

REGISTERED COMPANY NUMBER: 07539918 (England and Wales)

SIR ROGER MANWOOD'S SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018

McCabe Ford Williams
Statutory Auditors &
Chartered Accountants
Bank Chambers
1 Central Avenue
SITTINGBOURNE
Kent
ME10 4AE

SIR ROGER MANWOOD'S SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

	Page
Reference and Administrative Details	1-2
Report of the Trustees	3-13
Governance Statement	14-17
Statement on Regularity, Propriety and Compliance	18
Statement of Trustees' Responsibilities	19
Independent Auditor's Report on the Financial Statements	20-22
Independent Reporting Accountant's Assurance Report on Regularity	23-24
Statement of Financial Activities (including Income & Expenditure Account and a Statement of Other Comprehensive Income)	25
Balance Sheet	26
Statement of Cash Flows	27
Notes to the Statement of Cash Flows	28
Notes to the Financial Statements, incorporating:	
Statement of Accounting Policies	29-33
Other Notes to the Financial Statements	33-52

SIR ROGER MANWOOD'S SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2018

Members

Reverend M Roberts
Mr D Fuller
Mr C Ewen - From 13 December 2017
Mrs R C Daniels
Ms R Jackson
Mr A Mills - To 15 October 2018
Mr A Rush - From 15 October 2018

Trustees

Mrs R C Daniels (chairperson from 01.09.17, vice chairperson to 01.09.2017)
Mrs M C Everard
Dr C Ewen (chairperson to 01.09.2017) - Resigned 13 December 2017
Mr D Fuller * - Resigned 29 January 2018
Mrs L M Gorrige
Mrs G Hoffmann *
Mr L Hunter * (Headteacher & accounting officer)
Dr R J Jackson (vice chairperson from 01.09.2017)
Mr A J Kilbee
Reverend M Roberts
Mrs J C Rosso
Mr A Rush *
Ms J Poole (staff governor)
Mr A Mills *
Mr P Wilson *
Mr A Nagle* - Appointed 30 October 2017
Mr D Anderson (staff governor) * - Appointed 23 February 2018
Ms J Maine - Appointed 23 February 2018
Mrs K Bell - Appointed 23 February 2018
Mrs D Hunter Wardle - Appointed 23 February 2018
Mr R D Cruwys - Appointed 23 February 2018
Mr R W Anstis - Appointed 23 February 2018

* Members of the Finance and Premises Committee

Company Secretary

Mrs P Bunnell - Appointed 30 October 2017

Senior Leadership Team

Mr L Hunter Headteacher & Accounting Officer
Ms C Kernick Deputy Headteacher
Mr M Rivers Assistant Headteacher
Mr D Thomas Assistant Headteacher
Mrs P Bunnell School Business Manager from 30 October 2017

Key Management Personnel

Mr L Hunter Headteacher & Accounting Officer
Ms C Kernick Deputy Headteacher
Mr M Rivers Assistant Headteacher
Mr D Thomas Assistant Headteacher
Mrs P Bunnell School Business Manager

SIR ROGER MANWOOD'S SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2018

Principal and Registered Office

Sir Roger Manwood's School
Manwood Road
Sandwich
Kent CT13 9JX

Registered Company Number

07539918 (England and Wales)

Independent Auditor

Clair Rayner FCA DChA (Senior Statutory Auditor)
McCabe Ford Williams
Statutory Auditors and Chartered Accountants
Bank Chambers
1 Central Avenue
Sittingbourne
Kent ME10 4AE

Bankers

Lloyds Bank plc
43 Sandgate Road
Folkestone
Kent CT20 1RZ

SIR ROGER MANWOOD'S SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2018

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

The trust operates an academy for pupils aged 11 to 19 serving a catchment area in Sandwich and Deal and the surrounding rural community. It has a Pupil Admission Number (PAN) of 840 and a roll of 1,033 in the October 2018 school census.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust.

The trustees of Sir Roger Manwood's School are also the directors of the charitable company for the purposes of company law.

Details of the trustees who served during the year and up to the date of this report are included in the Reference and Administrative Details on page 1.

Members' Liability

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

Trustees' Indemnities

Subject to the provisions of the Companies Act 2006, every trustee, officer or auditor of the academy shall be indemnified out of the assets of the charitable company against any liability incurred by them in that capacity in defending any proceedings, whether civil or criminal, in which judgment is given in favour or in which they are acquitted or in connection with any application in which relief is granted to him by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the academy.

Method of Recruitment and Appointment or Election of Trustees

The board of trustees may appoint up to four community trustees and the local community trustee. They may also appoint staff trustees through such a process as they may determine, provided that the total number of trustees (including the Headteacher) who are employees of the charitable company does not exceed one third of the total number of trustees.

Foundation trustees are appointed on the following basis:

- two shall be appointed by The Lord Warden of the Cinque Ports;
- one shall be appointed by The Master and Fellow of Gonville and Caius College, Cambridge;
- one shall be appointed by The Rector of Lincoln College, Oxford, and;
- one shall be appointed by Canterbury Diocesan Board of Education, on behalf of the Archbishop of Canterbury.

The parent trustees shall be elected by parents of registered pupils at the academy. A parent trustee must be a parent of a pupil at the academy at the time of their election. The board of trustees shall make all necessary arrangements for and determine all other matters relating to, an election of parent trustees, including any question of whether a person is a parent of a registered pupil at the academy. Any election of parent trustees, which is contested, shall be held by secret ballot.

Where a vacancy for a parent trustee is required to be filled by election, the board of trustees shall take such steps as are reasonably practical to secure that every person who is known to them to be a parent of a registered pupil at the academy is informed of the vacancy and that it is required to be filled by election, informed that he is entitled to stand as candidate, and vote at the election, and given an opportunity to do so.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2018

STRUCTURE, GOVERNANCE AND MANAGEMENT – continued

Method of Recruitment and Appointment or Election of Trustees - continued

In appointing a parent trustee, the board of trustees shall appoint a person who is the parent of a registered pupil at the academy, or where it is not reasonably practical to do so, a person who is the parent of a child of compulsory school age.

The staff trustees shall be elected by a secret ballot of all staff employed under a contract of employment or a contract for services or otherwise engaged to provide services to the academy (excluding the Headteacher). All arrangements for the calling and the conduct of the election and resolution of questions as to whether any person is an eligible candidate shall be determined by the trustees. If a staff trustee ceases to work at the academy then he shall be deemed to have resigned and shall cease to be a trustee automatically on termination of his work at the academy. Any election of a staff trustee, which is contested, shall be held by secret ballot.

The first parent trustees and staff trustees were those people who filled those positions on the board of trustees of the predecessor Sir Roger Manwood's School at its closure who became trustees on the opening of the academy as parent or staff trustees for the remainder of the terms of office for which they were elected to the predecessor board of trustees.

The trustees may appoint up to three co-opted trustees. The trustees may not co-opt an employee of the academy trust as a co-opted trustee if thereby the number of trustees who are employees of the academy trust would exceed one third of the total number of trustees (including the Headteacher).

The Secretary of State may appoint additional trustees as he thinks fit if a warning notice has been given to the trustees because the standards of performance are unacceptably low, there is a serious breakdown in the way the academy is managed and the safety of staff and pupils is threatened and following this, the trustees have failed to comply, or secure compliance, with the notice to the Secretary of State's satisfaction within the compliance period.

The Secretary of State may also appoint additional trustees following an inspection by the Chief Inspector in accordance with the Education Act 2005 where the academy trust receives an Ofsted grading which amounts to a drop, either from one inspection to the next inspection or between any two inspections carried out within a five year period.

The Secretary of State may also appoint further trustees as he thinks fit if a Special Measures Termination Event occurs.

Policies and Procedures Adopted for the Induction and Training of Trustees

The induction provided for new trustees is tailored to their existing experience, with training provided on charity, educational, legal and financial matters as necessary. Copies of the policies, procedures, minutes, accounts, budget, plans and any other necessary documents that they will need to undertake their role as a trustee will be made available.

On-going training is available through Kent County Council Trustee Services. They provide an annual calendar of training events in addition to online training that all trustees can access.

Since July 2017 the Trust has been a member of the National Governors' Association (NGA) and all new trustees appointed since that date receive a copy of the NGA's *Welcome to Governance* booklet, and are required to complete the NGA's online training module for new trustees.

Training sessions for all trustees are arranged at the school on appropriate topics, as and when necessary.

SIR ROGER MANWOOD'S SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2018

STRUCTURE, GOVERNANCE AND MANAGEMENT - continued

Organisational Structure

The trustees are responsible for the strategic direction of the school, making major decisions and monitoring the activities of the school. This was achieved through seven meetings of the full board of trustees during the year and meetings of committees set up to look at specific areas of the school's activities. The trustees are responsible for monitoring the performance of the Headteacher on a regular basis.

The Headteacher was assisted by a Deputy Headteacher and two Assistant Headteachers. The organisational structure cascaded via senior leaders and middle managers that includes the School Business Manager, Heads of Department and Heads of Year.

Arrangements for Setting Pay and Remuneration of Key Management Personnel

Trustees delegate decisions of pay and remuneration to the Pay and Personnel Committee, which oversees all such decisions other than the remuneration of the Headteacher, which is instead overseen by a Headteacher's Pay and Performance Management Committee. All teaching and non-teaching staff are subject to comprehensive appraisal procedures, part of which includes line managers making a pay recommendation, where applicable. All procedures and such recommendations were moderated by the Headteacher (for non-teaching staff) and the Deputy Headteacher (for teaching staff) before being taken to the Pay and Personnel Committee for their decisions.

The Headteacher's Pay Range was set by the board of trustees when recruiting for a new Headteacher for September 2013 according to the Group Size of the school, and the Deputy and Assistant Headteacher ranges reviewed at the same time.

Both the Pay and Personnel Committee and Headteacher's Pay Committee have access to benchmarking data from similar schools.

Trade Union Facility Time

Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
Nil	Nil

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	0
1% - 50%	0
51% - 99%	0
100%	0

Percentage of pay bill spent on facility time

Provide the total of facility time	£0
Provide the total pay bill	£4,148,165
Provide the percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) × 100	0%

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2018

STRUCTURE, GOVERNANCE AND MANAGEMENT - continued

Trade Union Facility Time - continued

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as: (total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) × 100	Nil
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Connected Organisations including Related Party Relationships

The academy does not belong to a chain of academies and as such it is not part of any wider network or federation. However, it has a significant link with a company run by one of the trustees (Mr T Mills) which trades with the academy (payment for undertaking the Responsible Officer duties) and links with other local organisations which include:

- Old Manwoodian Association
- Manwood Trust

OBJECTIVES AND ACTIVITIES

Objects and Aims

The school's object per its governing document is to advance for the public benefit education in the Sandwich area of Kent, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a selective school offering a broad and balanced curriculum.

The school aims to:

- Ensure that, each student maximises their academic potential, and staff continue to aspire to the highest standards of teaching and learning in its delivery that contains effective differentiation.
- Continually review the curriculum and its delivery in order to ensure that it meets the needs of its students, encourages high aspirations and enables them to fulfil their potential and progress to the next stage of their lives.
- Provide excellent CPD opportunities for all staff through in-house training programmes and other means.
- Ensure that an effective Performance Management process.
- Continue to develop the PSHCEE provision with particular focus on health, sex, drugs, life skills, citizenship education and safeguarding.
- To continue to maintain and improve the current high academic standards.
- Provide staff and students with an environment that is fit for purpose. Develop a strategic plan for school site. The school will also continue to seek funding from the Condition Improvement Fund for building improvements.
- Ensure value for money from the school's funding.
- Maintain the very high standard of pupil behaviour, attendance and punctuality.

SIR ROGER MANWOOD'S SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2018

OBJECTIVES AND ACTIVITIES – continued

Objectives, Strategies & Activities

The school has worked hard to achieve its aims and the trustees have been kept informed through the work of the committees who report to the full board of trustees.

Public Benefit

The trustees confirm that they have complied with the duties in Section 17(5) of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit.

We have referred to the guidance in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives they have set.

The public benefit of Sir Roger Manwood's School is the advancement of education within the local community.

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

The school had 1,033 students on roll, including 52 boarders.

A Level Results

The overall pass rate last year was 97%, with 73% of all grades being at C or above, 27% at grade A or above, and 9% at A*. In terms of the A* percentage, these results were our best since the summer of 2015.

Some of the standout statistics include:

- 43 students gained at least 3 B grades
- 22 students gained at least AAA or better
- 8 students achieved at least A*AA or better
- 5 students achieved at least A*A*A or better
- 4 students achieved at least A*A*A* grades
- 1 student achieved 4 A* grades

3 students started at Oxford or Cambridge in October, 3 started medical degrees and 1 a veterinary science degree.

The most pleasing aspect of the results was that virtually the entire year group achieved the grades they needed to take them on to their chosen next step, whether that be higher education, a degree level apprenticeship or paid employment. Those moving on to higher education will be joining some of the UK's most prestigious universities, including Bath, Birmingham, Bristol, Cardiff, Durham, Edinburgh, Exeter, Glasgow, Imperial, Kent, Kings', Leeds, Loughborough, Nottingham, St Andrew's, St George's, UCL, Warwick and York.

The year group have both received from, and added to, the wider life of the school in their time with us, and leave Manwood's as well rounded young people, fully prepared for the next stage of their young lives - we wish them well.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2018

ACHIEVEMENTS AND PERFORMANCE - continued

GCSE Results

We were delighted by the results of the year group, who have been the first to take the new, reformed GCSEs in the majority of their subjects. The results are a testament to the hard work of staff and students, and, not least, their parents. 96.1% of all GCSEs were at grade 4 (equivalent to the old C) or above, and 49% were at grade 7 (equivalent to the old A) or above.

96.4% gained a Standard Pass (grade 4, which is equivalent to the old C) or above in both Mathematics and English, and 88% achieved a Good Pass (grade 5) or better in both Mathematics and English.

50% of the year group (69 students) achieved 5 or more GCSEs at grade 7 (the new equivalent to the old A grade) or above and 26% (36 students) achieved 8 GCSEs at grade 7 or above (which is the equivalent of the old A grade and above).

Other stand out statistics include:

- 3 students achieved a grade 8 or 9 (the new equivalents to the old A*) in all 10 GCSEs they sat, with 2 of them attaining a grade 9 in all 10 subjects, which puts them amongst the 0.2% of the national cohort (about 1,000 students) that achieved a grade 9 across the board in every subject they sat
- 2 students achieved a grade 8 or 9 in 9 of the GCSEs they sat
- 5 students achieved a grade 8 or 9 in 8 of the GCSEs they sat
- 10 students achieved a grade 8 or 9 in 7 of the GCSEs they sat
- 4 students achieved a grade 8 or 9 in 6 of the GCSEs they sat
- 4 students achieved a grade 8 or 9 in 5 of the GCSEs they sat

Key Performance Indicators

An analysis of the school's financial performance undertaken through the examination of the following:

- (1) the school's budget and the relating situation in terms of financial soundness
- (2) the comparative data of spending by similar schools

indicates that the school has performed well in financial terms.

An analysis of the school's spending pattern against benchmarking data from other similar schools indicates that spending is broadly in line with the national picture.

Specific financial KPIs for the year under review are as follows:

	31.08.18			31.08.17		
	Excluding boarding	Boarding	Whole school	Excluding boarding	Boarding	Whole school
Educational wages per pupil enrolled	N/A	N/A	£3,036	N/A	N/A	£3,889
Boarding wages per boarding pupil	N/A	£4,794	N/A	N/A	£6,763	N/A
Total wages as a percentage of GAG funding	91.39%	5.80%	97.19%	97.88%	7.14%	102.60%
Total wages as a percentage of total revenue	68.45%	4.35%	72.80%	73.27%	5.34%	76.80%

Going Concern

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

SIR ROGER MANWOOD'S SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2018

FINANCIAL REVIEW

The academy's accounting period covers a twelve month period from 1 September 2017 to 31 August 2018.

The majority of the school's income is obtained from the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2018 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

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

The school is in its eighth year of operation having taken over the previous educational activity of Sir Roger Manwood's School operating as a foundation school, and has made investment that includes acquiring the fixed assets of the predecessor foundation school.

During the year ended 31 August 2018 total expenditure of £5,869,823 (2017: £5,669,830) was funded by recurrent grant funding from the ESFA together with other incoming resources. The excess of income over expenditure for the year, including other recognised gains and losses, (excluding restricted fixed asset funds) was £119,697 (2017: £149,541). The in year deficit of general restricted funds and unrestricted funds (excluding restricted fixed assets funds and the pension reserve) was £17,303 (2017: £234,459). At 31 August 2018 the net book value of fixed assets was £13,427,329 (2017: £13,387,993) and movements in tangible fixed assets are shown in note 12 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy. In the year to 31 August 2018 the Academy received Capital Improvement Funding Grant and Devolved Formula Capital Grant of £335,471 (2017: £333,992). The reserves held by the academy at 31 August 2018 (excluding fixed asset funds and the pension reserve) were £485,833 (2017: £503,136).

Reserves Policy

The Trustees review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of the reserves. The Trustees have determined that the appropriate level of free reserves for recurrent costs should be equivalent to 4 week's expenditure, approximately £400,000. 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.

The Academy set a surplus budget of £18,424 for the year ending 31 August 2018, which resulted in the level of free reserves at the end of the 2017-18 financial year being £264,597 (2017: £187,149). The Trustees approved a three year budget plan ensuring a surplus and reserves are maintained for the next three years, which bring the free reserves back to the £400,000 level.

At the year end the academy trust has total funds £13,080,956 (2017: £12,909,454). Restricted funds (excluding restricted fixed asset funds) show a deficit at the year end of £902,764 (2017: £945,013) after accounting for the deficit on the local government pension scheme.

Funds in Deficit

The Local Governmnet Pension Scheme is stated in the accounts to be in deficit in the sum of £1,124,000 as at the balance sheet date (2017: £1,261,000). It should be noted however that this deficit will not crystallise within the foreseeable future and that the academy follows the advice of the pension scheme actuary and makes contributions in accordance with the rates advised. The advised level of contributions has been taken into account when preparing the academy's budgets for the year ending 31 August 2019.

Investment Policy

The school is limited to the amount of reserves that it is able to hold and in general these need to be readily accessible. The practice is, therefore, to keep any reserves in the 32-day deposit account.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2018

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risk and uncertainty in respect of the school relates to the future funding available. The school mitigates this risk as far as possible by preparing budgets which are reviewed by the trustees annually to ensure that the level of anticipated funding is sufficient to meet the requirements of the school. Any shortfall identified is considered by the trustees and action taken with a view to balancing the budget.

Financial and Risk Management Objectives and Policies

Risk Management

The trustees have assessed the major risks to which the school is exposed, in particular those relating to the delivery of the curriculum, provision of facilities, health & safety and other operational areas and its finances.

Risks that have been considered over the current period have included the sustainability of a five form entry to year 7, potential changes to the funding that the school receives in future years and teachers' pay and pension increases.

Measures are in place through policies and procedures to minimise those risks that can be quantified. Appropriate insurances are also in place.

The future financial and risk management objectives for the academy include:

- Ensuring that the impact from the current tightening of funding in the public sector is fully taken into consideration when decisions about future spending are taken.

FUNDRAISING

The School does not use any external fundraisers, with all efforts being carried out by School staff. This includes requesting a payment of £5 per month to help fund the extras that government funding will not stretch to, and activities such as the 200 Club and events run by the Friends of Manwoods. The School also hires out its facilities but currently, apart from the occasional hire of the boarding houses, does not raise significant funds.

No complaints have ever been received concerning the School's fundraising efforts, partly as a result of parents and alumni not being placed under any undue pressure to donate.

PLANS FOR FUTURE PERIODS

The Trust is currently in the process of producing a Premises Development Plan and undertaking a review of its Vision and Mission Statement. Once both have been produced the intention is to formulate a 3 year Development Plan for 2019-2022.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2018

PLANS FOR FUTURE PERIODS – continued

Aim	Objectives
<p>1. To continue to ensure the School flourishes in the long term whilst at the same time developing facilities and opportunities for students, staff, boarders and the wider community that are fit for the 21st century</p>	<ul style="list-style-type: none"> a) To complete the Site Masterplan b) To increase the focus on Health and Safety, especially fire hazards, including H&S being a standing item on all SLT, HoD, HoY, whole staff and Student Council meetings c) To develop fundraising, especially from parents and alumni d) To maximise the commercial possibilities of the School site e) To register the Foundation as a charity f) To convert the Foundation to a CIO g) To transfer all land to the Foundation h) To improve governance administration by improving the Clerking of governor committee meetings i) To complete the review of the Articles of Association and to take any action, if appropriate j) To further increase the accuracy and reliability of the School's in-year financial reporting k) To develop links between alumni and current students l) To produce a balanced budget m) To improve in-school financial procedures so that required improvements are reduced in the annual auditor's report n) To ensure compliance to statutory requirements (including governance, financial, policies and website) o) To produce a list of all policies and when they are to be reviewed and by whom, to ensure all statutory policies are in place, and to improve reviewing of policies
<p>2. To inspire and challenge students to achieve their best, whilst at the same time continuing to provide outstanding support, care and guidance to enable this</p>	<ul style="list-style-type: none"> a) To review the curriculum offer b) To continue the focus on CPD for teaching staff, including investigating the possibility of joining the High Performance Learning network and the incorporation of learning walks and peer observation c) To introduce formal academic review days so as to create dedicated time for tutors to review tutees' progress d) To widen participation in extra-curricular activities by continuing the programme of weekly after school sports clubs, making D of E open to all who wish to do it and increasing numbers in the CCF (including the Band) and raising participation in House events; and to review the Trips Policy so that it includes a preference for those that have not been on a trip before if the trip is oversubscribed e) To increase involvement with networks outside of SRMS e.g. KMGSA meetings of Heads of Sixth Form, English, Maths, Geography, History, Philosophy, Biology, Chemistry, Physics; DDS meetings; STAR Alliance meetings f) To develop the revised House system by Heads of House and House Captains engendering a 'House Spirit' with concomitant raised levels of student participation/engagement g) To make greater efforts to celebrate student progress as well as attainment

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2018

PLANS FOR FUTURE PERIODS – continued

Aim	Objectives
<p>2. To inspire and challenge students to achieve their best, whilst at the same time continuing to provide outstanding support, care and guidance to enable this</p>	<p>h) To develop ways of inspiring raising student in the 'middle' band so as to increase their aspirations and therefore attainment levels</p> <p>i) To investigate ways of reducing the number of 'repeat offenders' in lunch time detentions</p> <p>j) To improve staff consistency when dealing with discipline and uniform infringements</p> <p>k) To investigate the possibility of a withdrawal support area</p> <p>l) To investigate Google Classroom and Show My Homework as potential replacements for Moodle</p> <p>m) At A Level, to focus on raising results in the middle range back to where they traditionally are, with a special focus on those subjects in which early analysis indicates students did not make the progress expected of them in summer 2018 (Business, History, Philosophy, Politics, Psychology, Spanish)</p> <p>n) At GCSE, to continue to focus on raising the percentage of 7+ and to reduce the difference between boys and girls</p> <p>o) To hit Performance Indicators (see appendix) including raising the number of Y13 students progressing to top universities</p>
<p>3. To improve communication and organisation, at all levels, with all stakeholders</p>	<p>a) To make improvements to the school website to enable easier finding of information, including programmes of study for each subject in each year group</p> <p>b) To investigate SIMS Parent portal (the replacement for SIMS Learning Gateway)</p> <p>c) To increase use of social media to share information and celebrate good news</p> <p>d) To publish assessment and reporting calendar at the start of the year and what is required at each reporting point for each year group</p> <p>e) Internal exam week timetable to be passed to the Senior Cover Assistant at least 10 working days in advance and the invigilation timetable published at least 5 working days in advance</p>

SIR ROGER MANWOOD'S SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2018

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

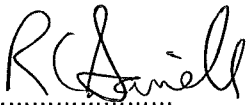
The trustees hold no funds as custodian trustee.

AUDITOR

In so far as the trustees are aware:

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

Report of the Trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 17 December 2018. and signed on the board's behalf by:



.....
Trustee - Mrs R C Daniels

SIR ROGER MANWOOD'S SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2018

Scope of Responsibility

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

The board of trustees has delegated the day-to-day responsibility to the Headteacher, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Sir Roger Manwood's School and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Report of the Trustees and in the Statement of Trustees' Responsibilities. The board of trustees has formally met 5 times during the year ended 31 August 2018. These were held on 12 September 2017, 13 December 2017, 22 March 2018, 24 May 2018 and 18 July 2018. The meeting on 24 May 2018 was devoted to self-evaluation and an initial discussion around a review of its strategic vision.

Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mr R W Anstis (appointed 23 February 2018)	2	2
Mr D Anderson (appointed 23 February 2018)	4	4
Mrs K Bell (appointed 23 February 2018)	2	2
Mr R D Cruwys (appointed 23 February 2018)	2	2
Mrs R C Daniels (chairperson)	4	5
Mrs C M Everard	4	5
Dr C Ewen (resigned 13 December 2017)	0	2
Mr D Fuller (resigned 29 January 2018)	2	2
Mrs L M Gorrige*	4	5
Mrs G Hoffmann *	5	5
Mr L Hunter * (Headteacher & Accounting Officer)	5	5
Mrs D Hunter Wardle (appointed 23 February 2018)	2	2
Dr R J Jackson	3	5
Mr A J Kilbee	5	5
Mrs J Maine (appointed 23 February 2018)	2	2
Mr A Mills	3	5
Mr A Nagle	4	5
Mrs J Poole	5	5
Reverend M Roberts	4	5
Mrs J C Rosso	4	5
Mr A Rush	5	5
Mr P Wilson	2	5

During the academic year 2017-18, the board of trustees operated four committees, with each taking responsibility for particular areas of governance. These were Boarding, Finance & Premises, Pay & Personnel and the Headteacher's Performance Review & Pay Committee. The minutes from each committee were sent to all trustees in advance of each Governing Body meeting, and the Chair of each Committee gave a brief report and took questions on their content.

GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2018

Governance - continued

The Finance and Premises Committee monitors the school's finances ensuring that the school operates within the required financial regulations, responds to any issues arising from an audit of the school's accounts and ensures value for money. It also oversees contracts entered into by the school with third parties. Its terms of reference are:

- to establish and maintain an up to date 3-year financial plan (including capital expenditure projects: forecast cash flows and sensitivities; and an overall review of solvency)
- to ensure that the school operates within the Financial Regulations of the Education Funding Agency (and relevant successor bodies), the Companies Act and the Charities' Commission
- to make decisions, in consultation with the Head Teacher, in respect of service agreements and tender awards in excess of the Head Teacher's delegated authority (currently set at £60k)
- to review all reports issued by the Responsible Officer and the Auditors based on their reviews on internal controls and ensure appropriate follow up action has been implemented by the Head Teacher
- to determine whether sufficient funds are available to pay increments and/or bonuses and new staff as recommended by the Head Teacher (or the Head Teacher Performance Management Group in the case of the Head Teacher personally)
- to regularly review and update policies as per the table below
- in consultation with the Head Teacher and School Business Manager, to draft the first formal budget plan of the financial year for recommendation by the GB
- to receive and consider regular budget position statements (including virement decisions) and cash flow forecasts and to report significant anomalies from the anticipated position with any recommended corrective measures to the GB
- to review and approve draft annual financial statements prepared by the school's auditors
- to review and approve the draft annual Representation Letter for the Auditors
- to monitor the school's medium term IT strategy with a particular focus on its operating and capital cost implications
- to monitor Risk Management of all financial issues and in particular to ensure that the school maintains adequate insurance cover at all times
- to keep under review the scheme of delegation in financial matters including the level of delegation to the Head Teacher for the day to day financial management of the school and to present to GB any recommendations for change
- to consider the Academy's indicative funding, notified annually by the DfE and to assess its implications for the Academy, in consultation with the Head Teacher, in advance of the financial year, drawing any matters of significance to the FGB
- to monitor and review procedures for ensuring the effective implementation and operation of financial procedures, on a regular basis, including implementation of bank account arrangements and, where appropriate, to make recommendations for improvement
- to prepare a financial statement to form part of the annual report of the FGB to parents
- to establish and keep under review a Site Development Strategy in furtherance of the School's Development Plan
- to prepare and keep under review an Asset Management Plan
- to establish and keep under review a three year rolling programme for repairs and maintenance of the school premises within the agreed premises related budget
- to establish and keep under review an Accessibility Plan
- to oversee premises related funding bids
- to ensure that adequate premises related insurance is in place
- to establish and keep under review a Critical Incident Policy and procedures
- to oversee the premises and infrastructure including repairs, maintenance and planned capital works and ICT network provision

GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2018

Governance - continued

- to oversee the setting up and running of capital projects
- to oversee the operation of all contracts on site relating to buildings and premises and ICT network provision
- to oversee the site and ICT development plans of the school
- to review proposals for the development of the school's infrastructure (including ICT network provision, computing equipment and ICT services)
- risk management oversight, including Health and Safety related policies
- to oversee any other matters relating to premises, ICT network provision and Health and Safety
- to receive reports from the Health and Safety Advisor and to monitor any recommendations contained in them

Health and Safety

- to prepare and keep under review a Health and Safety Policy and the use of school premises by outside users. The policy shall include a management plan in relation to any recorded evidence of asbestos
- to receive reports from the Health and Safety Advisor and to monitor any recommendations contained in them.

Review of Value for Money

As accounting officer the Headteacher has responsibility for ensuring that the academy delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received. The accounting officer considers how the trust'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 appropriate. The accounting officer for the academy trust has delivered improved value for money during the year by:

- reviewing the sixth form and Key Stage 4 curriculae
- reviewing the staffing of boarding and subjects, and carrying out a restructure programme that regrettably resulted in redundancies.
- constantly striving for best value in the purchase of all materials and services. A number of strategies are employed to ensure this, including the use of framework agreements, competitive quotations/tendering and negotiating with suppliers and contractors. Contractors are also closely monitored to ensure they provide the appropriate quality of service to the school.
- ensuring that appropriate benchmarking and the evaluation of services and supplies is carried out to test that value for money is being achieved. For instance, before signing a contract for a new website quotes were obtained from 3 suppliers despite the cost being under the amount actually required for three quotes to be obtained.
- continuing to explore every opportunity for generation of income through donations, sponsorship, grants and the hiring of the school's facilities.
- reviewing how the Combined Cadet Force, non-compulsory school trips (including Duke of Edinburgh), school events, the annual hard copy review of the school year, and work experience amongst others are delivered so that realistic costings are passed on to parents for these important but non-essential activities.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Sir Roger Manwood's School for the period 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2018

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the Finance and Premises Committee, and by the board of trustees of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The board of trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the trustees have appointed T Mills, an external sufficiently qualified individual, to perform additional checks. The reviewer's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. In particular, the checks carried out in the current period included:

- testing of input VAT reclaims

On a termly basis, the internal reviewer reports to the board of trustees, through the Finance and Premises Committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

The internal reviewer function has been fully delivered in line with the ESFA's requirements and all recommendations have been implemented.

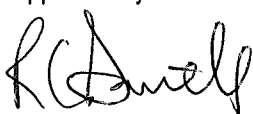
Review of Effectiveness

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

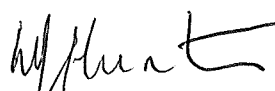
- the work of the internal reviewer;
- the work of the external auditor;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the board of trustees on 17 December 2018 and signed on its behalf by:



.....
Trustee - Mrs R C Daniels



Mr L Hunter
Accounting Officer

SIR ROGER MANWOOD'S SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

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

As accounting officer of Sir Roger Manwood's School I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of all funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2017.

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



Mr L Hunter
Accounting Officer

Date: 17 December 2018

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

The trustees (who act as governors of Sir Roger Manwood's School and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with the Academies Accounts Direction published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the 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 of its incoming resources and application of resources, including its income and expenditure, for that year. In preparing these financial statements, the trustees are required to:

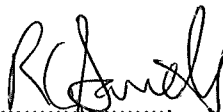
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the 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 charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by order of the members of the board of trustees on 17 December 2018 and signed on its behalf by:


.....
Trustee - Mrs R C Daniels

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS
TO THE MEMBERS OF SIR ROGER MANWOOD'S SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

Opinion

We have audited the financial statements of Sir Roger Manwood's School (the 'academy trust') for the year ended 31 August 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (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 academy trust's affairs as at 31 August 2018, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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

- the 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 academy trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

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

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS
TO THE MEMBERS OF SIR ROGER MANWOOD'S SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

Opinions 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 report of the trustees (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' 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 set out on page 19, the trustees (who are also the directors of the academy trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS
TO THE MEMBERS OF SIR ROGER MANWOOD'S SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

Use of our report

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



Clair Rayner FCA DChA (Senior Statutory Auditor)
for and on behalf of McCabe Ford Williams
Statutory Auditors and Chartered Accountants
Bank Chambers
1 Central Avenue
Sittingbourne
Kent
ME10 4AE

Date: 17 December 2018

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO SIR ROGER MANWOOD'S SCHOOL AND THE EDUCATION AND SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 16 August 2018 and further to the requirements of the Education and 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 Sir Roger Manwood's School during the period 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 Sir Roger Manwood's School and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Sir Roger Manwood's 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 Sir Roger Manwood's School and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Sir Roger Manwood's School's Accounting Officer and the Reporting Accountant

The Accounting Officer is responsible, under the requirements of Sir Roger Manwood's School's funding agreement with the Secretary of State for Education dated 1 March 2011 and the Academies Financial Handbook, extant from 1 September 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

The work undertaken to draw our conclusion includes:

- Review of the internal control environment which is designed to ensure compliance with regulations;
- Review of the accounting officer's consideration of issues surrounding regularity, propriety and compliance;
- Review of the work and reports of the internal reviewer during the period;
- Analytical procedures regarding declaration of potential conflicts of interest by key staff and the Board of Trustees;
- Review of fixed asset transactions against the requirements of the funding agreement between Sir Roger Manwood's School and the Secretary of State for Education and the Academies Financial Handbook;
- Testing of grants and other income for application in accordance with the terms and requirements attached;
- Review of the academy trust's activities to check they are in line with the Academies Framework and the academy trust's charitable objectives;
- Review of bank statements and financial transactions for indications of any items which may be improper;
- Review of bank accounts to check that they are operated within the terms of the academy trust's governing document and borrowing limits imposed by the funding agreement are not exceeded;
- Testing of expenditure, including expense claims for signs of transactions for personal benefit;
- Review of any extra-contractual payments made to staff;
- Review of procurement activity during the period.

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO
SIR ROGER MANWOOD'S SCHOOL AND THE EDUCATION AND SKILLS FUNDING AGENCY**

Conclusion

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



Clair Rayner FCA DChA (Reporting Accountant)
for and on behalf of McCabe Ford Williams
Statutory Auditors and Chartered Accountants
Bank Chambers
1 Central Avenue
Sittingbourne
Kent
ME10 4AE

Date: 17 December 2018

SIR ROGER MANWOOD'S SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING INCOME AND EXPENDITURE ACCOUNT
AND STATEMENT OF OTHER COMPREHENSIVE INCOME)
FOR THE YEAR ENDED 31 AUGUST 2018

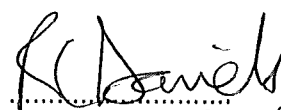
	Notes	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	31.08.18 Total Funds £	31.08.17 Total Funds As restated £
Income from:						
Donations and capital grants	2	6,120	-	353,279	359,399	350,871
<i>Charitable activities:</i>						
Funding for the academy trust's educational operations	3	209,814	4,517,522	-	4,727,336	4,477,733
Provision of boarding activities	26	-	526,166	-	526,166	568,189
Other trading activities	4	119,292	-	-	119,292	44,041
Investments	5	4,132	-	-	4,132	636
Total income		339,358	5,043,688	353,279	5,736,325	5,441,470
Expenditure on:						
Raising funds	6	-	36,233	-	36,233	7,453
<i>Charitable activities:</i>						
Academy trust's educational operations	7	226,369	4,775,267	356,598	5,358,234	5,150,761
Provision of boarding activities	7, 26	-	473,644	1,712	475,356	511,616
Total expenditure	6	226,369	5,285,144	358,310	5,869,823	5,669,830
Net income/(expenditure)		112,989	(241,456)	(5,031)	(133,498)	(228,360)
Transfers between funds	18	(35,541)	(21,295)	56,836	-	-
Net income/(expenditure) for the year before other recognised gains and losses		77,448	(262,751)	51,805	(133,498)	(228,360)
Other recognised gains and losses						
Remeasurement gains on defined benefit pension schemes	18 & 23	-	305,000	-	305,000	551,000
Net movement in funds		77,448	42,249	51,805	171,502	322,640
RECONCILIATION OF FUNDS	18					
Total funds brought forward		187,149	(945,013)	13,667,318	12,909,454	12,586,814
TOTAL FUNDS CARRIED FORWARD		264,597	(902,764)	13,719,123	13,080,956	12,909,454

All of the academy trust's activities derive from continuing operations during the above two financial periods.

BALANCE SHEET
AS AT 31 AUGUST 2018

		31.08.18	31.08.18	31.08.17	31.08.17
		£	£	As restated	As restated
	Notes			£	£
FIXED ASSETS					
Tangible assets	12		13,427,329		13,387,993
CURRENT ASSETS					
Stocks	13	2,614		2,685	
Debtors	14	387,563		520,055	
Cash at bank and in hand		<u>1,328,755</u>		<u>1,012,352</u>	
		1,718,932		1,535,092	
LIABILITIES					
Creditors: Amounts falling due within one year	15	<u>(917,711)</u>		<u>(741,381)</u>	
NET CURRENT ASSETS			<u>801,221</u>		<u>793,711</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			14,228,550		14,181,704
Creditors: Amounts falling due after more than one year	16		(23,594)		<u>(11,250)</u>
NET ASSETS EXCLUDING PENSION LIABILITY			<u>14,204,956</u>		<u>14,170,454</u>
Defined benefit pension scheme liability	23		(1,124,000)		(1,261,000)
TOTAL NET ASSETS			<u>13,080,956</u>		<u>12,909,454</u>
FUNDS OF THE ACADEMY:					
RESTRICTED FUNDS					
Fixed asset funds	18	13,719,123		13,667,318	
General funds	18	221,236		315,987	
Pension fund	18	<u>(1,124,000)</u>		<u>(1,261,000)</u>	
TOTAL RESTRICTED FUNDS			12,816,359		12,722,305
UNRESTRICTED FUNDS					
General funds	18	<u>264,597</u>		<u>187,149</u>	
TOTAL UNRESTRICTED FUNDS			<u>264,597</u>		<u>187,149</u>
TOTAL FUNDS			<u>13,080,956</u>		<u>12,909,454</u>

The financial statements on pages twenty five to fifty two were approved by the trustees, and authorised for issue on 17 December 2018 and are signed on their behalf by:


 Trustee - Mrs R C Daniels

SIR ROGER MANWOOD'S SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2018

	Notes	31.08.18 £	31.08.17 As restated £
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	1	344,294	(301,367)
Cash flows from investing activities	2	(40,235)	45,599
Cash flows from financing activities	3	12,344	(2,500)
		<hr/>	<hr/>
Change in cash and cash equivalents in the reporting period		316,403	(258,268)
Cash and cash equivalents at 1 September		1,012,352	1,270,620
		<hr/>	<hr/>
Cash and cash equivalents at 31 August	4	<u>1,328,755</u>	<u>1,012,352</u>

SIR ROGER MANWOOD'S SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2018

1. Reconciliation of net income/(expenditure) to net cash flow from operating activities	31.08.18	31.08.17
		As restated
	£	£
Net expenditure for the period (as per the Statement of Financial Activities)	(133,498)	(228,360)
Adjusted for:		
Depreciation charges (note 6)	358,310	310,255
Interest received (note 5)	(4,132)	(636)
Defined benefit pension cost less contributions payable (note 23)	136,000	131,000
Defined benefit pension finance cost (note 23)	31,000	35,000
Defined benefit pension administration expenses (note 23)	1,000	1,000
Decrease in stock	71	-
Decrease/(Increase) in debtors	132,492	(328,827)
Increase in creditors	176,330	122,193
Capital grants from DfE/ESFA and other capital income	(353,279)	(342,992)
Net cash provided by/(used in) operating activities	<u>344,294</u>	<u>(301,367)</u>
2. Cash flows from investing activities	31.08.18	31.08.17
		As restated
	£	£
Interest received	4,132	636
Capital grants from DfE/ESFA	335,471	333,992
Other capital donations	17,808	9,000
Purchase of tangible fixed assets	(397,646)	(298,029)
Net cash (used in)/provided by investing activities	<u>(40,235)</u>	<u>45,599</u>
3. Cash flows from financing activities	31.08.18	31.08.17
		As restated
	£	£
Cash inflows from new borrowing	14,844	-
Loan repayments in year	(2,500)	(2,500)
Net cash provided by/(used in) financing activities	<u>12,344</u>	<u>(2,500)</u>
4. Analysis of cash and cash equivalents	31.08.18	31.08.17
		As restated
	£	£
Cash in hand and at bank	<u>1,328,755</u>	<u>1,012,352</u>
Total cash and cash equivalents	<u>1,328,755</u>	<u>1,012,352</u>

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

1. STATEMENT OF ACCOUNTING POLICIES

Sir Roger Manwood's School is a charitable company limited by guarantee and an exempt charity incorporated in England and Wales. The registered office is Sir Roger Manwood's School, Manwood Road, Sandwich, Kent, CT13 9JX. The principal activity of the Trust is to provide education for pupils that satisfies the requirements of the Education Act 2002.

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

Basis of preparation

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

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 company 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.

Income

All incoming resources are recognised when the academy trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

- **Grants**

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

General Annual Grant is recognised in full in the Statement of Financial Activities in the 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 in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

- **Donations**

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

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

1. STATEMENT OF ACCOUNTING POLICIES - continued

- **Other income**
Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the academy trust has provided the goods or services.
- **Donated goods, facilities and services**
Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.
- **Donated fixed assets**
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.

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**
This includes all expenditure incurred by the academy trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.
- **Charitable activities**
These are costs incurred on the academy trust's educational operations, including support costs and costs relating to the governance of the academy trust apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

Tangible fixed assets

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

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

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

1. STATEMENT OF ACCOUNTING POLICIES - continued

Tangible fixed assets - continued

Depreciation is provided on all tangible fixed assets other than freehold land and assets under construction, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Freehold property	- straight line over 50 years
School equipment	- straight line over 5 years
Motor vehicles	- straight line over 5 years
Fixtures and fittings	- straight line over 5 years
Computer Equipment	- straight line over 3 years

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings. 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.

Liabilities

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

Agency arrangements

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

Provisions

Provisions are recognised when the academy trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

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.

Leased assets

Rentals under operating leases are charged on a straight line basis over the lease term.

Financial Instruments

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

Financial assets – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments.

Cash at bank – is classified as a basic financial instrument and is measured at face value.

Financial liabilities – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 15, 16 and 17. 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.

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

1. STATEMENT OF ACCOUNTING POLICIES - continued

Stock

Unsold uniforms, stationery shop stocks and fuel oil are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Taxation

The Academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by part 11, chapter 3 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.

Pensions benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS 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.

Fund Accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the academy trust at the discretion of the 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 Education and Skills Funding Agency/Department for Education and Kent County Council.

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

1. STATEMENT OF ACCOUNTING POLICIES - continued

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, 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.

The net book value of freehold property, included within fixed assets, is based on assumptions in relation to the useful life of property and the residual value of the assets. The element of freehold property which relates to land is deemed not to have a finite life and is not depreciated. The element of freehold property which does not relate to land is depreciated on a straight line basis of 50 years, being the estimated useful economic life and it is assumed that the asset has no residual value on the basis of its specialised nature. Any changes in these assumptions will have an impact on the carrying amount of fixed assets.

Critical areas of judgement

The trustees do not consider there to be any critical areas of judgement, other than those relating to estimation above, which have a significant effect on the amounts recognised in the financial statements.

2. DONATIONS AND CAPITAL GRANTS

	Unrestricted Funds	Restricted Funds	31.08.18 Total Funds	31.08.17 Total Funds As restated
	£	£	£	£
Capital grants	-	335,471	335,471	342,992
Other donations	6,120	17,808	23,928	7,879
	<u>6,120</u>	<u>353,279</u>	<u>359,399</u>	<u>350,871</u>

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

3. FUNDING FOR THE ACADEMY TRUST'S EDUCATIONAL OPERATIONS

	Unrestricted Funds	Restricted Funds	31.08.18 Total Funds	31.08.17 Total Funds As restated
	£	£	£	£
DfE/ESFA GRANTS				
General Annual Grant (GAG)	-	4,296,483	4,296,483	4,073,020
Other DfE/ESFA grants	-	91,316	91,316	108,411
	-	<u>4,387,799</u>	<u>4,387,799</u>	<u>4,181,431</u>
OTHER GOVERNMENT GRANTS				
Local authority grants	-	4,730	4,730	6,235
	-	<u>4,730</u>	<u>4,730</u>	<u>6,235</u>
OTHER INCOME FROM THE ACADEMY TRUST'S EDUCATIONAL OPERATIONS				
Catering income	209,814	-	209,814	177,775
School trip income	-	124,993	124,993	112,292
	<u>209,814</u>	<u>124,993</u>	<u>334,807</u>	<u>290,067</u>
	<u>209,814</u>	<u>4,517,522</u>	<u>4,727,336</u>	<u>4,477,733</u>

SIR ROGER MANWOOD'S SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

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

4. OTHER TRADING ACTIVITIES

	Unrestricted Funds	Restricted Funds	31.08.18 Total Funds	31.08.17 Total Funds As restated
	£	£	£	£
Lettings	27,904	-	27,904	24,143
Student resales	83,364	-	83,364	4,394
Fundraising events	59	-	59	309
Other income	7,965	-	7,965	15,195
	<u>119,292</u>	<u>-</u>	<u>119,292</u>	<u>44,041</u>

5. INVESTMENT INCOME

	Unrestricted Funds	Restricted Funds	31.08.18 Total Funds	31.08.17 Total Funds As restated
	£	£	£	£
Deposit account interest	4,132	-	4,132	636
	<u>4,132</u>	<u>-</u>	<u>4,132</u>	<u>636</u>

6. EXPENDITURE

	Staff Costs	Premises Costs	Other Costs	31.08.18 Total	31.08.17 Total As restated
	£	£	£	£	£
Expenditure on raising funds:					
Direct costs	-	-	36,233	36,233	7,453
Allocated support costs	-	-	-	-	-
Academy's educational operations:					
Direct costs	3,132,676	-	613,096	3,745,772	3,953,983
Allocated support costs	795,077	275,209	542,176	1,612,462	1,250,437
Boarding activities:					
Direct costs	172,269	-	49,974	222,243	292,291
Allocated support costs	76,997	140,547	35,569	253,113	165,666
	<u>4,177,019</u>	<u>415,756</u>	<u>1,277,048</u>	<u>5,869,823</u>	<u>5,669,830</u>

SIR ROGER MANWOOD'S SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

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

6. EXPENDITURE- continued

Net income/(expenditure) for the period includes:

	31.08.18	31.08.17 As restated
	£	£
Operating leases	7,036	3,658
Depreciation (note 12)	358,310	310,255
Fees payable to auditor for:		
- audit	8,450	8,435
- other services	<u>5,468</u>	<u>2,965</u>

Included within expenditure are the following :

	Total £	Individual items above £5,000 Amount £	Reason
Unrecoverable debts	7,013	6,530	Boarding fees outstanding following pupil leaving

7. CHARITABLE ACTIVITIES

	31.08.18 Total	31.08.17 Total As restated
	£	£
Direct costs – educational operations	3,745,772	3,924,115
Direct costs – boarding	222,243	322,159
Support costs – educational operations	1,612,462	1,226,646
Support costs – boarding	<u>253,113</u>	<u>189,457</u>
	<u>5,833,590</u>	<u>5,662,377</u>

	Boarding	Educational operations	31.08.18 Total	31.08.17 Total As restated
	£	£	£	£
Analysis of support costs				
Support staff costs	76,997	795,077	872,074	553,133
Depreciation	1,712	65,736	67,448	5,546
Technology costs	654	5,566	6,220	50,021
Premises costs	140,547	275,209	415,756	373,791
Catering costs	-	176,194	176,194	62,802
School Trip costs	-	124,173	124,173	133,617
Other support costs	33,203	156,589	189,792	225,792
Governance costs	-	13,918	13,918	11,401
Total support costs	<u>253,113</u>	<u>1,612,462</u>	<u>1,865,575</u>	<u>1,416,103</u>

SIR ROGER MANWOOD'S SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

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

8. STAFF COSTS

a. Staff costs

Staff costs during the period were:

	31.08.18	31.08.17
	£	£
Wages and salaries	3,171,743	3,160,615
Social security costs	310,619	310,207
Operating costs of pension schemes	<u>665,803</u>	<u>655,886</u>
	4,148,165	4,126,708
Supply staff costs	28,354	27,583
Staff restructuring costs	<u>500</u>	<u>24,607</u>
	<u>4,177,019</u>	<u>4,178,898</u>
Staff restructuring costs comprise:		
Redundancy payments	-	24,607
Severance payments	<u>500</u>	<u>-</u>
	<u>500</u>	<u>24,607</u>

b. Non statutory / non-contractual staff severance payments

Included in staff restructuring costs are non statutory/non contractual severance payments totalling £500 (2017: £nil). There was one payment of £500 made on 19/04/2018.

c. Staff numbers

The average number of persons (including senior management team) employed by the Academy trust during the year was as follows:

	31.08.18	31.08.17
Charitable activities		
Teachers and educational support	69	66
Administration and support	41	45
Management	<u>5</u>	<u>6</u>
	<u>115</u>	<u>117</u>

The average number of persons (including senior management team) employed by the academy trust during the year expressed as full time equivalents was as follows:

	31.08.18	31.08.17
Charitable activities		
Teachers and educational support	55	55
Administration and support	33	41
Management	<u>5</u>	<u>6</u>
	<u>93</u>	<u>102</u>

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

8. STAFF - continued

d. Higher paid staff

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

	31.08.18	31.08.17
£60,001 - £70,000	3	1
£70,001 - £80,000	1	2
£80,001 - £90,000	1	1

All of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2018, pension contributions for these staff amounted to £52,795 (2017: £46,630).

e. Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £415,344 (2017: £370,724).

9. RELATED PARTY TRANSACTIONS - TRUSTEES' REMUNERATION AND EXPENSES

One or more trustees have been paid remuneration or has received other benefits from an employment with the academy trust. The Headteacher and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff members under their contracts of employment.

The value of trustees' remuneration and other benefits was as follows:

L Hunter (Headteacher and trustee):	
Remuneration	£85,000 - £90,000 (2017: £80,000 - £85,000)
Employer's pension contributions	£10,000 - £15,000 (2017: £10,000 - £15,000)
J Poole (staff trustee):	
Remuneration	£45,000 - £50,000 (2017: £45,000 - £50,000)
Employer's pension contributions	£5,000 - £10,000 (2017: £5,000 - £10,000)
D Thomas (staff trustee resigned 31/08/17):	
Remuneration	£n/a (2017: £45,000 - £50,000)
Employer's pension contributions	£n/a (2017: £5,000 - £10,000)
D Anderson (staff trustee appointed 23/02/18):	
Remuneration	£25,000 - £30,000 (2017: £n/a - £n/a)
Employer's pension contributions	£0 - £5,000 (2017: £n/a - £n/a)

During the period ended 31 August 2018, travel and subsistence expenses totalling £nil were reimbursed or paid directly to trustees (2017: £nil).

Other related party transactions involving the trustees are set out in note 24.

SIR ROGER MANWOOD'S SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

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

10. TRUSTEES' AND OFFICERS' INSURANCE

The academy trust has opted into the Department of 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.

11. COMPARATIVE PERIOD STATEMENT OF FINANCIAL ACTIVITIES

	Notes	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	31.08.17 Total Funds As restated £
Income from:					
Donations and capital grants	2	7,879	-	342,992	350,871
<i>Incoming resources from charitable activities:</i>					
Funding for the academy's educational operations	3	177,775	4,299,958	-	4,477,733
Provision of boarding activities	26	-	568,189	-	568,189
Other trading activities	4	44,041	-	-	44,041
Investments	5	636	-	-	636
Total income		230,331	4,868,147	342,992	5,441,470
Expenditure on:					
Raising funds	6	7,453	-	-	7,453
<i>Charitable activities:</i>					
Academy's educational operations	7	153,141	4,687,365	310,255	5,150,761
Provision of boarding activities	26	-	511,616	-	511,616
Total expenditure		160,594	5,198,981	310,255	5,669,830
Net income/expenditure		69,737	(330,834)	32,737	(228,360)
Gross transfers between funds	18	(351,090)	210,728	140,362	-
Net income/(expenditure) for the year before other recognised gains and losses		(281,353)	(120,106)	173,099	(228,360)
Other recognised gains and losses					
Remeasurement gains on defined benefit pension schemes	18 & 23	-	551,000	-	551,000
Net movement in funds		(281,353)	430,894	173,099	322,640
RECONCILIATION OF FUNDS	18				
Total funds brought forward		468,502	(1,375,907)	13,494,219	12,586,814
TOTAL FUNDS CARRIED FORWARD		187,149	(945,013)	13,667,318	12,909,454

SIR ROGER MANWOOD'S SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

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

12. TANGIBLE FIXED ASSETS

	Freehold Property £	School Equipment £	Fixtures and Fittings £	Motor Vehicles £	Computer Equipment £	Totals £
COST						
At 1 September 2017	14,938,274	119,033	47,041	47,381	287,710	15,439,439
Additions	347,698	20,638	19,130	-	10,180	397,646
Disposals	-	-	-	(8,000)	-	(8,000)
At 31 August 2018	<u>15,285,972</u>	<u>139,671</u>	<u>66,171</u>	<u>39,381</u>	<u>297,890</u>	<u>15,829,085</u>
DEPRECIATION						
At 1 September 2017	1,681,279	91,514	23,305	47,381	207,967	2,051,446
Charge for year	302,945	14,395	7,168	-	33,802	358,310
Disposals	-	-	-	(8,000)	-	(8,000)
At 31 August 2018	<u>1,984,224</u>	<u>105,909</u>	<u>30,473</u>	<u>39,381</u>	<u>241,769</u>	<u>2,401,756</u>
At 31 August 2018	<u>13,301,748</u>	<u>33,762</u>	<u>35,698</u>	<u>-</u>	<u>56,121</u>	<u>13,427,329</u>
At 31 August 2017	<u>13,256,995</u>	<u>27,519</u>	<u>23,736</u>	<u>-</u>	<u>79,743</u>	<u>13,387,993</u>

Included in cost or valuation of land and buildings is freehold land of £1,694,337 (2017: £1,694,337) which is not depreciated.

13. STOCKS

	31.08.18	31.08.17 As restated
Catering	£ <u>2,614</u>	£ <u>2,685</u>

SIR ROGER MANWOOD'S SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

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

14. DEBTORS

	31.08.18	31.08.17 As restated
	£	£
Trade debtors	31,942	106,550
Other debtors	4,439	12,372
VAT recoverable	41,020	164,157
Prepayments and accrued income	<u>310,162</u>	<u>236,976</u>
	<u>387,563</u>	<u>520,055</u>

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.08.18	31.08.17 As restated
	£	£
Other loans (see note 17)	2,500	2,500
Trade creditors	163,199	129,068
Other taxation and social security	146,627	147,097
Other creditors	68,704	72,788
Accruals and deferred income	<u>536,681</u>	<u>389,928</u>
	<u>917,711</u>	<u>741,381</u>

Deferred income

	31.08.18	31.08.17 As restated
	£	£
Deferred income at 1 September	378,581	217,958
Resources deferred in the year	423,722	378,581
Released from previous years	<u>(378,581)</u>	<u>(217,958)</u>
Deferred income at 31 August	<u>423,722</u>	<u>378,581</u>

At the balance sheet date the academy trust was holding funds received in advance for boarding for the autumn term 2018, totalling £277,273 (2017: £168,367) and trip income of £146,449 (2017: £210,214).

16. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31.08.18	31.08.17 As restated
	£	£
Other loans (see note 17)	<u>23,594</u>	<u>11,250</u>

Included in other loans is a loan taken out of £20,000 with Salix Finance in 2014, which is approved by the ESFA, for the boiler project. This is an interest free loan, and repayments will be made twice yearly over the eight year term from the savings that accrue from the boiler upgrade.

Included in other loans is a loan taken out of £14,844 with Salix Finance in 2018, which is approved by the ESFA, for the window project. This is an interest free loan, and repayments will start in September 2019 and will be made twice yearly over the eight year term from the savings that accrue from the window project.

SIR ROGER MANWOOD'S SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

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

17. LOANS

An analysis of the maturity of loans is given below:

Repayable by instalments:	31.08.18	31.08.17 As restated
	£	£
Amounts falling due within one year on demand:		
Other loans	<u>2,500</u>	<u>2,500</u>
Amounts falling between one and two years		
Other loans – 1-2 years	<u>4,356</u>	<u>2,500</u>
Amounts falling between two and five years		
Other loans – 2-5 years	<u>11,816</u>	<u>7,500</u>
Amounts falling due in more than five years:		
Other loans more than 5 years	<u>7,422</u>	<u>1,250</u>

18. FUNDS

	At 01.09.17 As restated £	Incoming Resources £	Resources Expended £	Gains, Losses and Transfers £	At 31.08.18 £
Restricted general funds					
General Annual Grant (GAG)	53,659	4,296,483	(4,385,683)	35,541	-
School Voluntary Fund	59,727	124,993	(124,174)	-	60,546
Other grants	37,597	96,046	(133,643)	-	-
Pension reserve	(1,261,000)	-	(168,000)	305,000	(1,124,000)
Boarding reserve	<u>165,004</u>	<u>526,166</u>	<u>(473,644)</u>	<u>(56,836)</u>	<u>160,690</u>
	<u>(945,013)</u>	<u>5,043,688</u>	<u>(5,285,144)</u>	<u>283,705</u>	<u>(902,764)</u>
Restricted fixed asset funds					
Transfer on conversion	12,791,274	-	(255,102)	-	12,536,172
Capital expenditure from GAG	177,327	-	(28,557)	-	148,770
DfE/ESFA capital grants and donations	698,717	353,279	(72,939)	-	979,057
Boarding capital expenditure	<u>-</u>	<u>-</u>	<u>(1,712)</u>	<u>56,836</u>	<u>55,124</u>
	<u>13,667,318</u>	<u>353,279</u>	<u>(358,310)</u>	<u>56,836</u>	<u>13,719,123</u>
Total restricted funds	<u>12,722,305</u>	<u>5,396,967</u>	<u>(5,643,454)</u>	<u>340,541</u>	<u>12,816,359</u>
Unrestricted funds					
Unrestricted funds	<u>187,149</u>	<u>339,358</u>	<u>(226,369)</u>	<u>(35,541)</u>	<u>264,597</u>
	<u>187,149</u>	<u>339,358</u>	<u>(226,369)</u>	<u>(35,541)</u>	<u>264,597</u>
Total funds	<u>12,909,454</u>	<u>5,736,325</u>	<u>(5,869,823)</u>	<u>305,000</u>	<u>13,080,956</u>

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

18. FUNDS - continued

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

General Annual Grant (GAG)

Funds must be used for the normal running costs of the academy. Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2018.

Other restricted general funds

Funding is provided by the Education and Skills Funding Agency, other government sources or commercial entities in addition to the GAG which must be used for the provision of education for special needs purposes and other specified activities

Restricted fixed asset funds

Funding is provided by way of grants from the Education and Skills Funding Agency or other government sources or capital expenditure from the GAG in order to acquire specified fixed assets for use by the academy trust in achieving its educational objectives. A one-off transfer of buildings and other fixed assets previously in use by Sir Roger Manwood's occurred upon conversion to an academy.

Unrestricted funds

Unrestricted funds can be used for any purpose at the discretion of the academy trust.

Transfers between funds

During the year £35,541 was transferred to GAG from unrestricted funds to cover an overspend on the fund.

A transfer was also required from boarding to the fixed asset fund of £56,836 to cover capital asset purchases acquired during the year.

SIR ROGER MANWOOD'S SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

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

18. FUNDS - continued

Comparative information in respect of the preceding period is as follows:

	At 01.09.16	Incoming Resources	Resources Expended	Gains, Losses and Transfers	At 31.08.17 As restated
	£	£	£	£	£
Restricted general funds					
General Annual Grant (GAG)	69,235	4,073,020	(4,299,324)	210,728	53,659
Other income	67,628	112,292	(120,193)	-	59,727
Other grants	23,799	114,646	(100,848)	-	37,597
Pension reserve	(1,645,000)	-	(167,000)	551,000	(1,261,000)
Boarding reserve	108,431	568,189	(511,616)	-	165,004
	<u>(1,375,907)</u>	<u>4,868,147</u>	<u>(5,198,981)</u>	<u>761,728</u>	<u>(945,013)</u>
Restricted fixed asset funds					
Transfer on conversion	13,046,376	-	(255,102)	-	12,791,274
Capital expenditure from GAG	40,077	-	(3,112)	140,362	177,327
DfE/ESFA capital grants	407,766	342,992	(52,041)	-	698,717
	<u>13,494,219</u>	<u>342,992</u>	<u>(310,255)</u>	<u>140,362</u>	<u>13,667,318</u>
Total restricted funds	<u>12,118,312</u>	<u>5,211,139</u>	<u>(5,509,236)</u>	<u>902,090</u>	<u>12,722,305</u>
Unrestricted funds					
Unrestricted funds	468,502	230,331	(160,594)	(351,090)	187,149
	<u>468,502</u>	<u>230,331</u>	<u>(160,594)</u>	<u>(351,090)</u>	<u>187,149</u>
Total funds	<u>12,586,814</u>	<u>5,441,470</u>	<u>(5,669,830)</u>	<u>551,000</u>	<u>12,909,454</u>

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds	Restricted general funds	Restricted fixed asset funds	Total Funds
	£	£	£	£
Tangible fixed assets	-	-	13,427,329	13,427,329
Current assets	281,516	1,020,550	416,866	1,718,932
Current liabilities	(16,919)	(799,314)	(101,478)	(917,711)
Long term liabilities	-	-	(23,594)	(23,594)
Pension scheme liability	-	(1,124,000)	-	(1,124,000)
Total net assets	<u>264,597</u>	<u>(902,764)</u>	<u>13,719,123</u>	<u>13,080,956</u>

SIR ROGER MANWOOD'S SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

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

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS - continued

Comparative information in respect of the preceding period is as follows:

	Unrestricted funds	Restricted general funds	Restricted fixed asset funds	Total Funds As restated
	£	£	£	£
Tangible fixed assets	-	-	13,387,993	13,387,993
Current assets	187,149	1,054,868	293,075	1,535,092
Current liabilities	-	(738,881)	(2,500)	(741,381)
Long term liabilities	-	-	(11,250)	(11,250)
Pension scheme liability	-	(1,261,000)	-	(1,261,000)
Total net assets	<u>187,149</u>	<u>(945,013)</u>	<u>13,667,318</u>	<u>12,909,454</u>

20. CAPITAL COMMITMENTS

	31.08.18	31.08.17 As restated
	£	£
Contracted for, but not provided in the financial statements	<u>165,772</u>	<u>262,404</u>
	<u>165,772</u>	<u>262,404</u>

21. OPERATING LEASE COMMITMENTS

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

	31.08.18	31.08.17 As restated
	£	£
Other		
Expiring within one year	55,107	7,982
Expiring within two and five years inclusive	<u>125,330</u>	<u>28,143</u>
	<u>180,437</u>	<u>36,125</u>

22. 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.

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

23. PENSION AND SIMILAR OBLIGATIONS

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

Contributions amounting to £67,086 were payable to the schemes at 31 August 2018 (2017: £66,673) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge).
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million.
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations.
- 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 £404,363 (2017: £413,935).

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

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

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

23. PENSION AND SIMILAR OBLIGATIONS – continued

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £164,000 (2017: £143,000), of which employer's contributions totalled £125,000 (2017: £110,000) and employees' contributions totalled £39,000 (2017: £33,000). The agreed contribution rates for future years are 20.0 per cent for employers and range between 5.5 and 12.5 per cent 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 at the balance sheet date (expressed as weighted averages):

	31.08.18	31.08.17
Rate of increase in salaries	3.80%	4.20%
Rate of increase for pensions in payment/inflation	2.30%	2.70%
Discount rate for scheme liabilities	2.65%	2.60%
Inflation assumption (CPI)	2.30%	2.70%
Commutation of pension to lump sums	50.00%	50.00%

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

	31.08.18	31.08.17
Retiring today		
Males	23.1	23.0
Females	25.2	25.1
Retiring in 20 years		
Males	25.3	25.2
Females	27.5	27.4

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

23. PENSION AND SIMILAR OBLIGATIONS – continued

Local Government Pension Scheme - continued

The following table sets out the impact of a small change in the discount rates on the defined benefit obligation and projected service cost along with a +/- 1 year age rating adjustment to the mortality assumption:

	£	£	£
Adjustment to discount rate	+0.1%	0.0%	-0.1%
Present value of total obligation	2,866,000	2,927,000	2,989,000
Projected service cost	230,000	235,000	240,000
Adjustment to long term salary increase	+0.1%	0.0%	-0.1%
Present value of total obligation	2,932,000	2,927,000	2,922,000
Projected service cost	235,000	235,000	235,000
Adjustment to pension increases and deferred revaluation	+0.1%	0.0%	-0.1%
Present value of total obligation	2,984,000	2,927,000	2,871,000
Projected service cost	240,000	235,000	230,000
Adjustment to mortality age rating assumption	+1 year	None	-1 year
Present value of total obligation	3,030,000	2,927,000	2,827,000
Projected service cost	242,000	235,000	2228,000

SIR ROGER MANWOOD'S SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

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

23. PENSION AND SIMILAR OBLIGATIONS – continued

Local Government Pension Scheme - continued

The academy trust's share of the assets and liabilities in the scheme were:

	Fair value at 31 August 2018 £	Fair value at 31 August 2017 £
Equities	1,229,000	1,121,000
Gilts	14,000	11,000
Other bonds	160,000	153,000
Property	223,000	196,000
Cash	55,000	51,000
Target return portfolio	<u>122,000</u>	<u>61,000</u>
Total market value of assets	1,803,000	1,593,000
Present value of scheme liabilities		
-Funded	<u>(2,927,000)</u>	<u>(2,854,000)</u>
Deficit in the scheme	<u>(1,124,000)</u>	<u>(1,261,000)</u>

The actual return on scheme assets was £75,000 (2017: £233,000).

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

	31.08.18 £	31.08.17 £
Current service cost	(262,000)	(241,000)
Interest income	(74,000)	(66,000)
Interest cost	43,000	31,000
Administration expenses	<u>(1,000)</u>	<u>(1,000)</u>
Total amount recognised in the SOFA	<u>(294,000)</u>	<u>(277,000)</u>

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

23. PENSION AND SIMILAR OBLIGATIONS – continued

Local Government Pension Scheme – continued

Changes in the present value of the defined benefit obligations were as follows:

	Defined benefit pension plans 31.08.18	Defined benefit pension plans 31.08.17
	£	£
At 1 September	2,854,000	3,023,000
Current service cost	262,000	241,000
Employee contributions	39,000	33,000
Interest cost	74,000	66,000
Benefits paid	(29,000)	(72,000)
Remeasurement losses/(gains)	<u>(273,000)</u>	<u>(437,000)</u>
At 31 August	<u>2,927,000</u>	<u>2,854,000</u>

Changes in the fair value of the academy trust's share of scheme assets were as follows:

	Defined benefit pension plans 31.08.18	Defined benefit pension plans 31.08.17
	£	£
At 1 September	1,593,000	1,378,000
Employer contributions	126,000	110,000
Employee contributions	39,000	33,000
Interest income	43,000	31,000
Administration costs	(1,000)	(1,000)
Return on assets less interest	32,000	202,000
Benefits paid	(29,000)	(72,000)
Remeasurement losses	<u>-</u>	<u>(88,000)</u>
At 31 August	<u>1,803,000</u>	<u>1,593,000</u>

The estimated value of employer contributions for the year ending 31 August 2019 is £127,000 (2018: £111,000).

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

24. RELATED PARTY TRANSACTIONS

Owing to the nature of the academy trust's 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 AFH and with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions. The following related party transactions took place in the financial period.

Mr A Mills (a trustee):

- The academy trust paid for services relating internal audit visits from Anthony Mills totalling £780 (2017: £780) during the period. There were amounts totalling £780 yet to be invoiced included in accruals and therefore outstanding at 31 August 2018 (2017: £260).
- The academy trust made the purchases at arm's length following a competitive tendering exercise in accordance with its financial regulations, which Mr Mills neither participated in, nor influenced.
- In entering into the transaction the academy trust had complied with the requirements of the Academies Financial Handbook 2017.
- The total value of the purchases was below the £2,500 threshold therefore the 'at cost' principle does not apply.

No other related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 9.

25. AGENCY AGREEMENTS

The academy trust distributes 16-19 bursary funds to students as an agent for the ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. In the accounting period ended 31 August 2018 the trust received £19,175 (2017: £18,785) and disbursed £13,672 (2017: £19,334) from the fund. An amount of £17,325 (2017: £11,822) is included in other creditors relating to undistributed funds that is repayable to ESFA.

26. PRIOR YEAR ADJUSTMENT

A prior year adjustment has been made in respect of the allocation of expenditure between boarding and GAG in previous years.

Investigations by management established that surpluses on boarding had been overstated in the financial statements relating to prior to 1 September 2017. The total overstatement amounted to £53,659 and has been amended as a prior year adjustment.

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

26. ACADEMY BOARDING TRADING ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2018

	31.08.18	31.08.18	31.08.17	31.08.17
	£	£	As restated	As restated
			£	£
Income				
Fee income	<u>526,166</u>		<u>568,189</u>	
		526,166		568,189
Expenditure				
Direct Costs				
Staff costs	172,269		175,853	
Goods and services	42,961		138,853	
Other direct costs	<u>7,013</u>		<u>7,453</u>	
Total direct costs	222,243		322,159	
Indirect costs				
Staff costs	76,997		114,942	
Utilities	18,855		8,215	
Rent and rates	14,086		12,110	
Insurance	546		428	
Buildings maintenance	97,884		32,278	
Equipment and IT purchases	654		518	
Depreciation	1,712		-	
Other indirect costs	<u>42,379</u>		<u>20,966</u>	
Total indirect costs	253,113		189,457	
Total operating costs		<u>475,356</u>		<u>511,616</u>
Surplus on Boarding		50,810		56,573
Surplus brought forward at 1 September 2017		<u>165,004</u>		<u>108,431</u>
		215,814		165,004
Transfer of funds to purchase capital assets less depreciation charges		<u>(55,124)</u>		<u>-</u>
Surplus carried forward at 31 August 2018		<u><u>160,690</u></u>		<u><u>165,004</u></u>