Jones (Parent Governor)  
Mrs Milena Kurgo (Parent Governor)  
Mrs Jinna Male (Headteacher and Accounting Officer)  
Ms Heather McCallum (Community Governor and Vice Chair of Governors)  
Mrs Neena Phakkey (Staff Governor)  
Mr Stuart Price (Parent Governor) – appointed 21/09/2016  
Mr Colin Schnadhorst (Community Governor)  
Mrs Mary Sharp (Co-opted Governor) – appointed 23/11/2016  
Mrs Siobhan Towers (Parent Governor) – Term of office ended 06/07/16  
Mrs Susan Ware (Parent Governor)  
Mr Larry Zalcman (Community Governor) – appointed 09/03/16

**Senior Management Team**

Mrs Jinna Male (Headteacher)  
Mrs Fiona Holmes-Lubiewski (Deputy Headteacher) – retired 31/08/16  
Mr Trevor Hails (Assistant Headteacher) – appointed Deputy Headteacher 01/09/16  
Mrs Anne Pickford (Academy Business Director)  
Mr David Waterman (Assistant Headteacher) – appointed 01/09/16  
Mrs Rachel Chapman (Assistant Headteacher) – appointed 01/09/16

**Company Name**

Alfriston School

**Principal and registered office**

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

**Company registered number**

07916763 (England & Wales)

**Responsible Officer**

Mr Anil Phakkey, Accountant (September – December 2015)  
Mr Bernard O'Sullivan, Accountant (January – August 2016)

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**REFERENCE AND ADMINISTRATIVE DETAILS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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**Independent Auditors**

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

**Bankers**

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

**Solicitors**

Veale Wasborough Vizards, Narrow Quay House, Narrow Quay, Bristol, BS1 4QA

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**ALFRISTON SCHOOL**  
**(A Company Limited by Guarantee)**

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

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The Trustees present their annual report together with the financial statements and auditors' report of Alfriston School ("the **Academy**") for the year from 1 September to 31 August 2016. 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 150 pupils and had a roll of 143 in the school census for the summer term 2016. The school roll has risen to 148 in September 2016.

## **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 charitable company 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 pages 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 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 £2003.

### **Method of Recruitment and Appointment or Election of Trustees**

The members of the governing body of the predecessor school as at 29<sup>th</sup> February 2012 were appointed as Trustees from 1<sup>st</sup> 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.

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

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**Method of Recruitment and Appointment or Election of Trustees (continued)**

- The skills of existing Trustees and any perceived gaps in such skills.

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

- 4 community governors
- 8 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, 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 a New Governor Welcome Pack from Buckinghamshire Learning Trust. 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.

**Organisational Structure**

The structure consists of three levels: the Trustees, Senior Management Team (“SMT”) 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 Financial 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 Management Team which is done in conjunction with the Trustees.

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

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**Organisational Structure (continued)**

During the financial year the Senior Management Team comprised the Headteacher, Deputy Headteacher, Assistant Headteacher and the Academy Business Director. From the 1<sup>st</sup> September 2016 an additional Assistant Headteacher has been appointed following the growth in pupil numbers since 2012. The SMT have responsibility for the Academy at an executive level implementing the policies laid down by the Trustees and reporting back to them. The SMT meet fortnightly 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 SMT or the Trustees (or both).

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

The key management personnel for the Academy are the Headteacher, Deputy Headteacher, the Academy Business Director and the Trustees. The Headteacher, Deputy Headteacher, and the Academy Business Director are paid in accordance with the pay range agreed with the Trustees for the particular role. The Headteacher conducts annual performance management reviews for the Deputy Headteacher and Academy Business Director, and reviews pay, within the agreed range, as part of that review. Two Trustees, together with a third party education advisor form a panel to conduct the annual performance management and pay review for the Headteacher.

The Trustees are not remunerated for their role as a Trustee, staff governors are paid in accordance with their other duties within the organisation only and their remuneration is set according to the appropriate pay range for those duties and reviewed at their annual performance management meeting in the same way as other staff conducting those or similar duties.

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

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

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.

**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.

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

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**Objectives, Strategies and Activities (continued)**

- 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.

Alfriston has continued to be successful in achieving these aims, in enabling our pupils to develop independence and confidence and to acquire the skills and appropriate qualifications to prepare them for their next stage:

- Students achieved very well in GCSE, Entry Level and Functional Skills, this was the first year that students were entered for GCSE English and 7 girls passed really well, one at Grade C.
- 3 of the 4 Year 11 pupils who passed GCSE Maths scored a higher grade than predicted given the Fischer Family Trust data (2015) estimated grades 2016. 1 of these students scored 2 grades higher than estimated. In 2016, 5 girls passed Maths and the two who were unsuccessful, failed by one mark!
- Vocational qualifications – A significant number of students gained Diplomas in Vocational Studies at L1 or E3 and other qualifications in Caring for Children, Sport and Active Leisure, Home Cooking Skills and IT Users
- Alfriston also offered qualifications which reflect achievement in other important life skill areas, such as Work Experience Awards, Health and Safety Awards, Duke of Edinburgh Award at Bronze and Silver Level and Skills for Independence and Work.
- Great emphasis was placed on the destination of students after they leave Alfriston. 100% of Year 11 pupils went on to a sustained education destination, compared to the national figure of 92% for all pupils. 29% went on to FE College, 8% to further education providers and 63% to special school provision.

**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 (summary above; 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.

**STRATEGIC REPORT**

**Achievements and performance**

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

The total pupils in the year ended 31 August 2016 numbered 143.

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

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**Achievements and performance (continued)**

**Achievements -Year 11**

- 7 pupils passed GCSE English
- 5 pupils passed GCSE Maths
- 6 pupils passed GCSE Science
- 5 pupils passed GCSE Photography
- 4 pupils passed GCSE Art and Design
- 2 pupils passed BTEC Level 1 Home Cooking Skills
- 3 pupils passed BTEC Level 1 in ICT
- 2 pupils passed BTEC Level 1 or Entry 3 in Vocational Skills
- 100% of pupils gained at least Maths and English at Entry Level 1
- 15 pupils passed the Duke of Edinburgh Bronze Award
- 13 pupils passed the Work Experience Bronze or Silver Award

**Achievements-16+**

- 5 pupils passed Functional Skills English at Level 1, Entry Level 2 or Entry Level 3
- 1 pupil passed BTEC Home Cooking Skills Level 2, and 3 passed Level 1
- 5 pupils gained the BEBP Bronze Work Experience Award and 6 the Silver Award
- 5 pupils gained the BTEC Entry Level 3 or Level 1 Vocational Studies Diploma
- 7 pupils gained the BTEC Entry 3 or Level 1 Extended Certificate in Vocational Studies
- 6 pupils passed the Skills for Independence and Work Entry Level 3 at either award or certificate level
- 4 pupils passed BTEC Caring for Children Level 1 at either Award or Certificate Level
- 3 pupils passed the Duke of Edinburgh Award at Bronze Level, and 6 passed Silver Level

**Key Financial Performance Indicators**

The KPIs based on the period September 2015 to August 2016 are as follows (2015 is given for comparison):

Key Performance Indicators	2016 (k)	2015 (k)
GAG & SEN Income	2493	2421
Staffing Costs to GAG/SEN Income %	77.6%	74.3%
Staffing Costs to Total Educational Funding %	75.5%	71.9%
<b>Total Revenue Educational Income</b>	<b>2562</b>	<b>2503</b>
Teaching and Support Staff Costs	1825	1825
Staffing Costs as % Total Educational Expenditure	66.1%	68.1%
<b>Total Educational Expenditure</b>	<b>2926</b>	<b>2643</b>

**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 which took effect from 1<sup>st</sup> 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 2016, 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 2015), such grants are shown in the Consolidated 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 2015-16 this included the final funding from the EFA for a security project and a further EFA grant to upgrade the school fire alarm systems. See further details below

During the period to 31 August 2016, total resources expended of £2,993,967 (see notes 7 to 10) 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 £13,659. At the year end the net book value of tangible fixed assets was £4,108,184 (see note 15 of the Financial Statements). Assets are used exclusively for providing education and the associated support services to the pupils of the Academy.

The largest recent project 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 was jointly funded by fundraising activities and a capital grant from the EFA. A new trading subsidiary was formed and the pool opened to third party users in September 2014. During the first two years of trading the pool has provided swimming lessons for the local community including mother and baby sessions, a disability swimming club and a swim school for all ages and abilities. The programme is growing steadily and in 2015-16 covered a significant proportion of the total running costs of the facility which is utilised daily by pupils of the school and has enabled several girls to learn to swim for the first time.

During the year the Academy has completed an upgrade to school security including the installation of automated gates, installation of a boundary fence, upgrading of the school ICT network to provide CCTV coverage of external areas and a new reception area for visitors to the school. Additional parking spaces have been provided to improve safety for visitors to the school as the school is located on a busy main road. Also the emergency evacuation systems have been upgraded including the fire alarm system, emergency lighting system, residential pupils' fire escape and fire door improvements to classrooms. The shower and toilet facilities for residential pupils have been refurbished and the school library has been upgraded to provide an excellent learning environment. Access for visitors, staff administration facilities and school security has been further improved by remodelling the school reception and administration office area. In addition, the Academy completed a planned programme of internal / external decoration and replaced a minibus.

The Academy's approach to spending during the year has continued to be cautious. Firstly, as a result of concern with regards to the ongoing reform of High Needs funding, the Academy is awaiting the results of ongoing consultations and reviews on the part of Buckinghamshire LEA regarding the Top up funding formula and residential places. Secondly, to ensure funds are available to cover national increases in the cost of staffing and the necessary refurbishment of the premises to ensure Alfriston School continues to be fit for purpose and provide an appropriate learning environment for the pupils. Thirdly, to ensure that sufficient reserves are available to run the new swimming pool during the second year of operation and during the expansion of the trading programme.

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

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**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 £250,000. 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 particularly given the age of many of the school buildings.

Current reserves are in excess of the £250,000 referred to above since it has been the policy of the Academy in recent years to carry forward the maximum amount of funds available until (i) the reform of High Needs funding and (ii) the reviews on the part of Buckinghamshire LEA regarding the Top up funding formula and residential places can each be assessed with a higher degree of certainty.

Furthermore, the Academy is currently reviewing the need to replace two classrooms currently occupying a temporary building with a permanent performing arts and media suite and to develop the school grounds to improve the range of facilities and opportunities for the pupils; both of which projects will require significant funding.

At 31 August 2016 the total funds comprised:

Unrestricted	170,290
Restricted:	
Fixed asset funds	4,129,146
GAG	439,118
Pension reserve	(1,283,000)
Other	309,235
	<u>3,764,789</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.

Monitoring and oversight of the reserves held by the Academy is undertaken throughout the year. The reserves policy is also reviewed formally on at least an annual basis by the Trustees as part of the Academy's strategic and business planning process.

**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 2016**

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**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 SMT.

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 inappropriate behaviour or incidents involving 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 for all staff 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.

**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.

Subject to funding, the Academy plans to replace two classrooms currently occupying a temporary building with a permanent media suite and to further develop the school grounds, to improve the range of facilities and opportunities for the pupils.

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

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

None

**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.

This Trustees' report, incorporating a strategic report, was approved by the Trustees, as the company directors, on 7 December 2016 and signed on behalf of the Trustees by:

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**Mr K C Jones**  
**Chair of Trustees**

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**ALFRISTON SCHOOL**  
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**GOVERNANCE STATEMENT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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**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:

<b>Trustee</b>	<b>Meetings Attended</b>	<b>Out of a possible</b>
Mrs Amanda J Blackburn-Levitt	4	4
Mr George Bodiam	3	4
Mr Christopher J Carter	3	4
Mr Peter Cullimore	2	2
Mr Paul Donald	1	1
Mr Tor Farquhar	2	3
Mr Keith C Jones	4	4
Mrs Milena Kurgo	4	4
Mrs Jinna Male	4	4
Ms Heather McCallum	3	4
Mrs Neena Phakkey	4	4
Mr Colin Schnadhorst	4	4
Mrs Siobhan Towers	3	4
Mrs Susan Ware	2	4
Mr Larry Zalcman	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.

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.

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**ALFRISTON SCHOOL**  
**(A Company Limited by Guarantee)**

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**GOVERNANCE STATEMENT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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**GOVERNANCE (continued)**

Attendance at meetings in the year was as follows:

	Meetings Attended	Out of a possible
Mr Keith C Jones	4	4
Mrs Jinna Male	3	4
Mr Colin Schnadhorst	3	4
Ms Heather McCallum	4	4
Mrs Milena Kurgo	4	4

**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 social outcome 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 2015-16 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 2015-16 these opportunities included residential trips to Shropshire, Wales, 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.

The improvement in pupil attainment, for both year 11 and post 16 pupils in 2015-16 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.

**GOVERNANCE STATEMENT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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**Financial Governance and oversight (continued)**

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 and other 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 the replacement 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 was carried out for the provision of grounds maintenance services from 1<sup>st</sup> January 2016, after a full review of the specification. A new contractor has been appointed and the school has seen an improvement in the service provided to date. 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.

**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 Trustees are of the view that there is [an adequate] system of internal control that has been in place in Alfriston School for the year 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements.

**CAPACITY TO HANDLE RISK**

The 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 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Trustees.

**GOVERNANCE STATEMENT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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**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 appointed Mr Bernard O'Sullivan as Responsible Officer from 1<sup>st</sup> January 2016 onwards, when Mr Anil Phakkey stepped down from this position after two years of supporting the Academy in this role.

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/period 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 Trust who have responsibility for the development and maintenance of the internal control framework.

Approved by of the Trustees on 7 December 2016 and signed on their behalf by:

.....  
**Mr K C Jones**  
**Chair of Trustees**

.....  
**Mrs J Male**  
**Accounting Officer**

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**ALFRISTON SCHOOL**  
**(A Company Limited by Guarantee)**

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**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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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 2015.

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 2015.

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the Trustees and EFA.

.....  
**Mrs J Male**  
**Accounting Officer**

7 December 2016

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**ALFRISTON SCHOOL**  
**(A Company Limited by Guarantee)**

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

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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 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 the Group's incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies' Accounts Direction 2015 to 2016;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 apply financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the EFA/DfE have been applied for the purposes intended.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the 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 2016 and signed on its behalf by:

.....  
**Mr K C Jones**  
**Chair of Trustees**

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**ALFRISTON SCHOOL**  
**(A Company Limited by Guarantee)**

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

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We have audited the financial statements of Alfriston School for the year ended 31 August 2016 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Academy Balance Sheets, the Consolidated 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) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

This report is made solely to the charitable company'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 charitable company'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 charitable company 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 Statement of Trustees' Responsibilities, 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 2016 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, the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

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**ALFRISTON SCHOOL**  
**(A Company Limited by Guarantee)**

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

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

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

**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 BA ACA DChA (Senior Statutory Auditor)

for and on behalf of

**MHA MacIntyre Hudson**

Chartered Accountants  
Statutory Auditors

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

13 December 2016

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**ALFRISTON SCHOOL**  
**(A Company Limited by Guarantee)**

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

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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 2015 to 2016, 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 2015 to 31 August 2016 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Alfriston School and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Alfriston School and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Alfriston School and the 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 2015, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2015 to 2016. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2015 to 31 August 2016 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

**APPROACH**

We conducted our engagement in accordance with the Academies Accounts Direction 2015 to 2016 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

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

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The work undertaken to draw to our conclusion includes:

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

**CONCLUSION**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2015 to 31 August 2016 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Reporting Accountant

**MHA MacIntyre Hudson**

Chartered Accountants

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

13 December 2016

**ALFRISTON SCHOOL**  
**(A Company Limited by Guarantee)**

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

	Note	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
<b>INCOME FROM:</b>						
Donations and capital grants	2	-	42,440	130,278	172,718	162,024
Charitable activities	6	-	2,561,723	-	2,561,723	2,502,534
Other trading activities	3,4	139,780	58,330	-	198,110	158,065
Investments	5	2,240	-	-	2,240	3,411
<b>TOTAL INCOME</b>		<b>142,020</b>	<b>2,662,493</b>	<b>130,278</b>	<b>2,934,791</b>	<b>2,826,034</b>
<b>EXPENDITURE ON:</b>						
Raising funds	4	68,010	-	-	68,010	48,152
Charitable activities	9	12,658	2,779,861	133,438	2,925,957	2,642,988
<b>TOTAL EXPENDITURE</b>	7	<b>80,668</b>	<b>2,779,861</b>	<b>133,438</b>	<b>2,993,967</b>	<b>2,691,140</b>
<b>NET INCOME / (EXPENDITURE) BEFORE TRANSFERS</b>						
Transfers between Funds	20	61,352	(117,368)	(3,160)	(59,176)	134,894
		-	(3,200)	3,200	-	-
<b>NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES</b>						
		61,352	(120,568)	40	(59,176)	134,894
Actuarial gains/(losses) on defined benefit pension schemes	26	-	(469,000)	-	(469,000)	2,000
<b>NET MOVEMENT IN FUNDS</b>		<b>61,352</b>	<b>(589,568)</b>	<b>40</b>	<b>(528,176)</b>	<b>136,894</b>
<b>RECONCILIATION OF FUNDS:</b>						
Total funds brought forward		108,938	54,921	4,129,106	4,292,965	4,156,071
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>170,290</b>	<b>(534,647)</b>	<b>4,129,146</b>	<b>3,764,789</b>	<b>4,292,965</b>

The notes on pages 26 to 50 form part of these financial statements.

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

**CONSOLIDATED BALANCE SHEET**  
**AS AT 31 AUGUST 2016**

	Note	£	2016 £	£	2015 £
<b>FIXED ASSETS</b>					
Tangible assets	15		<b>4,108,184</b>		4,120,819
<b>CURRENT ASSETS</b>					
Debtors	17	<b>83,187</b>		89,777	
Cash at bank and in hand		<b>1,158,024</b>		1,297,715	
		<b>1,241,211</b>		1,387,492	
<b>CREDITORS:</b> amounts falling due within one year	18	<b>(275,206)</b>		(435,146)	
<b>NET CURRENT ASSETS</b>			<b>966,005</b>		952,346
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<b>5,074,189</b>		5,073,165
<b>CREDITORS:</b> amounts falling due after more than one year	19		<b>(26,400)</b>		(31,200)
<b>NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES</b>			<b>5,047,789</b>		5,041,965
Defined benefit pension scheme liability	26		<b>(1,283,000)</b>		(749,000)
<b>NET ASSETS INCLUDING PENSION SCHEME LIABILITIES</b>			<b>3,764,789</b>		4,292,965
<b>FUNDS OF THE ACADEMY</b>					
Restricted income funds:					
Restricted income funds	20	<b>748,353</b>		803,921	
Restricted fixed asset funds	20	<b>4,129,146</b>		4,129,106	
Restricted income funds excluding pension liability		<b>4,877,499</b>		4,933,027	
Pension reserve	20	<b>(1,283,000)</b>		(749,000)	
Total restricted income funds			<b>3,594,499</b>		4,184,027
Unrestricted income funds	20		<b>170,290</b>		108,938
<b>TOTAL FUNDS</b>			<b>3,764,789</b>		4,292,965

The financial statements were approved by the Trustees, and authorised for issue, on 7 December 2016 and are signed on their behalf, by:

.....  
**Mr K C Jones**  
**Chair of Trustees**

.....  
**Mrs J Male**  
**Accounting Officer**

The notes on pages 26 to 50 form part of these financial statements.

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

**ACADEMY BALANCE SHEET**  
**AS AT 31 AUGUST 2016**

	Note	£	2016 £	£	2015 £
<b>FIXED ASSETS</b>					
Tangible assets	15		<b>4,108,184</b>		4,120,819
Investments	16		<b>1</b>		1
			<b>4,108,185</b>		4,120,820
<b>CURRENT ASSETS</b>					
Debtors	17	<b>118,511</b>		114,515	
Cash at bank and in hand		<b>1,110,392</b>		1,289,380	
		<b>1,228,903</b>		1,403,895	
<b>CREDITORS:</b> amounts falling due within one year	18	<b>(262,006)</b>		(435,146)	
<b>NET CURRENT ASSETS</b>			<b>966,897</b>		968,749
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<b>5,075,082</b>		5,089,569
<b>CREDITORS:</b> amounts falling due after more than one year	19		<b>(26,400)</b>		(31,200)
<b>NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES</b>			<b>5,048,682</b>		5,058,369
Defined benefit pension scheme liability	26		<b>(1,283,000)</b>		(749,000)
<b>NET ASSETS INCLUDING PENSION SCHEME LIABILITIES</b>			<b>3,765,682</b>		4,309,369
<b>FUNDS OF THE ACADEMY</b>					
Restricted funds:					
Restricted funds	21	<b>748,363</b>		803,921	
Restricted fixed asset funds	21	<b>4,129,136</b>		4,129,106	
Restricted funds excluding pension liability		<b>4,877,499</b>		4,933,027	
Pension reserve	21	<b>(1,283,000)</b>		(749,000)	
Total restricted funds			<b>3,594,499</b>		4,184,027
Unrestricted funds	21		<b>171,183</b>		125,342
<b>TOTAL FUNDS</b>			<b>3,765,682</b>		4,309,369

The financial statements were approved by the Trustees, and authorised for issue, on 7 December 2016 and are signed on their behalf, by:

.....  
**Mr K C Jones**  
**Chair of Trustees**

.....  
**Mrs J Male**  
**Accounting Officer**

The notes on pages 26 to 50 form part of these financial statements.

**ALFRISTON SCHOOL**  
**(A Company Limited by Guarantee)**

**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

	Note	2016 £	2015 £
<b>Cash flows from operating activities</b>			
Net cash (used in)/provided by operating activities	23	<u>(146,606)</u>	<u>410,608</u>
<b>Cash flows from investing activities:</b>			
Dividends, interest and rents from investments		2,240	3,411
Purchase of tangible fixed assets		(120,803)	(237,879)
Capital grants from DfE/EFA		130,278	17,814
Purchase of short term unlisted investments		-	(1)
<b>Net cash provided by/(used in) investing activities</b>		<u>11,715</u>	<u>(216,655)</u>
<b>Cash flows from financing activities:</b>			
Repayments of borrowings		(4,800)	-
New secured loans		-	36,000
<b>Net cash (used in)/provided by financing activities</b>		<u>(4,800)</u>	<u>36,000</u>
<b>Change in cash and cash equivalents in the year</b>		<u>(139,691)</u>	<u>229,953</u>
Cash and cash equivalents brought forward		<u>1,297,715</u>	<u>1,067,762</u>
<b>Cash and cash equivalents carried forward</b>	24	<u><u>1,158,024</u></u>	<u><u>1,297,715</u></u>

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

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**1. ACCOUNTING POLICIES**

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

**1.1 Basis of preparation of financial statements**

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

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

The Statement of Financial Activities Incorporating Income and Expenditure Account (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 Statement of Financial Activities Incorporating Income and Expenditure Account has been presented for the Academy alone as permitted by section 408 of the Companies Act 2006.

**First time adoption of FRS 102**

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

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

Reconciliations to previous UK GAAP for the comparative figures are included in note 30.

**1.2 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 the Department for Education where the asset acquired or created is held for a specific purpose.

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

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

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

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**1. ACCOUNTING POLICIES (continued)**

**1.3 Income**

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

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

General Annual Grant is recognised in full in the Statement of Financial Activities Incorporating Income and Expenditure Account in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

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

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

Donations are recognised on a receivable basis where there are no performance related conditions and there is probability of receipt and the amount can be reliably measured.

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

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

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**1. ACCOUNTING POLICIES (continued)**

**1.4 Expenditure**

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

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 on the academy trust's educational operations, including support costs and costs relating to the governance of the academy trust apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

**1.5 Going concern**

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

**1.6 Basis of consolidation**

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

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

The net income for the year dealt with in the accounts of the Academy was loss of £74,688 (2015 - profit of £151,298) before actuarial losses.

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

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**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. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities Incorporating Income and Expenditure Account and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities Incorporating Income and Expenditure Account.

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

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is not charged on freehold land. 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 Operating leases**

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

**1.9 Investments**

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance Sheet date, unless fair value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'Gains/(losses) on investments' in the Statement of Financial Activities Incorporating Income and Expenditure Account.

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

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

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**1. ACCOUNTING POLICIES (continued)**

**1.10 Interest receivable**

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

**1.11 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.

**1.12 Debtors**

Trade and other debtors are recognised at the settlement amount. Prepayments are valued at the amount prepaid.

**1.13 Cash at bank and in hand**

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

**1.14 Liabilities and provisions**

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

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

**1.15 Financial instruments**

The Academy Trust only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

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

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**1. ACCOUNTING POLICIES (continued)**

**1.16 Pensions**

The Group operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Group to the fund in respect of the year.

Retirement benefits to employees of the Group are provided by a defined contribution and defined benefits scheme and the Teachers' Pension Scheme ("TPS") and the Local Government Pension Scheme ("LGPS"). The scheme assets are held separately from those of the Group.

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 quadrennial valuations using a prospective unit credit method. As stated in note 26, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

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

**1. ACCOUNTING POLICIES (continued)**

**1.17 Critical accounting estimates and areas of judgement**

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 26, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

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

	<b>Unrestricted funds 2016 £</b>	<b>Restricted funds 2016 £</b>	<b>Restricted fixed asset funds 2016 £</b>	<b>Total funds 2016 £</b>	<b>Total funds 2015 £</b>
Donations	-	<b>42,440</b>	-	<b>42,440</b>	144,210
Capital grants	-	-	<b>130,278</b>	<b>130,278</b>	17,814
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total donations and capital grants	-	<b>42,440</b>	<b>130,278</b>	<b>172,718</b>	162,024
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

In 2015, of the total income from donations and capital grants, £ *NIL* was to unrestricted funds, £26,510 was to restricted funds and £135,514 was to restricted fixed asset funds.

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**3. OTHER TRADING ACTIVITIES**

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Rental income	19,221	-	19,221	19,398
Catering income	-	20,793	20,793	20,006
Other income	37,037	37,537	74,574	86,913
	<u>56,258</u>	<u>58,330</u>	<u>114,588</u>	<u>126,317</u>

In 2015, of the total income from other trading activities, £104,164 was to unrestricted funds, £22,153 was to restricted funds and £ NIL was to restricted fixed asset funds.

**4. TRADING ACTIVITIES**

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
<b>Charity trading income</b>				
Income of trading subsidiary	83,522	-	83,522	31,748
	<u>83,522</u>	<u>-</u>	<u>83,522</u>	<u>31,748</u>
<b>Fundraising trading expenses</b>				
Expenses of trading subsidiary	68,010	-	68,010	48,152
	<u>68,010</u>	<u>-</u>	<u>68,010</u>	<u>48,152</u>
Net income/(expenditure) from trading activities	<u>15,512</u>	<u>-</u>	<u>15,512</u>	<u>(16,404)</u>

**5. INVESTMENT INCOME**

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Bank interest receivable	2,240	-	2,240	3,411
	<u>2,240</u>	<u>-</u>	<u>2,240</u>	<u>3,411</u>

In 2015, of the total investment income, £3,411 was to unrestricted funds, £ NIL was to restricted funds and £ NIL was to restricted fixed asset funds.

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

**6. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS**

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
<b>DfE/EFA grants</b>				
General Annual Grant (GAG)	-	1,492,919	1,492,919	1,501,291
Pupil premium	-	45,204	45,204	52,472
	<u>-</u>	<u>1,538,123</u>	<u>1,538,123</u>	<u>1,553,763</u>
<b>Other government grants</b>				
SEN funding	-	999,797	999,797	919,971
Other government grants	-	23,803	23,803	28,800
	<u>-</u>	<u>1,023,600</u>	<u>1,023,600</u>	<u>948,771</u>
	<u>-</u>	<u>2,561,723</u>	<u>2,561,723</u>	<u>2,502,534</u>

In 2015, of the total income from charitable activities, £ NIL was to unrestricted funds, £2,502,534 was to restricted funds and £ NIL was to restricted fixed asset funds.

**7. EXPENDITURE**

	Staff costs 2016 £	Premises 2016 £	Other costs 2016 £	Total 2016 £	Total 2015 £
Expenditure on fundraising trading	32,944	-	35,066	68,010	48,152
Academy's educational operations:					
Direct costs	1,541,049	-	257,900	1,798,949	1,656,750
Support costs	360,903	467,324	298,781	1,127,008	986,238
	<u>1,934,896</u>	<u>467,324</u>	<u>591,747</u>	<u>2,993,967</u>	<u>2,691,140</u>

In 2016, of the total expenditure, £80,668 (2015 - £92,052) was to unrestricted funds, £2,779,861 (2015 - £2,486,371) was to restricted funds and £133,438 (2015 - £112,717) was to restricted fixed asset funds.

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

Included within expenditure are the following transactions:

	Total £	Individual items above £5,000 Amount £	Reason
Gifts made by the trust	217	-	

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

**9. CHARITABLE ACTIVITIES**

	<b>Total funds 2016 £</b>	<b>Total funds 2015 £</b>
<b>DIRECT COSTS - EDUCATIONAL OPERATIONS</b>		
Teaching and educational support wages and salaries	<b>1,541,049</b>	1,415,600
Staff development	<b>17,236</b>	19,203
Educational consultancy	<b>101,259</b>	92,759
Technology costs	<b>21,231</b>	25,617
Educational supplies	<b>72,658</b>	71,899
Examination fees	<b>7,562</b>	7,427
Trips and travel costs	<b>33,143</b>	20,378
Other direct costs	<b>4,811</b>	3,867
	<b>1,798,949</b>	1,656,750
<b>SUPPORT COSTS - EDUCATIONAL OPERATIONS</b>		
Support staff wages and salaries	<b>360,903</b>	364,606
Depreciation	<b>133,438</b>	112,717
Pension finance costs	<b>27,000</b>	27,000
Recruitment and support	<b>4,508</b>	8,223
Catering supplies	<b>93,872</b>	89,342
Maintenance of premises and equipment	<b>283,658</b>	148,580
Cleaning	<b>24,255</b>	23,800
Energy	<b>57,727</b>	63,947
Rates	<b>9,525</b>	7,330
Legal and professional	<b>22,859</b>	25,845
Non staff related insurance	<b>33,615</b>	32,922
Other support costs	<b>44,199</b>	51,215
Security and transport	<b>15,710</b>	15,366
Bank charges	<b>277</b>	217
Governance costs	<b>15,462</b>	15,128
	<b>1,127,008</b>	986,238
	<b>2,925,957</b>	2,642,988

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**10. NET INCOMING RESOURCES/(RESOURCES EXPENDED)**

This is stated after charging:

	<b>2016</b>	2015
	<b>£</b>	£
Depreciation of tangible fixed assets:		
- owned by the charitable group	<b>133,438</b>	112,718
Auditors' remuneration - audit	<b>7,000</b>	6,300
Auditors' remuneration - other services	<b>8,462</b>	8,828
Operating lease rentals	<b>3,146</b>	-
	<b>=====</b>	<b>=====</b>

**NOTES TO THE FINANCIAL STATEMENTS**  
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**11. STAFF COSTS**

Staff costs were as follows:

	<b>2016</b>	2015
	£	£
Wages and salaries	<b>1,526,809</b>	1,419,768
Social security costs	<b>114,863</b>	95,230
Pension costs	<b>293,224</b>	254,131
	<u><b>1,934,896</b></u>	<u>1,769,129</u>
Supply teacher costs	-	29,984
	<u><b>1,934,896</b></u>	<u>1,799,113</u>

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

	<b>2016</b>	2015
	No.	No.
Teachers	<b>21</b>	21
Administration and support	<b>33</b>	32
Management	<b>3</b>	3
	<u><b>57</b></u>	<u>56</u>

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

	<b>2016</b>	2015
	No.	No.
In the band £60,001 - £70,000	<b>1</b>	1
In the band £70,001 - £80,000	<b>1</b>	1
In the band £80,001 - £90,000	<b>1</b>	1

The above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2016, pension contributions for these staff amounted to £38,972 (2015: £32,566).

The key management personnel of the academy trust comprises the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £264,421 (2015: £254,034).

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

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**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:

		<b>2016</b>	2015
		<b>£</b>	£
J Male, Headteacher	Remuneration	<b>85,000-90,000</b>	85,000-90,000
	Pension contributions paid	<b>10,000-15,000</b>	10,000-15,000
A Blackburn-Levitt	Remuneration	<b>30,000-35,000</b>	30,000-35,000
	Pension contributions paid	<b>5,000-10,000</b>	5,000-10,000
N Phakkey	Remuneration	<b>35,000-40,000</b>	35,000-40,000
	Pension contributions paid	<b>5,000-10,000</b>	5,000-10,000

During the year, one Trustee received reimbursement of travel expenses totalling £981 (2015 - £58).

**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 2016 was £2,003 (2015 - £2,003).

**14. PENSION FINANCE COSTS**

	<b>2016</b>	2015
	<b>£</b>	£
Interest on pension scheme liabilities	<b>(27,000)</b>	(27,000)

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

**15. TANGIBLE FIXED ASSETS**

<b>Group and Academy</b>	<b>Leasehold land and buildings £</b>	<b>Motor vehicles £</b>	<b>Equipment £</b>	<b>Fixtures and Furniture £</b>	<b>ICT equipment £</b>	<b>Total £</b>
<b>Cost</b>						
At 1 September 2015	3,781,704	35,195	338,230	31,196	113,719	4,300,044
Additions	-	20,100	87,050	-	13,653	120,803
At 31 August 2016	3,781,704	55,295	425,280	31,196	127,372	4,420,847
<b>Depreciation</b>						
At 1 September 2015	86,901	3,194	43,201	867	45,062	179,225
Charge for the year	56,539	4,357	39,641	2,080	30,821	133,438
At 31 August 2016	143,440	7,551	82,842	2,947	75,883	312,663
<b>Net book value</b>						
At 31 August 2016	3,638,264	47,744	342,438	28,249	51,489	4,108,184
At 31 August 2015	3,694,803	32,001	295,029	30,329	68,657	4,120,819

Included in leasehold land and buildings is land at valuation of £945,000 (2015 - £945,000) which is not depreciated.

**16. FIXED ASSET INVESTMENTS**

<b>Academy</b>	<b>Shares in group undertakings £</b>	
<b>Market value</b>		
At 1 September 2015 and 31 August 2016		1
<b>Academy investments at market value comprise:</b>		
	<b>2016</b>	<b>2015</b>
	£	£
Alfriston Pool Ltd, incorporated in England and Wales	1	1

Alfriston Pool Ltd is a private limited company which provides leisure activities under company number 09123723. The Academy holds 100% of the shares in this company.

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**17. DEBTORS**

	<b>Group</b>		<b>Academy</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade debtors	<b>3,773</b>	3,488	<b>3,773</b>	3,488
Amounts owed by group undertakings	-	-	<b>35,324</b>	24,738
Prepayments and accrued income	<b>37,457</b>	50,809	<b>37,457</b>	50,809
VAT recoverable	<b>41,957</b>	35,480	<b>41,957</b>	35,480
	<b>83,187</b>	89,777	<b>118,511</b>	114,515

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

	<b>Group</b>		<b>Academy</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
SALIX loan	<b>4,800</b>	4,800	<b>4,800</b>	4,800
Trade creditors	<b>62,696</b>	186,670	<b>62,696</b>	186,670
Other creditors	<b>900</b>	988	<b>900</b>	988
Accruals and deferred income	<b>206,810</b>	242,688	<b>193,610</b>	242,688
	<b>275,206</b>	435,146	<b>262,006</b>	435,146

	<b>Group</b>		<b>Academy</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Deferred income</b>				
Deferred income at 1 September 2015	<b>91,426</b>	<b>30,940</b>	<b>91,426</b>	<b>30,940</b>
Resources deferred during the year	<b>32,604</b>	<b>91,426</b>	<b>19,404</b>	<b>91,426</b>
Amounts released from previous years	<b>(91,426)</b>	<b>(30,940)</b>	<b>(91,426)</b>	<b>(30,940)</b>
Deferred income at 31 August 2016	<b>32,604</b>	<b>91,426</b>	<b>19,404</b>	<b>91,426</b>

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

The SALIX loan of £36,000 is repayable at a rate of £4,800 per annum over 7 and a half years from 2015. No interest is charged on this loan. The total amount outstanding is £31,200 (2015: £36,000).

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

	<b>Group</b>		<b>Academy</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
SALIX loan	<b>26,400</b>	31,200	<b>26,400</b>	31,200

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

**20. STATEMENT OF FUNDS - GROUP**

	Brought forward £	Income £	Resources expended £	Transfers in/(out) £	Gains/ (losses) £	Carried forward £
<b>Unrestricted funds</b>						
General unrestricted funds	125,342	58,498	(12,658)	-	-	171,182
Trading subsidiary	(16,404)	83,522	(68,010)	-	-	(892)
	<u>108,938</u>	<u>142,020</u>	<u>(80,668)</u>	<u>-</u>	<u>-</u>	<u>170,290</u>
<b>Restricted funds</b>						
General Annual Grant (GAG)	494,686	1,492,919	(1,545,287)	(3,200)	-	439,118
Funds transferred on conversion	309,235	-	-	-	-	309,235
Pupil premium	-	45,204	(45,204)	-	-	-
SEN income	-	999,797	(999,797)	-	-	-
Other Government grants	-	23,803	(23,803)	-	-	-
Other restricted funds	-	100,770	(100,770)	-	-	-
Defined benefit pension scheme	(749,000)	-	(65,000)	-	(469,000)	(1,283,000)
	<u>54,921</u>	<u>2,662,493</u>	<u>(2,779,861)</u>	<u>(3,200)</u>	<u>(469,000)</u>	<u>(534,647)</u>
<b>Restricted fixed asset funds</b>						
Fixed asset fund	4,120,819	-	(133,438)	120,803	-	4,108,184
Academies capital maintenance	-	121,654	-	(100,692)	-	20,962
Devolved formula capital	8,287	8,624	-	(16,911)	-	-
	<u>4,129,106</u>	<u>130,278</u>	<u>(133,438)</u>	<u>3,200</u>	<u>-</u>	<u>4,129,146</u>
Total restricted funds	<u>4,184,027</u>	<u>2,792,771</u>	<u>(2,913,299)</u>	<u>-</u>	<u>(469,000)</u>	<u>3,594,499</u>
Total of funds	<u>4,292,965</u>	<u>2,934,791</u>	<u>(2,993,967)</u>	<u>-</u>	<u>(469,000)</u>	<u>3,764,789</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
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**20. STATEMENT OF FUNDS - GROUP (continued)**

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

All general funds are held for the purpose of education in line with the academy's objectives.

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 Agency 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.

Other Government grants and DfE/EFA grants represent grants from the respective bodies.

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.

The transfers between the restricted General Annual Grant fund to the restricted fixed asset funds of £3,190 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 £20,962.

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 2016.

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**21. STATEMENT OF FUNDS - ACADEMY**

	Brought forward £	Incoming resources £	Resources expended £	Transfers in/(out) £	Gains/(losses) £	Carried forward £
<b>Unrestricted funds</b>						
General unrestricted funds	125,342	58,498	(12,658)	-	-	171,183
	<u>125,342</u>	<u>58,498</u>	<u>(12,658)</u>	<u>-</u>	<u>-</u>	<u>171,183</u>
<b>Restricted funds</b>						
General Annual Grant (GAG)	494,686	1,492,919	(1,545,287)	(3,200)	-	439,118
Funds transferred on conversion	309,235	-	-	-	-	309,235
Pupil premium	-	45,204	(45,204)	-	-	-
SEN income	-	999,797	(999,797)	-	-	-
Other Government grants	-	23,803	(23,803)	-	-	-
Other restricted funds	-	100,770	(100,770)	-	-	-
Pension reserve	(749,000)	-	(65,000)	-	(469,000)	(1,283,000)
	<u>54,921</u>	<u>2,662,493</u>	<u>(2,779,861)</u>	<u>(3,200)</u>	<u>(469,000)</u>	<u>(534,647)</u>
<b>Restricted fixed asset funds</b>						
Fixed asset fund	4,120,819	-	(133,438)	120,803	-	4,108,184
Academies capital maintenance	-	121,654	-	(100,692)	-	20,962
Devolved formula capital	8,287	8,624	-	(16,911)	-	-
	<u>4,129,106</u>	<u>130,278</u>	<u>(133,438)</u>	<u>3,200</u>	<u>-</u>	<u>4,129,146</u>
Total restricted funds	<u>4,184,027</u>	<u>2,792,771</u>	<u>(2,913,299)</u>	<u>-</u>	<u>(469,000)</u>	<u>3,594,499</u>
Total of funds	<u><u>4,309,369</u></u>	<u><u>2,851,269</u></u>	<u><u>(2,925,957)</u></u>	<u><u>-</u></u>	<u><u>(469,000)</u></u>	<u><u>3,765,682</u></u>

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**STATEMENT OF FUNDS - ACADEMY (continued)**

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

All general funds are held for the purpose of education in line with the academy's objectives.

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 Agency 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.

Other Government grants and DfE/EFA grants represent grants from the respective bodies.

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.

The transfers between the restricted General Annual Grant fund to the restricted fixed asset funds of £3,190 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 £20,962.

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 2016.

**22. ANALYSIS OF NET ASSETS BETWEEN FUNDS - GROUP**

	<b>Unrestricted funds 2016 £</b>	<b>Restricted funds 2016 £</b>	<b>Restricted fixed asset funds 2016 £</b>	<b>Total funds 2016 £</b>	<b>Total funds 2015 £</b>
Tangible fixed assets	-	-	4,108,184	4,108,184	4,120,819
Current assets	170,290	1,049,959	20,962	1,241,211	1,387,492
Creditors due within one year	-	(275,206)	-	(275,206)	(435,146)
Creditors due in more than one year	-	(26,400)	-	(26,400)	(31,200)
Pension liability	-	(1,283,000)	-	(1,283,000)	(749,000)
	<u>170,290</u>	<u>(534,647)</u>	<u>4,129,146</u>	<u>3,764,789</u>	<u>4,292,965</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
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**23. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	2016 £	2015 £
Net (expenditure)/income for the year (as per Statement of financial activities)	(59,176)	134,894
<b>Adjustment for:</b>		
Depreciation charges	133,438	112,718
Dividends, interest and rents from investments	(2,240)	(3,411)
Decrease in debtors	6,590	304,897
Decrease in creditors	(159,940)	(177,676)
Capital grants from DfE and other capital income	(130,278)	(17,814)
Pension adjustments	65,000	57,000
<b>Net cash (used in)/provided by operating activities</b>	<b>(146,606)</b>	<b>410,608</b>

**24. ANALYSIS OF CASH AND CASH EQUIVALENTS**

	2016 £	2015 £
Cash in hand	1,158,024	1,297,715
Total	1,158,024	1,297,715

**25. CAPITAL COMMITMENTS**

At 31 August 2016 the Group and Academy had capital commitments as follows:

	<u>Group</u>		<u>Academy</u>	
	2016 £	2015 £	2016 £	2015 £
Contracted for but not provided in these financial statements	27,410	-	27,410	-

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

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**26. PENSION COMMITMENTS**

The Group operates a defined contributions pension scheme through Alfriston Pool Ltd. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £4,272 (2015 - £3,037). There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

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 Multi-Employer Defined Benefit Pension Schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

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:

- 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%.

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

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**26. PENSION COMMITMENTS (continued)**

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

The employer's pension costs paid to TPS in the period amounted to £204,000 (2015 - £131,000).

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

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

**Local Government Pension Scheme**

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2016 was £140,000 (2015 - £125,000), of which employer's contributions totalled £110,000 (2015 - £98,000) and employees' contributions totalled £30,000 (2015 - £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.

Principal actuarial assumptions:

	<b>2016</b>	2015
Discount rate for scheme liabilities	<b>2.10 %</b>	3.90 %
Rate of increase in salaries	<b>4.10 %</b>	4.40 %
Rate of increase for pensions in payment / inflation	<b>2.30 %</b>	2.60 %
Inflation assumption (CPI)	<b>2.30 %</b>	2.60 %
RPI increases	<b>3.20 %</b>	3.50 %

The current mortality assumptions include sufficient allowance for future improvements in mortality rates.

The assumed life expectations on retirement age 65 are:

	<b>2016</b>	2015
Retiring today		
Males	<b>23.8</b>	23.7
Females	<b>26.2</b>	26.1
Retiring in 20 years		
Males	<b>26.1</b>	26.0
Females	<b>28.5</b>	28.4

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

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

	<b>Fair value at 31 August 2016 £</b>	Fair value at 31 August 2015 £
Equities	491,000	364,000
Debt instruments	109,000	82,000
Property	73,000	52,000
Cash	30,000	22,000
Gilts	117,000	80,000
Alternative assets	78,000	60,000
	<u>898,000</u>	<u>660,000</u>

The actual return on scheme assets was £116,000 (2015 - £21,000).

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

	<b>2016 £</b>	2015 £
Current service cost (net of employee contributions)	(143,000)	(124,000)
Net interest cost	(27,000)	(27,000)
Administration expenses	(5,000)	(4,000)
	<u>(175,000)</u>	<u>(155,000)</u>

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

	<b>2016 £</b>	2015 £
Opening defined benefit obligation	1,409,000	1,230,000
Current service cost	143,000	124,000
Interest cost	55,000	50,000
Contributions by employees	30,000	27,000
Actuarial losses	557,000	-
Benefits paid	(13,000)	(22,000)
	<u>2,181,000</u>	<u>1,409,000</u>

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

**26. PENSION COMMITMENTS (continued)**

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

	2016 £	2015 £
Opening fair value of scheme assets	660,000	536,000
Return on plan assets (excluding net interest on the net defined pension liability)	28,000	23,000
Actuarial gains and (losses)	88,000	2,000
Contributions by employer	110,000	98,000
Contributions by employees	30,000	27,000
Benefits paid	(13,000)	(22,000)
Administration expenses	(5,000)	(4,000)
	<u>898,000</u>	<u>660,000</u>
Closing fair value of scheme assets	<u>898,000</u>	<u>660,000</u>

The amount recognised in the balance sheet is as follows:

	2016 £	2015 £
Present value of defined benefit obligation	2,181,000	1,409,000
Fair value of scheme assets	(898,000)	(660,000)
	<u>1,283,000</u>	<u>749,000</u>
Defined benefit pension scheme liability	<u>1,283,000</u>	<u>749,000</u>

**27. OPERATING LEASE COMMITMENTS**

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

<b>Group and Academy</b>	2016 £	2015 £
<b>Amounts payable:</b>		
Within 1 year	3,289	1,326
Between 1 and 5 years	4,733	1,105
	<u>8,022</u>	<u>2,431</u>
Total	<u>8,022</u>	<u>2,431</u>

**28. RELATED PARTY TRANSACTIONS**

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 12.

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

**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.

**30. FIRST TIME ADOPTION OF FRS 102**

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

Comparative figures have been restated to reflect the adjustments made, except to the extent that the Trustees have taken advantage of exemptions to retrospective application of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'.

Reconciliations and descriptions of the effect of the transition to FRS 102 and SORP 2015 on total funds and net income/(expenditure) for the comparative period reported under previous UK GAAP and SORP 2005 are given below.

<b>RECONCILIATION OF TOTAL FUNDS</b>	1 September 2014	31 August 2015
	£	£
Total funds under previous UK GAAP	4,156,071	4,292,965
Total funds reported under FRS 102	<u>4,156,071</u>	<u>4,292,965</u>

<b>Reconciliation of net income</b>	<b>Notes</b>	31 August 2015
		£
Net income previously reported under UK GAAP		148,894
Change in recognition of LGPS interest cost	A	(14,000)
Net income reported under FRS 102		<u>134,894</u>

Explanation of changes to previously reported funds and net income/expenditure:

- A Under previous UK GAAP the trust recognised an expected return on defined benefit plan assets in income/expense. Under FRS 102 a net interest expense, based on the net defined benefit liability, is recognised in income/expense. There has been no change in the defined benefit liability at either 1 September 2014 or 31 August 2015. The effect of the change has been to reduce the credit to expense by £14,000 and increase the debit in other recognised gains and losses in the SoFA by an equivalent amount.