

ALFRISTON SCHOOL

(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018

ALFRISTON SCHOOL

(A Company Limited by Guarantee)

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ALFRISTON SCHOOL
(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2018

Members

Mr Tor Farquhar
Mr Keith C Jones
Mrs Jinna Male
Ms Heather McCallum
Mr Ian Tencor (stepped down 22 July 2018)

Trustees / Governors

Mrs Amanda J Blackburn-Levitt (Staff Governor)
Mr George Bodiam (Parent Governor)
Mr Paul Donald (Parent Governor)
Mr Tor Farquhar (Parent Governor)
Mr Keith C Jones (Parent Governor)
Mrs Milena Kurgo (Parent Governor) -stepped down 20 July 2018
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)
Mrs Susan Ware (Parent Governor) – stepped down 26 September 2018
Mr Larry Zalcman (Community Governor) - stepped down 07 November 2017
Mr William Wilsnagh (Community Governor) – appointed 20 September 2017
Dr Jan Wyatt (Community Governor) – appointed 28 March 2018

Senior Management Team

Mrs Jinna Male (Headteacher)
Mrs Rachel Chapman (Deputy Headteacher) – appointed Deputy Headteacher 01 September 2018
Mr Trevor Hails (Deputy Headteacher) – retired 31 August 2018
Mrs Anne Pickford (Academy Business Director)
Mr David Waterman (Assistant Headteacher)
Mrs Karen Merrison (Assistant Headteacher) – appointed 01 September 2018

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 Bernard O'Sullivan, Accountant

Independent Auditors

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

ALFRISTON SCHOOL
(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

Bankers

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

Solicitors

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

ALFRISTON SCHOOL
(A Company Limited by Guarantee)

TRUSTEES REPORT
FOR THE YEAR ENDED 31 AUGUST 2018

The Trustees present their annual report together with the financial statements and auditors' report of Alfriston School ("the **Academy**") for the year 1 September 2017 to 31 August 2018. 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 148 in the school census for the summer term 2018. The school roll has risen to 149 in September 2018.

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 as "Alfriston School" and is referred to as such in this report.

Details of the Trustees, who all 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 cover for liabilities 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 under the Academies Risk Protection Arrangement (RPA) scheme. The cost of this is included within the standard RPA premium for the Academy.

Method of Recruitment and Appointment or Election of Trustees

When appointing Trustees consideration is given to the skill set of existing Trustees and any perceived gaps in such skills and in addition 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 2018

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

The structure of the Governing Body that was in place throughout the financial year was 13 Trustees (in this section also referred to as governors) as follows (including leavers and new appointments):

- 4 community governors
- 7 parent governors
- 2 staff governors
- Headteacher (ex officio)

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

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

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

Policies and Procedures Adopted for the Induction and Training of Trustees

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

All new Trustees are 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 management structure consists of three levels: 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
FOR THE YEAR ENDED 31 AUGUST 2018

Organisational Structure (continued)

During the financial year the Senior Management Team comprised the Headteacher, Deputy Headteacher, two Assistant Headteachers and the Academy Business Director. The SMT have responsibility for the Academy at an executive level implementing the policies laid down by the Trustees and reporting back to them. SMT meet weekly and SMT Resources 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 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, the Deputy Headteacher, the Academy Business Director and the Trustees. The Headteacher, the 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 Trustees; 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 and 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 its 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 to be acknowledged as a leader and model for its specific approaches to:

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

TRUSTEES REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

OBJECTIVES AND ACTIVITIES (continued)

Alfriston has continued to be successful in achieving these aims, in enabling its 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 third year that students were entered for GCSE English and 6 girls passed really well. All year 11 pupils passed Entry Level English and Maths.
- Vocational qualifications – 13 pupils gained Diplomas in Vocational Studies at Level 1 or Entry 3 and a number of pupils gained qualifications in Caring for Children, Sport and Active Leisure.
- Alfriston also offers qualifications and experiences which reflect achievement in other important life skill areas, such as Work Experience, Health and Safety, and the Duke of Edinburgh Award at Bronze and Silver Level plus Skills for Independence and Work.
- Great emphasis is placed on the destination of students after they leave Alfriston. 100% of Year 11 pupils went on to a sustained educational destination, compared to the national figure of 92% for all pupils. All of the Post 16 students progressed to either a sustained education placement or employment.

Public Benefit

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

- The continued excellent preparation of pupils for integration into the wider community, able to enjoy and participate in life as contributing adults.
- The continued success achieved by pupils in examinations (summary above; details below).
- The Academy's 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 swimming pool which is available for lettings and swimming lessons.

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 third consecutive time in January 2018.

Achievements -Year 11

- 8 pupils passed GCSE Maths
- 5 pupils passed GCSE English Language
- 5 pupils passed GCSE Spoken English at either Pass or Merit Level
- 1 pupil passed GCSE Art and Design

Achievements and performance(continued)

- 1 pupil passed the BTEC Extended Certificate in Vocational Studies at Entry Level 3
- 17 pupils passed the Duke of Edinburgh Bronze Award
- All pupils passed Entry Level Maths at either Entry Level 1, 2 or 3
- All pupils passed Entry Level English at either Entry Level 1, 2 or 3
- 4 leavers all went to either a college destination or apprenticeship

TRUSTEES REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

Achievement and performance (continued)

Achievements-16+

- 19 pupils passed Functional Skills English at Entry Level 1, Entry Level 2 Entry Level 3 or Level 1
- 17 pupils passed Functional Skills Maths at Entry Level 1, Entry Level 2 or Entry Level 3
- 13 pupils gained the BTEC Entry Level 3 or Level 1 Vocational Studies Diploma
- 7 pupils gained the BTEC Certificate or Extended Certificate in Vocational Studies
- 5 pupils passed the Skills for Independence and Work Entry Level 2 at award level
- 12 pupils passed Health and Safety Entry Level 3
- 12 pupils passed BTEC Sport and Active Leisure Entry Level 3 or Level 1 at Award or Certificate Level

- 10 pupils passed the Duke of Edinburgh Silver Award
- 1 pupils passed GCSE Art & Design
- 1 pupil passed GCSE photography

Key Financial Performance Indicators

The KPIs based on the period September 2017 to August 2018 are as follows (2017 is given for comparison):

Key Performance Indicators	2018 (k)	2017 (k)
GAG & SEN Income	2505	2461
Staffing Costs to GAG/SEN Income %	85.4%	82.6%
Staffing Costs to Total Educational Funding %	81.2%	78.3%
Total Revenue Educational Income	2634	2597
Teaching and Support Staff Costs	2140	2033
Staffing Costs as % Total Educational Expenditure	71.1%	71.1%
Total Educational Expenditure	3008	2859

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.

TRUSTEES REPORT
FOR THE YEAR ENDED 31 AUGUST 2018

FINANCIAL REVIEW

The majority of the Academy's income is obtained from the Education and Skills Funding Agency ("ESFA" formerly the Education Funding Agency) 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 1st April 2013, the Academy now receives a significant proportion of its funding directly from Local Authorities ("LAs") that commission High Needs places at the Academy ("SEN Funding"). The grants received from the ESFA and the LAs during the period to 31 August 2018, and the associated expenditure are shown as restricted funds in the Statement of Financial Activities. The grants are summarised in Note 5.

The Academy also received grants for fixed assets from the ESFA 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. At the year end, the school was holding £1,365,626 in unspent CIF funding allocated for the two ongoing projects mentioned below. The fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the period to 31 August 2018, total resources expended of £3,102,181 (see notes 6-12 of the Financial Statements) were covered by the grants received by the school from the ESFA, SEN funding and other income generated by the Academy prior to, but not after, balance sheet adjustments for depreciation and pension. The increase in Net Current Assets for the year was £36,638, excluding unspent CIF monies. At the year end the net book value of tangible fixed assets was £4,155,293 (see note 13 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 in 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 ESFA. A trading subsidiary was formed and the pool has been open to third party users since September 2014. During the year income from this facility covered 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 2017-18 the Academy applied for and was successful in obtaining both ESFA Condition Improvement Funding (CIF) and planning permission for a new teaching block for performing arts. Building work will take place during 2019 to make this a new facility available for pupils to enjoy in 2019-20.

During the year the Academy applied for a second ESFA CIF grant for the replacement of the roof of the teaching block known as Willow House and repairs to the roof of the Main School Building. The works were completed during the summer with the final snagging and repairs reaching successful completion in November 2018. The school has continued its programme of decorating and refurbishment including the upgrading of bath and shower facilities for residential students. The technology and science classes in the Main School Building have been refurbished, including new LED lighting. Willow House has seen a similar refurbishment of the ICT room for Maths and a resources room for Post-16 pupils. At the start of the academic year, works were completed to the school grounds to facilitate teaching an outdoor learning programme, as part of the school curriculum, for the first time.

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.

TRUSTEES REPORT
FOR THE YEAR ENDED 31 AUGUST 2018

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 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 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. In addition, it seems likely that employer pension contribution rates are going to increase for teachers and the 3-yearly revaluation of the non-teaching staff pension scheme is also likely to result in increased funding needs.

Furthermore, as referred to above, the Academy is replacing two classrooms currently occupying a temporary building with a permanent performing arts studio and also has plans to further develop the school grounds to improve the range of facilities and opportunities for the pupils; both of which projects will require significant funding in addition to the grants.

At 31 August 2018 the total funds comprised:

Unrestricted	326,676
Fixed asset funds (Net Book Value)	4,155,293
Unspent capital grants	1,365,626
GAG	399,490
Pension reserve	(977,000)
Other restricted funds	309,235
	<u>£5,579,320</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 25). 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.

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.

TRUSTEES REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

Principal Risks and Uncertainties (continued)

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 Senior Management Team.

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 Resources Committee. Further information is included under the system of internal controls on page 15 of this report. Financial progress is reported regularly to the Headteacher and is reviewed by the Resources 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 reduced by managing a planned maintenance programme. In the event that unforeseen significant maintenance is required the Academy is able to approach the ESFA 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.

TRUSTEES REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

FUNDRAISING

The financing of goods, equipment and services from funds outside the Academy's normal capital and revenue budgets is increasingly important in maintaining the quality of education for our students.

Most of these funds come from grants or voluntary donations. Fundraising is seen by the Academy as an additional means of improving the school's ability to purchase goods, equipment or services, which are not available within capital or revenue budgets. Alfriston has a subsidiary company which generates income from pool lettings and swimming lessons; the profits from which are gifted to the Academy. No professional fundraisers are used.

PLANS FOR FUTURE PERIODS

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

The Academy plans now has the majority of the funding and planning permission in place for the replacement of two classrooms currently occupying a temporary building with a permanent new teaching block for performing arts. The balance of the funding required will be raised through a fundraising campaign. Development of the grounds for outdoor learning are ongoing. The Academy is committed to the further development of the school buildings and grounds, to improve the range of facilities and opportunities for the pupils.

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 5 December 2018 and signed on behalf of the Trustees by:

.....

Mr K C Jones
Chair of Trustees

GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2018

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 met 4 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings Attended	Out of a possible
Mrs Amanda J Blackburn-Levitt	2	4
Mr George Bodiam	3	4
Mr Paul Donald	2	4
Mr Tor Farquhar	4	4
Mr Keith C Jones	4	4
Mrs Milena Kurgo	2	4
Mrs Jinna Male	4	4
Ms Heather McCallum	4	4
Mrs Neena Phakkey	4	4
Mr Stuart Price	4	4
Mrs Susan Ware	3	4
Mr Larry Zalcman	1	1
Dr Jan Wyatt	2	2
Mr William Wilsnagh	4	4
Mrs Rachel Chapman (observer)	4	4

Mr Keith Jones was re-elected as Chair of Governors at the meeting on 20 September 2017 and again on 26 September 2018 and Ms Heather McCallum was elected as Vice Chair of Governors at both meetings.

There have been a number of changes in the composition of the board of trustees during the year as set out in more detail on page 1 above. When appointing new trustees, the board has regard to the skills of existing trustees and where possible seeks to fill any gaps in such expertise. Much of the work of the board takes place in three committees which report back to the board. Those committees are (1) resources, (2) teaching & learning and (3) personnel.

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

Following a review, for the year 2018/19 the resources committee and the personnel committee have been combined into a single resources committee.

- The resources committee oversees all aspects of financial and resource provision, signing off on the budget and longer term financial plans. It ensures that the school has appropriate financial procedures in place and oversees risk management across the school. This committee also reviews the condition and maintenance of the school buildings, makes recommendations for upkeep and development works, and has oversight of Health & Safety within the school.
- The teaching and learning committee oversees the strategic direction of both the pastoral system and the curriculum including monitoring the progress made by pupils and examination results. It seeks to ensure that the curriculum is broad and balanced and the pastoral system meets the needs of each girl.
- The personnel committee's main focus is to support the school in recruiting, retaining and developing the best teachers and staff. Its role also involves oversight of staff appointments, salary reviews and performance management.

The Headteacher and relevant members of the SMT attend committee meetings to provide reports and updates so that trustees can monitor performance and update relevant policies.

In addition, some of the trustees have individual responsibilities to report on how the school fulfils its statutory duties in specific areas including Safeguarding and Health & Safety. The trustees also get involved with the school and engage with parents, teachers and pupils to get feedback and better understand the girls' experience.

In January 2017 the Department for Education issued new guidance about the competencies it wants governing bodies to have. The board evaluated its performance and trustees completed a skills audit. The trustees believe that the board has sound processes and is working well in fulfilling its statutory duties. At each board meeting the trustees consider what the impact is on the girls of the matters discussed and the decisions taken, to ensure that the best interests of the girls are considered and prioritised.

The Resources Committee is a sub-committee of the main board of trustees. Its primary 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 Resources Committee has responsibility to agree appropriate procedures and controls covering all aspects of the Academy's finances.

Attendance at meetings in the year was as follows:

Trustee	Meeting Attended	Out of possible
Mr Keith C Jones	2	3
Mrs Jinna Male	3	3
Ms Heather McCallum	3	3
Mr George Bodiam	0	3
Mr William Wilsnagh	2	3
Mrs Amanda J Blackburn-Levitt	1	3

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

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 the pupils were placed in further education, employment or training when they left Alfriston School at the end of the 2017-18 academic year.

The extended day activities and weekend activities offered to the 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 2017-18 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 2017-18 provides excellent evidence that these strategies are achieving success.

Financial Governance and oversight:

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

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

The Pool Manager manages the swimming pool and letting of the school premises, with the aim of covering the cost of running this facility. This target has been met for the second year running in 2017-18. A trading subsidiary of the school has been set up to ensure that this operation is fully compliant with HMRC tax regulations.

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

REVIEW OF VALUE FOR MONEY (continued)

With regards to purchases, the school undertakes a best value assessment for 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.

Principles of best value are applied to the provision of services for the school including the appointment of cleaning, grounds, catering and IT support contractors. During 2017-18, after a full review of the specification, the existing IT support contractor has been reappointed and continues to provide a very good service to the school. 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 system of internal control was in place in Alfriston School for the period 1 September 2017 to 31 August 2018 and remains in place 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 was in place for the period 1 September 2017 to 31 August 2018 and remains in place up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Trustees.

THE RISK AND CONTROL FRAMEWORK

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Trustees
- regular reviews by the Resources Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes

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

THE RISK AND CONTROL FRAMEWORK (continued)

- 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.

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

Approved by of the Trustees on 5 December 2018 and signed on their behalf by:

.....
Mr K C Jones
Chair of Governors

.....
Mrs J Male
Accounting Officer

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

As Accounting Officer of Alfriston School I have considered my responsibility to notify the Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the Academy and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

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 2018.

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 ESFA.

.....
Mrs J Male
Accounting Officer

5 December 2018

ALFRISTON SCHOOL
(A Company Limited by Guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2018

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

Company law requires the 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 2017 to 2018;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

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

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

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the 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 5 December 2018 and signed on its behalf by:

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

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

OPINION

We have audited the financial statements of Alfriston School (the 'parent academy') and its subsidiaries (the 'group') for the year ended 31 August 2018 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Academy Balance Sheets, the Consolidated Cash Flow Statement and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Academy's affairs as at 31 August 2018 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 2017 to 2018 issued by the Education & Skills Funding Agency.

BASIS FOR OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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

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

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

OTHER INFORMATION

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of our knowledge and understanding of the Group and the parent Academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

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

- the parent Academy has not kept adequate accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent 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.

RESPONSIBILITIES OF TRUSTEES

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, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

ALFRISTON SCHOOL
(A Company Limited by Guarantee)

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

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

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

USE OF OUR REPORT

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

BIANCA SILVA BA ACA DChA (Senior Statutory Auditor)

for and on behalf of

MHA MacIntyre Hudson

Chartered Accountants
Statutory Auditors

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

Date: 19 December 2018

ALFRISTON SCHOOL
(A Company Limited by Guarantee)

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

In accordance with the terms of our engagement letter dated 13 July 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Alfriston School during the year 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Alfriston School and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Alfriston School and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Alfriston School and the ESFA, 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 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2017 to 2018. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

APPROACH

We conducted our engagement in accordance with the Academies Accounts Direction 2017 to 2018 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

ALFRISTON SCHOOL
(A Company Limited by Guarantee)

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

The work undertaken to draw to our conclusion includes:

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

CONCLUSION

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

Reporting Accountant

MHA MacIntyre Hudson

Chartered Accountants
Statutory Auditors

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

Date: 19 December 2018

ALFRISTON SCHOOL
(A Company Limited by Guarantee)

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

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
INCOME FROM:						
Donations and capital grants	2	-	26,073	1,597,155	1,623,228	40,177
Charitable activities	5	23,631	2,610,430	-	2,634,061	2,596,553
Other trading activities	3	168,841	53,160	-	222,001	185,601
Investments	4	2,790	-	-	2,790	2,274
TOTAL INCOME		195,262	2,689,663	1,597,155	4,482,080	2,824,605
EXPENDITURE ON:						
Raising funds		93,925	-	-	93,925	80,342
Charitable activities	8	7,434	2,847,489	153,333	3,008,256	2,858,630
TOTAL EXPENDITURE	6	101,359	2,847,489	153,333	3,102,181	2,938,972
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS						
Transfers between Funds	19	93,903	(157,826)	1,443,822	1,379,899	(114,367)
		-	(34,640)	34,640	-	-
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES						
		93,903	(192,466)	1,478,462	1,379,899	(114,367)
Actuarial gains on defined benefit pension schemes	25	-	242,000	-	242,000	307,000
NET MOVEMENT IN FUNDS		93,903	49,534	1,478,462	1,621,899	192,633
RECONCILIATION OF FUNDS:						
Total funds brought forward	19	232,773	(317,809)	4,042,458	3,957,422	3,764,789
TOTAL FUNDS CARRIED FORWARD		326,676	(268,275)	5,520,920	5,579,321	3,957,422

The notes on pages 30 to 58 form part of these financial statements.

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

CONSOLIDATED BALANCE SHEET
AS AT 31 AUGUST 2018

	Note	£	2018 £	£	2017 £
FIXED ASSETS					
Tangible assets	13		4,155,293		4,042,458
CURRENT ASSETS					
Debtors	16	1,161,780		41,502	
Cash at bank and in hand	23	1,597,733		1,219,798	
			<u>2,759,513</u>	<u>1,261,300</u>	
CREDITORS: amounts falling due within one year	17	(341,685)		(245,736)	
NET CURRENT ASSETS			<u>2,417,828</u>		1,015,564
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>6,573,121</u>		5,058,022
CREDITORS: amounts falling due after more than one year	18		<u>(16,800)</u>		(21,600)
NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES			<u>6,556,321</u>		5,036,422
Defined benefit pension scheme liability	25		<u>(977,000)</u>		(1,079,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u><u>5,579,321</u></u>		<u>3,957,422</u>
FUNDS OF THE ACADEMY					
Restricted income funds:					
Restricted income funds	19	708,725		761,191	
Restricted fixed asset funds	19	5,520,920		4,042,458	
			<u>6,229,645</u>	<u>4,803,649</u>	
Restricted income funds excluding pension liability					
Pension reserve	19	(977,000)		(1,079,000)	
			<u>5,252,645</u>	<u>3,724,649</u>	
Total restricted income funds					
Unrestricted income funds	19		<u>326,676</u>		232,773
TOTAL FUNDS			<u><u>5,579,321</u></u>		<u>3,957,422</u>

ALFRISTON SCHOOL
(A Company Limited by Guarantee)

CONSOLIDATED BALANCE SHEET (continued)
AS AT 31 AUGUST 2018

The financial statements on pages 24 to 58 were approved by the Trustees, and authorised for issue, on 5 December 2018 and are signed on their behalf, by:

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

.....
Mrs J Male
Accounting Officer

The notes on pages 30 to 58 form part of these financial statements.

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

ACADEMY BALANCE SHEET
AS AT 31 AUGUST 2018

	Note	£	2018 £	£	2017 £
FIXED ASSETS					
Tangible assets	13		4,155,293		4,042,458
Investments	14		1		1
			<u>4,155,294</u>		<u>4,042,459</u>
CURRENT ASSETS					
Debtors	16	1,216,085		70,365	
Cash at bank and in hand		1,474,271		1,149,077	
		<u>2,690,356</u>		<u>1,219,442</u>	
CREDITORS: amounts falling due within one year	17	(324,750)		(232,812)	
NET CURRENT ASSETS			<u>2,365,606</u>		<u>986,630</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>6,520,900</u>		<u>5,029,089</u>
CREDITORS: amounts falling due after more than one year	18		<u>(16,800)</u>		<u>(21,600)</u>
NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES			<u>6,504,100</u>		<u>5,007,489</u>
Defined benefit pension scheme liability	25		<u>(977,000)</u>		<u>(1,079,000)</u>
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u><u>5,527,100</u></u>		<u><u>3,928,489</u></u>
FUNDS OF THE ACADEMY					
Restricted funds:					
Restricted funds	20	708,725		761,190	
Restricted fixed asset funds	20	5,520,919		4,042,459	
		<u>6,229,644</u>		<u>4,803,649</u>	
Restricted funds excluding pension asset					
Pension reserve	20	(977,000)		(1,079,000)	
		<u>5,252,644</u>		<u>3,724,649</u>	
Total restricted funds			<u>5,252,644</u>		<u>3,724,649</u>
Unrestricted funds	20		274,456		203,840
			<u>5,527,100</u>		<u>3,928,489</u>
TOTAL FUNDS			<u><u>5,527,100</u></u>		<u><u>3,928,489</u></u>

ALFRISTON SCHOOL
(A Company Limited by Guarantee)

ACADEMY BALANCE SHEET (continued)
AS AT 31 AUGUST 2018

The financial statements were approved by the Trustees, and authorised for issue, on 5 December 2018 and are signed on their behalf, by:

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

.....
Mrs J Male
Accounting Officer

The notes on pages 30 to 58 form part of these financial statements.

ALFRISTON SCHOOL
(A Company Limited by Guarantee)

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

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash provided by operating activities	22	<u>125,292</u>	<u>136,505</u>
Cash flows from investing activities:			
Dividends, interest and rents from investments		2,790	2,274
Purchase of tangible fixed assets		(266,168)	(81,099)
Capital grants from DfE Group		520,821	8,894
Net cash provided by/(used in) investing activities		<u>257,443</u>	<u>(69,931)</u>
Cash flows from financing activities:			
Repayments of borrowings		(4,800)	(4,800)
Net cash used in financing activities		<u>(4,800)</u>	<u>(4,800)</u>
Change in cash and cash equivalents in the year		377,935	61,774
Cash and cash equivalents brought forward		<u>1,219,798</u>	<u>1,158,024</u>
Cash and cash equivalents carried forward	23	<u><u>1,597,733</u></u>	<u><u>1,219,798</u></u>

The notes on pages 30 to 58 form part of these financial statements.

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

1. ACCOUNTING POLICIES

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

1.1 Basis of preparation of financial statements

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

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

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

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 funders where the asset acquired or created is held for a specific purpose.

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

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

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

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

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

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

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 receipt is probable and the amount can be reliably measured.

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

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

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.

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

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

All expenditure is 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 section 408 of the Companies Act 2006 not to present its own Statement of Financial Activities incorporating Income and Expenditure Account.

The statement of financial activities incorporating income and expenditure account for the year dealt with in the accounts of the Academy was a gain of £1,840,612 (2017 - loss of £144,195) before defined benefit pension scheme actuarial losses/gains.

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

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 and are carried at cost, net of depreciation and any provision for impairment.

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

Depreciation is not charged on leasehold land and assets under construction. 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:

Long leasehold property	-	2% per annum on cost on buildings only
Equipment	-	20% per annum on cost
Motor vehicles	-	10% per annum on cost
Fixtures and furniture	-	6.6% per annum on cost
ICT equipment	-	33% per annum on cost

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

1.8 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

The Academy's shareholding in the wholly owned subsidiary, Alfriston Pool Ltd, is included in the Balance Sheet at the cost of the share capital owned less any impairment. There is no readily available market value and the cost of valuation exceeds the benefit derived.

1.10 Taxation

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

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

1. ACCOUNTING POLICIES (continued)

1.11 Debtors

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

1.12 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.

1.13 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.

1.14 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 16. Prepayments are not financial instruments. Amounts due by the Academy's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 17 and 18. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to the Academy's wholly owned subsidiary are held at face value less any impairment.

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

1. ACCOUNTING POLICIES (continued)

1.15 Pensions

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

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy 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 an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 25, the TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the Academy Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance Sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities 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 2018

1. ACCOUNTING POLICIES (continued)

1.16 Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

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

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
Donations	-	26,073	3,300	29,373	31,283
Capital grants	-	-	1,593,855	1,593,855	8,894
	-	26,073	1,597,155	1,623,228	40,177
Total 2017	-	31,283	8,894	40,177	

ALFRISTON SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

3. OTHER TRADING ACTIVITIES

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Rental income	19,555	-	19,555	19,836
Other income	32,074	53,160	85,234	55,597
Income of trading subsidiary	117,212	-	117,212	110,168
	<u>168,841</u>	<u>53,160</u>	<u>222,001</u>	<u>185,601</u>
Total 2017	<u>146,719</u>	<u>38,882</u>	<u>185,601</u>	

4. INVESTMENT INCOME

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Bank interest receivable	2,790	-	2,790	2,274
	<u>2,790</u>	<u>-</u>	<u>2,790</u>	<u>2,274</u>
Total 2017	<u>2,274</u>	<u>-</u>	<u>2,274</u>	

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

5. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	1,535,862	1,535,862	1,552,354
Pupil premium	-	47,324	47,324	45,750
Other DfE/ESFA grants	-	17,618	17,618	29,811
	-	1,600,804	1,600,804	1,627,915
Other government grants				
SEN funding	-	968,895	968,895	908,406
Other government grants	-	24,200	24,200	23,797
	-	993,095	993,095	932,203
Other funding				
Catering income	-	16,531	16,531	19,541
Trip income	23,631	-	23,631	16,894
	23,631	16,531	40,162	36,435
	23,631	2,610,430	2,634,061	2,596,553
Total 2017	16,894	2,579,659	2,596,553	

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

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

6. EXPENDITURE

	Staff costs 2018 £	Premises 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Expenditure in subsidiary					
Direct costs	47,246	-	46,679	93,925	80,342
Support costs	-	-	-	-	-
Academy's educational operations:					
Direct costs	1,562,636	-	312,584	1,875,220	1,826,752
Support costs	529,893	309,733	293,410	1,133,036	1,031,878
	2,139,775	309,733	652,673	3,102,181	2,938,972
Total 2017	2,033,231	304,594	601,147	2,938,972	

In 2018, of the total expenditure of £3,102,181 (2017: £2,938,972) £101,359 (2017: £103,404) was to unrestricted funds, £2,847,489 (2017: £2,688,744) was to restricted funds and £153,333 (2017: £146,824) was to restricted fixed asset funds.

7. 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	215	-	

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

8. CHARITABLE ACTIVITIES

	Total funds 2018 £	Total funds 2017 £
DIRECT COSTS - EDUCATIONAL OPERATIONS		
Teaching and educational support wages and salaries	1,562,636	1,549,258
Other staff costs	31,816	29,026
Educational consultancy	111,169	114,508
Technology costs	57,018	20,945
Educational supplies	54,179	63,496
Examination fees	5,473	6,344
Other direct costs	52,929	43,175
	1,875,220	1,826,752
SUPPORT COSTS - EDUCATIONAL OPERATIONS		
Support staff wages and salaries	529,893	444,689
Depreciation	153,333	146,825
Pension finance costs	26,000	26,000
Other staff costs	15,538	15,782
Performing arts project and other repairs	-	69,014
Catering supplies	88,150	87,825
Maintenance of premises and equipment	165,541	74,486
Cleaning	31,170	29,679
Energy	51,896	55,217
Legal and professional	22,786	15,903
Non staff related insurance	5,330	19,489
Other support costs	25,262	23,084
Security and transport	6,659	7,615
Governance costs	11,478	16,270
	1,133,036	1,031,878
	3,008,256	2,858,630

9. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets:		
- owned by the charitable group	153,333	146,825
Auditors' remuneration - audit	7,000	7,000
Auditors' remuneration - other services	4,478	9,270
Operating lease rentals	2,290	3,146

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

10. STAFF COSTS

a. Staff costs

Staff costs were as follows:

	2018	2017
	£	£
Wages and salaries	1,622,675	1,555,737
Social security costs	132,457	135,461
Pension costs	384,643	342,033
	<u>2,139,775</u>	<u>2,033,231</u>

b. Staff numbers

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

	2018	2017
	No.	No.
Teachers	23	20
Administration and support	43	39
Management	3	3
	<u>69</u>	<u>62</u>

c. Higher paid staff

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

	2018	2017
	No.	No.
In the band £70,001 - £80,000	1	1
In the band £90,001 - £100,000	1	1

The above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2018, pension contributions for these staff amounted to £27,081 (2017: £26,536).

d. Key management personnel

The key management personnel of the Academy Trust comprises the Headteacher, Deputy Headteacher and the Academy Business Director. The total amount of employee benefits (including employer pension and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £291,971 (2017: £285,015).

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

11. RELATED PARTY TRANSACTIONS - TRUSTEES' REMUNERATION AND EXPENSES

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Academy. 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:

		2018 £	2017 £
J Male, Headteacher	Remuneration	90,000-95,000	90,000-95,000
	Pension contributions paid	15,000-20,000	10,000-15,000
A Blackburn-Levitt	Remuneration	30,000-35,000	30,000-35,000
	Pension contributions paid	5,000-10,000	5,000-10,000
N Phakkey	Remuneration	35,000-40,000	40,000-45,000
	Pension contributions paid	5,000-10,000	5,000-10,000

During the year, one Trustee received reimbursement of travel and other expenses totalling £990 (2017 - £1,375 to three Trustees).

12. TRUSTEES' AND OFFICERS' INSURANCE

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

13. TANGIBLE FIXED ASSETS

Group and Academy	Long leasehold property £	Motor vehicles £	Equipment £	Fixtures and furniture £	ICT equipment £
Cost					
At 1 September 2017	3,784,635	55,295	459,897	31,196	170,923
Additions	-	2,728	3,950	-	41,756
At 31 August 2018	<u>3,784,635</u>	<u>58,023</u>	<u>463,847</u>	<u>31,196</u>	<u>212,679</u>
Depreciation					
At 1 September 2017	200,197	13,081	128,005	5,027	113,178
Charge for the year	55,811	5,575	44,741	2,080	45,126
At 31 August 2018	<u>256,008</u>	<u>18,656</u>	<u>172,746</u>	<u>7,107</u>	<u>158,304</u>
Net book value					
At 31 August 2018	<u><u>3,528,627</u></u>	<u><u>39,367</u></u>	<u><u>291,101</u></u>	<u><u>24,089</u></u>	<u><u>54,375</u></u>
At 31 August 2017	<u><u>3,584,438</u></u>	<u><u>42,214</u></u>	<u><u>331,892</u></u>	<u><u>26,169</u></u>	<u><u>57,745</u></u>

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NOTES TO THE FINANCIAL STATEMENTS
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13. TANGIBLE FIXED ASSETS (continued)

Group and Academy	Assets under construction £	Total £
Cost		
At 1 September 2017	-	4,501,946
Additions	217,734	266,168
At 31 August 2018	<u>217,734</u>	<u>4,768,114</u>
Depreciation		
At 1 September 2017	-	459,488
Charge for the year	-	153,333
At 31 August 2018	<u>-</u>	<u>612,821</u>
Net book value		
At 31 August 2018	<u>217,734</u>	<u>4,155,293</u>
At 31 August 2017	<u>-</u>	<u>4,042,458</u>

Included in long leasehold property is land at valuation of £945,000 (2017: £945,000) which is not depreciated.

14. FIXED ASSET INVESTMENTS

Academy	Shares in group undertakings £
At 1 September 2017 and 31 August 2018	<u>1</u>

Alfriston Pool Ltd is a private limited company which provides leisure activities.

ALFRISTON SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

15. PRINCIPAL SUBSIDIARIES

Alfriston Pool Ltd

Subsidiary name	Alfriston Pool Ltd
Company registration number	09123723
Basis of control	Wholly owned subsidiary
Equity shareholding %	100%
Total assets as at 31 August 2018	£ 123,462
Total liabilities as at 31 August 2018	£ (71,240)
Total equity as at 31 August 2018	£ 52,222
Turnover for the year ended 31 August 2018	£ 117,211
Expenditure for the year ended 31 August 2018	£ (93,925)
Profit for the year ended 31 August 2018	£ 23,286

16. DEBTORS

	Group		Academy	
	2018	2017	2018	2017
	£	£	£	£
Trade debtors	4,266	4,224	4,266	4,224
Amounts owed by group undertakings	-	-	54,305	28,863
Prepayments and accrued income	1,107,956	23,318	1,107,956	23,318
VAT recoverable	49,558	13,960	49,558	13,960
	1,161,780	41,502	1,216,085	70,365

17. CREDITORS: Amounts falling due within one year

	Group		Academy	
	2018	2017	2018	2017
	£	£	£	£
SALIX loan	4,800	4,800	4,800	4,800
Trade creditors	163,010	59,642	163,010	59,642
Other taxation and social security	40,141	35,801	40,141	35,801
Other creditors	672	672	672	672
Accruals and deferred income	133,062	144,821	116,127	131,897
	341,685	245,736	324,750	232,812

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

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

	Group		Academy	
	2018	2017	2018	2017
	£	£	£	£
Deferred income				
Deferred income at 1 September 2017	34,637	32,604	21,715	19,404
Resources deferred during the year	47,832	34,637	30,898	21,715
Amounts released from previous years	(34,637)	(32,604)	(21,715)	(19,404)
Deferred income at 31 August 2018	47,832	34,637	30,898	21,715

Deferred income relates to school trip income and other income received in advance.

The SALIX loan of £36,000 from 2015 is repayable at a rate of £4,800 per annum over 7 and a half years. No interest is charged on this loan.

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

	Group		Academy	
	2018	2017	2018	2017
	£	£	£	£
SALIX loan	16,800	21,600	16,800	21,600

The SALIX loan of £36,000 from 2015 is repayable at a rate of £4,800 per annum over 7 and a half years. No interest is charged on this loan.

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

19. STATEMENT OF FUNDS - GROUP

	Balance at 1 September 2017 £	Income £	Resources expended £	Transfers in/(out) £	Gains/ (losses) £	Balance at 31 August 2018 £
Unrestricted funds						
General unrestricted funds	203,839	78,051	(7,435)	-	-	274,455
Trading subsidiary	28,934	117,211	(93,924)	-	-	52,221
	<u>232,773</u>	<u>195,262</u>	<u>(101,359)</u>	<u>-</u>	<u>-</u>	<u>326,676</u>
Restricted funds						
General Annual Grant (GAG)	451,956	1,535,862	(1,553,688)	(34,640)	-	399,490
Other DfE/ESFA grants	-	17,618	(17,618)	-	-	-
Transfer on conversion	309,235	-	-	-	-	309,235
Pupil premium	-	47,324	(47,324)	-	-	-
SEN	-	968,895	(968,895)	-	-	-
Other government grants	-	24,200	(24,200)	-	-	-
Other restricted funds	-	95,764	(95,764)	-	-	-
Pension reserve	(1,079,000)	-	(140,000)	-	242,000	(977,000)
	<u>(317,809)</u>	<u>2,689,663</u>	<u>(2,847,489)</u>	<u>(34,640)</u>	<u>242,000</u>	<u>(268,275)</u>
Restricted fixed asset funds						
Fixed asset fund	4,042,458	-	(153,333)	266,168	-	4,155,293
Condition improvement fund	-	1,584,894	-	(219,267)	-	1,365,627
Donations	-	3,300	-	(3,300)	-	-
Devolved formula capital	-	8,961	-	(8,961)	-	-
	<u>4,042,458</u>	<u>1,597,155</u>	<u>(153,333)</u>	<u>34,640</u>	<u>-</u>	<u>5,520,920</u>
Total restricted funds	<u>3,724,649</u>	<u>4,286,818</u>	<u>(3,000,822)</u>	<u>-</u>	<u>242,000</u>	<u>5,252,645</u>
Total of funds	<u>3,957,422</u>	<u>4,482,080</u>	<u>(3,102,181)</u>	<u>-</u>	<u>242,000</u>	<u>5,579,321</u>

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

19. 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 and Skills Funding Agency and 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/ESFA 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 represents amounts capitalised during the period.

The Restricted Fixed Asset fund represents the net book value of capitalised fixed assets.

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 2018.

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

19. STATEMENT OF FUNDS - GROUP (continued)

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 September 2016 £	Income £	Resources expended £	Transfers in/(out) £	Gains/ (losses) £	Balance at 31 August 2017 £
General funds						
General unrestricted funds	171,182	55,719	(23,062)	-	-	203,839
Trading subsidiary	(892)	110,168	(80,342)	-	-	28,934
	<u>170,290</u>	<u>165,887</u>	<u>(103,404)</u>	<u>-</u>	<u>-</u>	<u>232,773</u>
Restricted funds						
General Annual Grant (GAG)	439,118	1,552,354	(1,488,274)	(51,242)	-	451,956
Other DfE/ESFA grants	-	29,811	(29,811)	-	-	-
Transfer on conversion	309,235	-	-	-	-	309,235
Pupil premium	-	45,750	(45,750)	-	-	-
SEN	-	908,406	(908,406)	-	-	-
Other government grants	-	23,797	(23,797)	-	-	-
Other restricted funds	-	89,706	(89,706)	-	-	-
Pension reserve	(1,283,000)	-	(103,000)	-	307,000	(1,079,000)
	<u>(534,647)</u>	<u>2,649,824</u>	<u>(2,688,744)</u>	<u>(51,242)</u>	<u>307,000</u>	<u>(317,809)</u>
Restricted fixed asset funds						
Fixed asset fund	4,108,184	-	(146,824)	81,098	-	4,042,458
Condition improvement fund	20,962	-	-	(20,962)	-	-
Devolved formula capital	-	8,894	-	(8,894)	-	-
	<u>4,129,146</u>	<u>8,894</u>	<u>(146,824)</u>	<u>51,242</u>	<u>-</u>	<u>4,042,458</u>
Total restricted funds	<u>3,594,499</u>	<u>2,658,718</u>	<u>(2,835,568)</u>	<u>-</u>	<u>307,000</u>	<u>3,724,649</u>
Total of funds	<u>3,764,789</u>	<u>2,824,605</u>	<u>(2,938,972)</u>	<u>-</u>	<u>307,000</u>	<u>3,957,422</u>

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FOR THE YEAR ENDED 31 AUGUST 2018

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

	Balance at 1 September 2016 £	Income £	Resources expended £	Transfers in/(out) £	Gains/ (losses) £	Balance at 31 August 2018 £
Unrestricted funds						
General unrestricted funds	171,182	133,770	(30,497)	-	-	274,455
Trading subsidiary	(892)	227,379	(174,266)	-	-	52,221
	<u>170,290</u>	<u>361,149</u>	<u>(204,763)</u>	<u>-</u>	<u>-</u>	<u>326,676</u>
Restricted funds						
General Annual Grant (GAG)	439,118	3,088,216	(3,041,962)	(85,882)	-	399,490
Other DfE/ESFA grants	-	47,429	(47,429)	-	-	-
Transfer on conversion	309,235	-	-	-	-	309,235
Pupil premium	-	93,074	(93,074)	-	-	-
SEN	-	1,877,301	(1,877,301)	-	-	-
Other government grants	-	47,997	(47,997)	-	-	-
Other restricted funds	-	185,470	(185,470)	-	-	-
Pension reserve	(1,283,000)	-	(243,000)	-	549,000	(977,000)
	<u>(534,647)</u>	<u>5,339,487</u>	<u>(5,536,233)</u>	<u>(85,882)</u>	<u>549,000</u>	<u>(268,275)</u>
Restricted fixed asset funds						
Fixed asset fund	4,108,184	-	(300,157)	347,266	-	4,155,293
Condition improvement fund	20,962	1,584,894	-	(240,229)	-	1,365,627
Donations	-	3,300	-	(3,300)	-	-
Devolved formula capital	-	17,855	-	(17,855)	-	-
	<u>4,129,146</u>	<u>1,606,049</u>	<u>(300,157)</u>	<u>85,882</u>	<u>-</u>	<u>5,520,920</u>
	<u>3,594,499</u>	<u>6,945,536</u>	<u>(5,836,390)</u>	<u>-</u>	<u>549,000</u>	<u>5,252,645</u>
Total of funds	<u><u>3,764,789</u></u>	<u><u>7,306,685</u></u>	<u><u>(6,041,153)</u></u>	<u><u>-</u></u>	<u><u>549,000</u></u>	<u><u>5,579,321</u></u>

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

20. STATEMENT OF FUNDS - ACADEMY

	Balance at 1 September 2017 £	Incoming resources £	Resources expended £	Transfers in/(out) £	Gains/ (losses) £	Balance at 31 August 2018 £
Unrestricted funds						
General unrestricted funds	203,839	78,051	(7,435)	-	-	274,455
	<u>203,839</u>	<u>78,051</u>	<u>(7,435)</u>	<u>-</u>	<u>-</u>	<u>274,455</u>
Restricted funds						
General Annual Grant (GAG)	451,956	1,535,862	(1,553,688)	(34,640)	-	399,490
Other DfE/ESFA grants	-	17,618	(17,618)	-	-	-
Transfer on conversion	309,235	-	-	-	-	309,235
Pupil premium	-	47,324	(47,324)	-	-	-
SEN income	-	968,895	(968,895)	-	-	-
Other Government grants	-	24,200	(24,200)	-	-	-
Other restricted funds	-	95,764	(95,764)	-	-	-
Pension reserve	(1,079,000)	-	(140,000)	-	242,000	(977,000)
	<u>(317,809)</u>	<u>2,689,663</u>	<u>(2,847,489)</u>	<u>(34,640)</u>	<u>242,000</u>	<u>(268,275)</u>
Restricted fixed asset funds						
Fixed asset fund	4,042,458	-	(153,333)	266,168	-	4,155,293
Condition improvement fund	-	1,593,855	-	(228,228)	-	1,365,627
Donations	-	3,300	-	(3,300)	-	-
	<u>4,042,458</u>	<u>1,597,155</u>	<u>(153,333)</u>	<u>34,640</u>	<u>-</u>	<u>5,520,920</u>
Total restricted funds	<u>3,724,649</u>	<u>4,286,818</u>	<u>(3,000,822)</u>	<u>-</u>	<u>242,000</u>	<u>5,252,645</u>
Total of funds	<u><u>3,928,488</u></u>	<u><u>4,364,869</u></u>	<u><u>(3,008,257)</u></u>	<u><u>-</u></u>	<u><u>242,000</u></u>	<u><u>5,527,100</u></u>

ALFRISTON SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
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STATEMENT OF FUNDS - ACADEMY - PRIOR YEAR

	Balance at 1 September 2016 £	Incoming resources £	Resources expended £	Transfers in/(out) £	Gains/ (losses) £	Balance at 31 August 2017 £
Unrestricted funds						
General unrestricted funds	171,182	55,719	(23,062)	-	-	203,839
	<u>171,182</u>	<u>55,719</u>	<u>(23,062)</u>	<u>-</u>	<u>-</u>	<u>203,839</u>
Restricted funds						
General Annual Grant (GAG)	439,118	1,552,354	(1,488,274)	(51,243)	-	451,955
Other DfE/ESFA grants	-	29,811	(29,811)	-	-	-
Funds transferred on conversion	309,235	-	-	-	-	309,235
Pupil premium	-	45,750	(45,750)	-	-	-
SEN income	-	908,406	(908,406)	-	-	-
Other Government grants	-	23,797	(23,797)	-	-	-
Other restricted funds	-	89,706	(89,706)	-	-	-
Pension reserve	(1,283,000)	-	(103,000)	-	307,000	(1,079,000)
	<u>(534,647)</u>	<u>2,649,824</u>	<u>(2,688,744)</u>	<u>(51,243)</u>	<u>307,000</u>	<u>(317,810)</u>
Restricted fixed asset funds						
Fixed asset fund	4,108,184	-	(146,824)	81,099	-	4,042,459
Academies capital maintenance	20,962	-	-	(20,962)	-	-
Devolved formula capital	-	8,894	-	-	-	-
	<u>4,129,146</u>	<u>8,894</u>	<u>(146,824)</u>	<u>51,243</u>	<u>-</u>	<u>4,042,459</u>
Total restricted funds	<u>3,594,499</u>	<u>2,658,718</u>	<u>(2,835,568)</u>	<u>-</u>	<u>307,000</u>	<u>3,724,649</u>
Total of funds	<u><u>3,765,681</u></u>	<u><u>2,714,437</u></u>	<u><u>(2,858,630)</u></u>	<u><u>-</u></u>	<u><u>307,000</u></u>	<u><u>3,928,489</u></u>

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

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 and Skills Funding Agency and 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/ESFA 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 represents amounts capitalised during the period.

The Restricted Fixed Asset fund represents the net book value of capitalised fixed assets.

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2018.

21. ANALYSIS OF NET ASSETS BETWEEN FUNDS - GROUP

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	4,155,293	4,155,293
Current assets	326,676	1,067,210	1,365,627	2,759,513
Creditors due within one year	-	(341,685)	-	(341,685)
Creditors due in more than one year	-	(16,800)	-	(16,800)
Pension liability	-	(977,000)	-	(977,000)
	<u>326,676</u>	<u>(268,275)</u>	<u>5,520,920</u>	<u>5,579,321</u>

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

21. ANALYSIS OF NET ASSETS BETWEEN FUNDS - GROUP (continued)

ANALYSIS OF NET ASSETS BETWEEN FUNDS - GROUP - PRIOR YEAR

	Unrestricted funds	Restricted funds	Restricted fixed asset funds	Total funds
	2017 £	2017 £	2017 £	2017 £
Tangible fixed assets	-	-	4,042,458	4,042,458
Current assets	232,773	1,028,530	-	1,261,303
Creditors due within one year	-	(245,739)	-	(245,739)
Creditors due in more than one year	-	(21,600)	-	(21,600)
Provisions for liabilities and charges	-	(1,079,000)	-	(1,079,000)
	<u>232,773</u>	<u>(317,809)</u>	<u>4,042,458</u>	<u>3,957,422</u>

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

	Group	
	2018	2017
	£	£
Net income/(expenditure) for the year (as per Statement of Financial Activities)	1,379,899	(114,367)
Adjustment for:		
Depreciation charges	153,333	146,825
Dividends, interest and rents from investments	(2,790)	(2,274)
(Increase)/decrease in debtors	(47,244)	41,685
Increase/(decrease) in creditors	95,949	(29,470)
Capital grants from DfE and other capital income	(1,593,855)	(8,894)
Pension adjustments	140,000	103,000
Net cash provided by operating activities	<u>125,292</u>	<u>136,505</u>

23. ANALYSIS OF CASH AND CASH EQUIVALENTS

	Group	
	2018	2017
	£	£
Cash in hand	1,597,733	1,219,798
Total	<u>1,597,733</u>	<u>1,219,798</u>

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

24. CAPITAL COMMITMENTS

At 31 August 2018 the Group and Academy had capital commitments as follows:

	<u>Group</u>		<u>Academy</u>	
	2018	2017	2018	2017
	£	£	£	£
Contracted for but not provided in these financial statements	26,336	-	26,336	-

25. PENSION COMMITMENTS

The Group'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 2016.

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

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

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

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

25. PENSION COMMITMENTS (continued)

- 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%.

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

The employer's pension costs paid to TPS in the period amounted to £144,000 (2017 - £146,000).

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).

Under the definitions set out in FRS 102, the TPS is an unfunded 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 2018 was £159,000 (2017 - £151,000), of which employer's contributions totalled £125,000 (2017 - £119,000) and employees' contributions totalled £34,000 (2017 - £32,000). 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:

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

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

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

	2018	2017
Retiring today		
Males	24.0	23.9
Females	26.1	26.0
Retiring in 20 years		
Males	26.3	26.2
Females	28.5	28.3

Sensitivity analysis - present value of total obligation	At 31 August 2018	At 31 August 2017
	£	£
Discount rate +0.1%	2,239,000	2,187,000
Discount rate -0.1%	2,336,000	2,282,000
Mortality assumption - 1 year increase	2,366,000	2,311,000
Mortality assumption - 1 year decrease	2,211,000	2,160,000
CPI rate +0.1%	2,332,000	2,275,000
CPI rate -0.1%	2,243,000	2,194,000

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

	Fair value at 31 August 2018	Fair value at 31 August 2017
	£	£
Equities	688,000	645,000
Gilts	154,000	112,000
Other bonds	161,000	150,000
Property	96,000	85,000
Cash and other liquid assets	78,000	40,000
Alternative assets	133,000	123,000
Total market value of assets	1,310,000	1,155,000

The actual return on scheme assets was £40,000 (2017 - £121,000).

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

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

	2018	2017
	£	£
Current service cost	(238,000)	(195,000)
Interest cost	(26,000)	(26,000)
Administration expenses	(1,000)	(1,000)
	<hr/>	<hr/>
Total	(265,000)	(222,000)
	<hr/> <hr/>	<hr/> <hr/>

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

	2018	2017
	£	£
Opening defined benefit obligation	2,234,000	2,181,000
Current service cost	238,000	195,000
Interest cost	58,000	46,000
Employee contributions	34,000	32,000
Actuarial gains	(234,000)	(180,000)
Benefits paid	(43,000)	(40,000)
	<hr/>	<hr/>
Closing defined benefit obligation	2,287,000	2,234,000
	<hr/> <hr/>	<hr/> <hr/>

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

	2018	2017
	£	£
Opening fair value of scheme assets	1,155,000	898,000
Return on plan assets	32,000	20,000
Actuarial gains	8,000	127,000
Employer contributions	125,000	119,000
Employee contributions	34,000	32,000
Benefits paid	(43,000)	(40,000)
Administration expenses	(1,000)	(1,000)
	<hr/>	<hr/>
Closing fair value of scheme assets	1,310,000	1,155,000
	<hr/> <hr/>	<hr/> <hr/>

The amount recognised in the Statement of Financial Activities is as follows:

	2018	2017
	£	£
Changes in financial assumptions	234,000	180,000
Return on plan assets	8,000	127,000
	<hr/>	<hr/>
Actuarial gains/(losses) on defined benefit pension schemes	242,000	307,000
	<hr/> <hr/>	<hr/> <hr/>

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

PENSION COMMITMENTS (continued)

The amount recognised in the Balance Sheet is as follows:

	2018	2017
	£	£
Present value of defined benefit obligation	(2,287,000)	(2,234,000)
Fair value of scheme assets	1,310,000	1,155,000
	<hr/>	<hr/>
Defined benefit pension scheme liability	(977,000)	(1,079,000)
	<hr/> <hr/>	<hr/> <hr/>

26. OPERATING LEASE COMMITMENTS

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

	2018	2017
	£	£
Group and Academy		
Amounts payable:		
Within 1 year	2,290	2,185
Between 1 and 5 years	417	2,549
	<hr/>	<hr/>
Total	2,707	4,734
	<hr/> <hr/>	<hr/> <hr/>

27. RELATED PARTY TRANSACTIONS

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

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 11.

28. 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.