

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 2017

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 2017

	Page
Reference and Administrative Details	1-2
Report of the Trustees	3-12
Governance Statement	13-15
Statement on Regularity, Propriety and Compliance	16
Statement of Trustees' Responsibilities	17
Independent Auditor's Report on the Financial Statements	18-20
Independent Reporting Accountant's Report on Regularity	21-22
Statement of Financial Activities incorporating Income & Expenditure Account	23
Balance Sheet	24
Statement of Cash Flows	25-26
Notes to the Financial Statements, incorporating:	
Statement of Accounting Policies	27-31
Other Notes to the Financial Statements	31-47

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

REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2017

Members

Reverend M Roberts
Mr D Fuller
Dr C Ewen
Mrs R C Daniels

Trustees

Mrs R C Daniels (chairperson from 12.09.17)
Mrs M C Everard
Dr C Ewen (chairperson to 12.09.2017)
Mr D Fuller *
Mrs L M Gorringe *
Mrs G Hoffmann *
Mr L Hunter * (principal & accounting officer)
Dr R J Jackson
Mr A J Kilbee
Reverend M Roberts
Mrs J C Rosso
Mr A Rush - Appointed 24 May 2017
Ms J Poole (staff governor) - Appointed 1 September 2016
Mr D Thomas (staff governor) - Appointed 1 September 2016 Resigned 31 August 2017
Mr A Mills - Appointed 25 January 2017
Mr P Wilson - Appointed 24 May 2017
Mr A Nagle - Appointed 12 July 2017

* Members of the Finance Committee

Company Secretary

Mr T J Molloy School Business Manager to 31 August 2017
Mrs P Bunnell School Business Manager from 1 November 2017

Senior Leadership Team

Mr L Hunter Principal Accounting Officer
Ms C Buchanan Deputy Headteacher
Mr L Thompson Deputy Headteacher
Mr M Neeve Assistant Headteacher
Mr M Rivers Assistant Headteacher

Key Management Personnel

Mr L Hunter Principal Accounting Officer
Ms C Buchanan Deputy Headteacher
Mr L Thompson Deputy Headteacher
Mr M Neeve Assistant Headteacher
Mr M Rivers Assistant Headteacher
Mr T J Molloy School Business Manager to 31 August 2017

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

REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2017

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 2017

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2016 to 31 August 2017. 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.

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 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 judgement 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 principal) 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 2017

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.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2017

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 two Deputy Headteachers 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.

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 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.

Provide excellent CPD opportunities for all staff through after school in-house training programmes and other means. Professional development being supported by an effective Performance Management process.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2017

OBJECTIVES AND ACTIVITIES – continued

Objects and Aims – continued

Continue to develop the PSHCEE provision with particular focus on health, sex, drugs, life skills, citizenship education and safeguarding.

To continue to reflect upon the successful Ofsted inspection in 2012 to both maintain and improve the current high standards.

Provide staff and students with an environment that is fit for purpose. Develop a strategic plan for the development of the school site. Continue to seek funding from the Academies Capital Maintenance Fund for building improvements.

Ensure value for money from the school's funding.

Work towards the provision of boarding being judged Outstanding at the next Ofsted inspection (due during the 2017-18 academic year).

Maintain the very high standard of pupil behaviour, attendance and punctuality.

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 1012 students on roll, including 43 boarders.

A Level Results

The overall pass rate this year was 98%, with 63% of all grades being at B or above and 34% at grade A or above. In terms of the A*-A percentage, these results are our best since summer 2014, which is impressive given that the number attaining the very top grades was down this year. However, the A*-C percentage showed a drop (from 85% in 2015 and 2016 to 81% this year). This may change once remarks are taken into account, but our initial thoughts are that students who previously just managed to get over the C boundary found the new linear style A Levels harder. This is possibly due to the examinations not being modular and more of the questions requiring knowledge and understanding from across the entire 2 years of study to be applied (the previous version of A Levels had papers on specific topics, plus they also had fewer questions that required knowledge from the whole A Level to be applied).

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2017

ACHIEVEMENTS AND PERFORMANCE - continued

Some of the standout statistics include:

- 53 students gained at least 3 B grades
- 33 students gained at least AAB grades, with another 6 on ABB)
- 20 students achieved at least one A* grade
- 10 students achieved at least two A* grades
- 1 student achieved 3 A* grades (and an A)
- 2 students achieved 4 A* grades

121 applications were made to higher education institutions. 2 have decided not to apply this year but to take a Gap Year and then reapply, and 8 have still to be placed via Clearing. 90% of the cohort achieved the grades to start at either their firm or conditional offer institution, with the vast majority moving on to their first choice institution. 4 students will be starting at Oxford or Cambridge in October, 4 will be starting medical degrees and 1 a veterinary science degree. Many more achieved the grades they needed for the courses they want to follow next, including places at some of the most prestigious UK universities, including Bath, Bristol, Durham, Exeter, Imperial, Kings', Nottingham, St Andrew's, UCL, Warwick and York; and we also have students progressing to vocational courses and several to overseas universities.

GCSE Results

We are delighted by the results of the year group, who were the first through the new reformed GCSE courses in Mathematics, English Language and English Literature and to sit the new style examinations. Their results are a testament to the hard work of staff and students, and not least their parents.

Some of the standout statistics include:

- 99.2% of candidates gained 5 or more GCSEs at grade C (or equivalent) or above
- 98.5% gained 5 or more GCSEs at grade C (or equivalent) or above including English and Mathematics
- Just under half the year group (48%) achieved 5 or more GCSEs at grade A or A* (or equivalent)
- In English, over 98% achieved a 'standard pass' (that is a new grade 4 or above), and over 95% achieved a 'strong pass' (that is at the new grade 5 or above)
- In Mathematics, 100% achieved a 'standard pass' (that is a new grade 4 or above), and over 92% achieved a 'strong pass' (that is at the new grade 5 or above)
- 20 students achieved at least 5 A* grades
- 11 students achieved at least 6 A* grades
- 6 students achieved at least 7 A* grades
- 2 students achieved 9 A* grades

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.

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

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2017

ACHIEVEMENTS AND PERFORMANCE - continued

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

	31.08.17			31.08.16		
	Excluding boarding	Boarding	Whole school	Excluding boarding	Boarding	Whole school
Educational wages per pupil enrolled	N/A	N/A	£3,889	N/A	N/A	£3,708
Boarding wages per boarding pupil	N/A	£5,661	N/A	N/A	£5,168	N/A
Total wages as a percentage of GAG funding	97.88%	4.71%	102.60%	89.75%	5.95%	95.68%
Total wages as a percentage of total revenue grants	73.27%	3.53%	76.80%	68.05%	4.51%	72.56%

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.

FINANCIAL REVIEW

The academy's accounting period covers a twelve month trading period from 1 September 2016 to 31 August 2017.

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 2017 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 seventh 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 2017 total expenditure of £5,669,830 (2016: £5,666,807) 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 £149,541 (2016: £859,082 expenditure over income). At 31 August 2017 the net book value of fixed assets was £13,387,993 (2016: £13,400,219) 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 2017 the Academy received Capital Improvement Funding Grant of £170,628 (2016: £118,657).

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 weeks 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 deficit budget of £339,000 for the year ending 31 August 2017, which resulted in the level of free reserves at the end of the 2016-17 financial year being £187,149 (2016: £468,502). However, £315,987 is in the restricted reserve and the Academy believes that some should have been allocated to the free reserve due to the high level of capital work undertaken in the boarding houses in the summer and which was intended to be paid from the boarding reserve - this will be looked at as a matter of urgency. In addition, the Trustees approved a three year budget plan which bring the free reserves back to the £400,000 level.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2017

FINANCIAL REVIEW – continued

At the year end the academy trust has total funds £12,909,454 (2016: £12,586,814). Restricted funds (excluding restricted fixed asset funds) show a deficit at the year end of £945,013 (2016: £1,375,907) after accounting for the deficit on the local government pension scheme.

Funds in Deficit

The LGPS is stated in the accounts to be in deficit in the sum of £1,261,000 as at the balance sheet date (2016: £1,645,000). 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 2018.

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 current account.

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 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 remedial 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, and potential changes to the funding that the school receives in future years.

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.

PLANS FOR FUTURE PERIODS

The school seeks continuous improvement in its provision of education and a similar improvement in its fixed assets and its resources. The trust has produced a three year Development Plan covering the years 2014 to 2017. The following were the objectives in that document.

The trust will continue to maximise each students' academic potential, so that each makes the progress they are capable of. It will do this by:

- a. Staff continuing to have the highest aspirations for our pupils.
- b. Ensuring that teaching and learning are of the highest possible standard.
- c. Continuing to improve the monitoring and tracking of student performance and further developing intervention strategies with those that are underperforming.
- d. Providing more responsive and effective literacy support to incoming students that need it, especially those in Year 7.
- e. Continuing to improve the effectiveness of the targeting of Pupil Premium and 16-19 Bursary funding on disadvantaged students.
- f. Further developing the effectiveness of the school-home link.

All of these objectives were achieved.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2017

PLANS FOR FUTURE PERIODS – continued

The Trust will be reflecting with its stakeholders over the course of the 2017-18 academic year to produce another 3 year Development Plan for 2018-2021.

In the meantime, a one year Development Plan for 2017-18 has been produced. The objectives in that document are:

OBJECTIVE	HOW IT WILL BE ACHIEVED
1. To further improve governance of the Trust	<ul style="list-style-type: none"> a. By agreeing the best composition of the Governing Body going forwards, including to review, and update if necessary, the Articles of Association b. Depending on the outcome of a above, by appointing governors to vacancies on the Governing Body c. By continuing to work to prove that a Foundation has existed since 1892 and that it is an existing charity d. By exploring the possibility of moving the land that the school buildings sit on from the Trust to the Foundation, so that all land is then owned by the Foundation e. By establishing which governors are responsible for the endowment fund that is overseen by the Foundation f. By reviewing and updating the current aims and objectives of the school, engaging all of the school's stakeholders in the process i.e. governors, staff (both teaching and non-teaching), parents and students g. In the light of the outcome of f above, to write a 2018-2021 SDP
2. To continue the focus on improving the school's financial situation	<ul style="list-style-type: none"> a. By improving the financial information flow to SLT and governors at FGB, the Finance and Premises Committee and the Boarding Committee b. By continuing to lobby the government, local MPs, local councillors and KCC to increase the funding of state schools, especially for the 16-19 age group c. By investigating and developing alternative fundraising ideas, including a greater engagement with ex Manwoodians, whether that be via the OMA or otherwise d. By continuing to plan for the increased school roll, which will need to include extra class room space, site development and improvements to the canteen
3. To continue the focus on boarding numbers to ensure that its future at Manwood's is secure	<ul style="list-style-type: none"> a. By achieving an Outstanding grade in the Ofsted inspection of the boarding provision that is expected during the 2017-18 academic year b. By embedding the new staffing structure in boarding whilst at the same time monitoring, reviewing and evaluating its effectiveness c. By continuing to develop the role of the Boarding Committee in monitoring and overseeing the financial side of the school's boarding operation as well as the wellbeing of the boarders d. By arranging for a 'mocksted' inspection in early 2018
4. To improve students' achievement and progress measures	<ul style="list-style-type: none"> a. By increasing Continuing Professional Development opportunities for the teaching staff (e.g. the Optimus Training contract), providing more in-school CPD opportunities and increasing our engagement with the Dover Deal Sandwich Partnership offer b. By requiring departments to focus more on students targeted to achieve an A (or grade 7) but who actually are on course to achieve a B (grades 5 or 6) and to develop strategies to use with these students c. By allocating a project to a member of staff who is completing their National Professional Qualification for Senior Leadership (NPQSL) to further analyse relevant data and to suggest strategies d. By implementing Targets 5 and 6 below

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2017

PLANS FOR FUTURE PERIODS – continued

OBJECTIVE	HOW IT WILL BE ACHIEVED
5. To improve pupils' behaviour so as to enable Target 4 above	Schools in the local area, both primary and secondary, are noticing a drop in the level of behaviour of young people in recent years but the reason is not apparent. a. By providing year-long behaviour management training, with an emphasis on Behaviour For Learning (BfL) for all teaching staff with the intention that the entire staff body has the same expectations of pupils and follows the same procedures and practices b. By reviewing the school's current rewards and sanctions practices and to implement new strategies if required c. By reviewing the school's Uniform Policy d. By frequently reminding pupils of the standards expected of them in school but also emphasising that these standards are also applicable when travelling to and from school, and when on school trips e. By finalising a whole school site master plan that provides both an increase in, and more fit for purpose, accommodation for students. This would also then enable dedicated fundraising to start f. By implementing recommendations from the review of the Rewards Strategy that was conducted in 2015-16
6. To maintain our focus on outstanding teaching and learning so as to enable Target 4 above	a. By ensuring a focus on Behaviour for Learning in every classroom, in every lesson, by every teacher b. By reviewing the effectiveness of our existing monitoring practices c. By considering the programme of High Performance Learning and determining its relevance, if any, to our context d. By involving more departments and middle leaders in Initial Teacher Education (ITE) and so raise the level of reflection on in-school practices and pedagogies e. By utilising wider CPD opportunities for self-improvement and development at all levels
7. To continue to provide a safe and welcoming environment for all pupils	a. By continuing to follow the school's policies on Safer Recruitment and to review and adapt them whenever an incident occurs that shows them not to be 100% effective b. By continuing to provide online safety training to all new staff and to all pupils, and to take advantage of any new initiatives that may arise c. By implementing and embed the programme of safeguarding education within morning tutor time and tutorial periods, that was created as a one off project by a member of staff in 2016-17 d. By ensuring that all new governors and new staff undergo an induction session with the Dedicated Safeguarding Lead; and that all other staff receive their yearly update e. By providing free First Aid training for all members of staff as per the 3-year cycle f. By engaging closely with Dover Deal Sandwich primary and secondary schools and local agencies to ensure we are kept abreast of all current trends in the local area, and to take part in district wide initiatives to improve local young people's lives where applicable g. By applying for Condition Improvement Funding for window replacement in the oldest school buildings which would provide a more fit for purpose environment as well as reducing energy costs and being better for the environment
8. To embed the new Senior Leadership structure	This year saw the appointment of a new School Business Manager and Assistant Headteacher (Pastoral and Student Wellbeing) as well as a redistribution of roles and responsibilities between the 3 remaining members of SLT a. By holding weekly meetings b. By reviewing the effectiveness of the structure regularly c. By providing training and support as and when required
9. To increase our involvement with the Dover Deal Sandwich Partnership	a. By switching School Direct lead school from Langton Girls' to Sandwich Technology School b. By increasing the number of trainees engaged on School Direct c. By developing our CPD offer by closer liaison with the DDS Partnership d. By increasing our engagement with local primary schools as a result of involvement with the DDS Partnership

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

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2017

PLANS FOR FUTURE PERIODS – continued

OBJECTIVE	HOW IT WILL BE ACHIEVED
10. To implement any required changes that are necessary in order to comply with the General Data Protection Regulations, GDPR	a. By senior members of staff attending relevant training courses b. By completing an audit of the data kept by the school c. By implementing any required changes to our practices so as to be compliant with the new regulations

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.

Trustees' report, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 13 December 2017. and signed on the board's behalf by:

Mrs R Daniels
Trustee

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

GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2017

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 Principal, 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 8 times during the year ended 31 August 2017. There 7 scheduled Governing Body meetings: 21 Sept 2016, 16 Nov 2016, 25 Jan 2017, 15 Mar 2017, 24 Mar 2017, 24 May 2017, 12 Jul 2017 and 1 extra-ordinary meeting on 26 Apr 2017.

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

Trustee	Meetings attended	Out of a possible
Mrs R C Daniels	8	8
Mrs C M Everard	8	8
Dr C Ewen (chairperson)	4	8
Mr D Fuller *	7	8
Mrs L M Gorringer*	6	8
Mrs G Hoffmann *	8	8
Mr L Hunter * (Principal & Accounting Officer)	8	8
Dr R J Jackson	6	8
Mr A J Kilbee	6	8
Mr A Mills (appointed 25 January 2017)	3	3
Mr A Nagle (appointed 12 July 2017)	1	1
Mrs J Poole	6	6
Reverend M Roberts	4	8
Mrs J C Rosso	7	8
Mr A Rush (appointed 24 May 2017)	2	2
Mr D Thomas	5	6
Mr P Wilson (appointed 24 May 2017)	2	2

The board of trustees operates four committees that take responsibility for particular areas of governance. During the year, the number of committees was reduced to two, with the work previously undertaken by the Curriculum and Welfare Committee, and Finance and Premises Committee subsumed back into the board of trustees meetings, as a result of which the number of board of trustees meetings was increased from 4 to 8. The two remaining committees (Pay and Personnel and Boarding) fed into meetings of the full board of trustees.

The **finance and premises committee** has been a sub-committee of the main board of trustees in previous years. For 2016-17, the trustees decided to remove that committee and to bring the work that it used to scrutinise back to board of trustees meetings, which were increased in number as a result. Whether at committee or board of trustees level, the purpose is:

- To effectively plan and monitor the financial resources of the school.

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

GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2017

Due to the continued reductions in funding, the reduced number of students in boarding and the additional form of entry the committee paid particular attention to the monitoring of the budget for 2016-2017, the setting of the 2017-18 budget and the projected 5 year budget.

Review of Value for Money

As accounting officer the principal 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 available. 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 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements.

GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2017

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 2016 to 31 August 2017 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 Building and Grounds 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 RO reports to the board of trustees, through the Finance, Building and Grounds Committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

The RO 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 Principal has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the Responsible Officer;
- the work of the external auditor;
- the work of the executive managers within the academy 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 13 December 2017 and signed on its behalf by:

Mrs R Daniels
Trustee

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 2017

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 ESFA terms and conditions of funding, 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 2016.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of 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 2016.

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: 13 December 2017

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

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2017

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 Annual 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 2016 to 2017;
- 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 13 December 2017 and signed on its behalf by:

Mrs R Daniels
Trustee

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

We have audited the financial statements of Sir Roger Manwood's School (the 'academy trust') for the year ended 31 August 2017 which comprise of the statement of financial activities, balance sheet, cash flow statement 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 2016 to 2017 issued by the Education and Skills Funding Agency.

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.

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 2017, 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 2016 to 2017 issued by the Education and 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.

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

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.

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 trustees' report (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 in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of 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 trustees' responsibilities statement set out on page seventeen, 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 statement

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

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: 13 December 2017

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 31 August 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, 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 2016 to 31 August 2017 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 2016, 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 2016 to 2017. 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 2016 to 31 August 2017 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 2016 to 2017 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 responsible officer 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 2016 to 31 August 2017 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: 13 December 2017

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

STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2017

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	31.08.17 Total Funds £	31.08.16 Total Funds £
Income from:						
Donations and capital grants	2	7,879	-	342,992	350,871	253,733
<i>Charitable activities:</i>						
Funding for the academy trust's educational operations	3	177,775	4,299,958	-	4,477,733	4,585,426
Provision of boarding activities	26	-	568,189	-	568,189	511,991
Other trading activities	4	44,041	-	-	44,041	30,143
Investments	5	636	-	-	636	2,676
Total income		<u>230,331</u>	<u>4,868,147</u>	<u>342,992</u>	<u>5,441,470</u>	<u>5,383,969</u>
Expenditure on:						
Raising funds	6	7,453	-	-	7,453	20,802
<i>Charitable activities:</i>						
Academy trust's educational operations	7	153,141	4,741,024	310,255	5,204,420	5,200,164
Provision of boarding activities	7, 26	-	457,957	-	457,957	445,841
Total expenditure	6	<u>160,594</u>	<u>5,198,981</u>	<u>310,255</u>	<u>5,669,830</u>	<u>5,666,807</u>
Net income/(expenditure)		69,737	(330,834)	32,737	(228,360)	(282,838)
Transfers between funds	18	<u>(351,090)</u>	<u>210,728</u>	<u>140,362</u>	-	-
Net income/(expenditure) for the year before other recognised gains and losses		<u>(281,353)</u>	<u>(120,106)</u>	<u>173,099</u>	<u>(228,360)</u>	<u>(282,838)</u>
Other recognised gains and losses						
Remeasurement (losses)/gains on defined benefit pension schemes	18 & 23	-	551,000	-	551,000	(702,000)
Net movement in funds		<u>(281,353)</u>	<u>430,894</u>	<u>173,099</u>	<u>322,640</u>	<u>(984,838)</u>
RECONCILIATION OF FUNDS						
Total funds brought forward		<u>468,502</u>	<u>(1,375,907)</u>	<u>13,494,219</u>	<u>12,586,814</u>	<u>13,571,652</u>
TOTAL FUNDS CARRIED FORWARD		<u>187,149</u>	<u>(945,013)</u>	<u>13,667,318</u>	<u>12,909,454</u>	<u>12,586,814</u>

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

BALANCE SHEET
AS AT 31 AUGUST 2017

		31.08.17	31.08.17	31.08.16	31.08.16
		£	£	£	£
	Notes				
FIXED ASSETS					
Tangible assets	12		13,387,993		13,400,219
CURRENT ASSETS					
Stocks	13	2,685		2,685	
Debtors	14	520,055		191,228	
Cash at bank and in hand		<u>1,012,352</u>		<u>1,270,620</u>	
		1,535,092		1,464,533	
CURRENT LIABILITIES					
Creditors: Amounts falling due within one year	15	<u>(741,381)</u>		<u>(619,188)</u>	
NET CURRENT ASSETS			<u>793,711</u>		<u>845,345</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			14,181,704		14,245,564
CREDITORS					
Amounts falling due after more than one year	16		(11,250)		(13,750)
Pension scheme liability	23		<u>(1,261,000)</u>		<u>(1,645,000)</u>
NET ASSETS INCLUDING PENSION LIABILITY			<u>12,909,454</u>		<u>12,586,814</u>
FUNDS OF THE ACADEMY:					
RESTRICTED FUNDS					
Fixed asset funds	18	13,667,318		13,494,219	
General funds	18	315,987		269,093	
Pension fund	18	<u>(1,261,000)</u>		<u>(1,645,000)</u>	
TOTAL RESTRICTED FUNDS			12,722,305		12,118,312
UNRESTRICTED FUNDS					
General funds	18	<u>187,149</u>		<u>468,502</u>	
TOTAL UNRESTRICTED FUNDS			<u>187,149</u>		<u>468,502</u>
TOTAL FUNDS			<u>12,909,454</u>		<u>12,586,814</u>

The financial statements on pages twenty three to forty seven were approved by the trustees, and authorised for issue on 13 December 2017 and are signed on their behalf by:

Mrs R Daniels
Trustee

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

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2017

	Notes	31.08.17 £	31.08.16 £
Cash flows from operating activities			
Net cash (used)/provided by operating activities	1	(301,367)	48,201
Cash flows from investing activities	3	45,599	109,927
Cash flows from financing activities	2	(2,500)	(2,500)
		<hr/>	<hr/>
Change in cash and cash equivalents in the reporting period		(258,268)	155,628
Cash and cash equivalents at 1 September	4	1,270,620	1,114,992
		<hr/>	<hr/>
Cash and cash equivalents at 31 August		<u>1,012,352</u>	<u>1,270,620</u>

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

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2017

1. Reconciliation of net expenditure to net cash flow from operating activities			
	31.08.17		31.08.16
	£		£
Net expenditure for the period (as per the Statement of Financial Activities)	(228,360)		(282,838)
Adjusted for:			
Depreciation charges (note 6)	310,255		317,396
Interest received (note 5)	(636)		(2,676)
Defined benefit pension cost less contributions payable (note 23)	131,000		33,000
Defined benefit pension finance cost (note 23)	35,000		53,000
Defined benefit pension administration expenses (note 23)	1,000		1,000
Increase in debtors	(328,827)		(26,320)
Increase in creditors	122,193		152,279
Capital grants from DfE/ESFA and other capital income	<u>(342,992)</u>		<u>(196,640)</u>
Net cash (outflow)/inflow from operating activities	<u>(301,367)</u>		<u>48,201</u>
2. Cash flows from financing activities			
	31.08.17		31.08.16
	£		£
Loan repayments in year	<u>(2,500)</u>		<u>(2,500)</u>
Net cash provided by/(used in) investing activities	<u>(2,500)</u>		<u>(2,500)</u>
3. Cash flows from investing activities			
	31.08.17		31.08.16
	£		£
Interest received	636		2,676
Capital grants from DfE/ESFA	333,992		184,640
Other capital donations	9,000		12,000
Purchase of tangible fixed assets	<u>(298,029)</u>		<u>(89,389)</u>
Net cash provided by/(used in) investing activities	<u>45,599</u>		<u>109,927</u>
4. Analysis of cash and cash equivalents			
	At 01.09.16	Cash flow	At 31.08.17
	£	£	£
Net cash:			
Cash in hand and at bank	<u>1,270,620</u>	<u>(258,268)</u>	<u>1,012,352</u>
Total	<u>1,270,620</u>	<u>(258,268)</u>	<u>1,012,352</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES

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

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 2016 to 2017 issued by the Education and Skills Funding Agency, the Charities Act 2011 and the Companies Act 2006.

Sir Roger Manwood's School meets the definition of a public benefit entity under FRS 102

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 with sufficient reliability.

- **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.

- **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.

- **Grants receivable**

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES - continued

- **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' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

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

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. All resources expended are inclusive of irrecoverable VAT.

- **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.

Tangible fixed assets

Upon becoming an academy, the academy trust received title to the freehold of the school buildings for no consideration. The freehold property was valued based on the insurance rebuild cost and this was brought into the restricted fixed asset fund as a donation within the Statement of Financial Activities. The freehold land and buildings have since been valued by an independent professional valuer (the Education and Skills Funding Agency) on 31 August 2013. As the school is a specialised property the valuation has been assessed on a depreciated replacement cost basis after allowance for factors of age and obsolescence.

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
FOR THE YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES - continued

Tangible fixed assets - continued

Depreciation is provided on all tangible fixed assets other than freehold land, 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. 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.

Leased assets

Rentals under operating leases are charged to the Statement of Financial Activities 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 and 16. 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.

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 Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES - continued

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. As stated in note 23, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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 and include grants from the Education and Skills Funding Agency and Kent County Council.

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 2017. 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.

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

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES – continued

Critical accounting estimates and areas of judgement - continued

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.

2. DONATIONS AND CAPITAL GRANTS

	Unrestricted Funds £	Restricted Funds £	31.08.17 Total Funds £	31.08.16 Total Funds £
Capital grants	-	342,992	342,992	196,640
Other donations	<u>7,879</u>	<u>-</u>	<u>7,879</u>	<u>57,093</u>
	<u>7,879</u>	<u>342,992</u>	<u>350,871</u>	<u>253,733</u>

3. FUNDING FOR THE ACADEMY TRUST'S EDUCATIONAL OPERATIONS

	Unrestricted Funds £	Restricted Funds £	31.08.17 Total Funds £	31.08.16 Total Funds £
DfE/ESFA GRANTS				
General Annual Grant (GAG)	-	4,073,020	4,073,020	4,060,588
Other DfE/ESFA grants	<u>-</u>	<u>108,411</u>	<u>108,411</u>	<u>96,188</u>
	<u>-</u>	<u>4,181,431</u>	<u>4,181,431</u>	<u>4,156,776</u>
OTHER GOVERNMENT GRANTS				
Local authority grants	<u>-</u>	<u>6,235</u>	<u>6,235</u>	<u>1,930</u>
	<u>-</u>	<u>6,235</u>	<u>6,235</u>	<u>1,930</u>
OTHER INCOME FROM THE ACADEMY TRUST'S EDUCATIONAL OPERATIONS				
Catering income	177,775	-	177,775	136,618
School trip income	<u>-</u>	<u>112,292</u>	<u>112,292</u>	<u>290,102</u>
	<u>177,775</u>	<u>112,292</u>	<u>290,067</u>	<u>426,720</u>
	<u>177,775</u>	<u>4,299,958</u>	<u>4,477,733</u>	<u>4,585,426</u>

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

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2017

4. OTHER TRADING ACTIVITIES

	Unrestricted Funds £	Restricted Funds £	31.08.17 Total Funds £	31.08.16 Total Funds £
Lettings	24,143	-	24,143	15,113
Student resales	4,394	-	4,394	1,338
Fundraising events	309	-	309	10,354
Other income	15,195	-	15,195	3,338
	<u>44,041</u>	<u>-</u>	<u>44,041</u>	<u>30,143</u>

5. INVESTMENT INCOME

	Unrestricted Funds £	Restricted Funds £	31.08.17 Total Funds £	31.08.16 Total Funds £
Deposit account interest	636	-	636	2,676
	<u>636</u>	<u>-</u>	<u>636</u>	<u>2,676</u>

6. EXPENDITURE

	Staff Costs £	Premises Costs £	Other Costs £	31.08.17 Total £	31.08.16 Total £
Expenditure on raising funds	-	-	7,453	7,453	20,802
Academy's educational operations					
Direct costs	3,479,757	-	474,226	3,953,983	3,879,893
Allocated support costs	455,715	324,347	470,375	1,250,437	1,320,271
Boarding Activities					
Direct costs	146,008	-	146,283	292,291	210,186
Allocated support costs	97,418	49,444	18,804	165,666	235,655
	<u>4,178,898</u>	<u>373,791</u>	<u>1,117,141</u>	<u>5,669,830</u>	<u>5,666,807</u>

Net income/(expenditure) for the period includes:

	31.08.17 £	31.08.16 £
Operating leases	3,658	5,376
Depreciation	310,255	317,396
Fees payable to auditor for:		
- audit	8,435	7,625
- other services	<u>2,965</u>	<u>2,750</u>

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

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2017

7. CHARITABLE ACTIVITIES

	31.08.17 Total £	31.08.16 Total £
Direct costs – educational operations	3,953,983	3,879,893
Direct costs - boarding	292,291	210,186
Support costs – educational operations	1,250,437	1,320,271
Support costs – boarding	<u>165,666</u>	<u>235,655</u>
	5,662,377	5,646,005

	Boarding £	Educational operations £	31.08.17 Total £	31.08.16 Total £
Analysis of support costs				
Support staff costs	97,418	455,715	553,133	442,585
Depreciation	-	5,546	5,546	39,256
Technology costs	519	49,502	50,021	70,273
Premises costs	49,444	324,347	373,791	427,996
Catering costs	-	62,802	62,802	79,071
School Trip costs	-	133,617	133,617	280,937
Other support costs	18,285	207,507	225,792	202,538
Governance costs	-	11,401	11,401	13,270
	<u>165,666</u>	<u>1,250,437</u>	<u>1,416,103</u>	<u>1,555,926</u>

8. STAFF COSTS

a. Staff costs

Staff costs during the period were:

	31.08.17 £	31.08.16 £
Wages and salaries	3,160,615	3,077,116
Social security costs	309,911	245,835
Operating costs of pension schemes	655,886	552,083
Apprenticeship Levy	296	-
	<u>4,126,708</u>	<u>3,875,034</u>
Supply staff costs	27,583	9,132
Staff restructuring costs	<u>24,607</u>	<u>22,623</u>
	<u>4,178,898</u>	<u>3,906,789</u>
Staff restructuring costs comprise:		
Redundancy payments	24,607	2,623
Severance payments	-	<u>20,000</u>
	<u>24,607</u>	<u>22,623</u>

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2017

8. STAFF - continued

b. Non statutory / non-contractual staff severance payments

Included in staff restructuring costs are non statutory/non contractual severance payments totalling £nil (2016: £20,000). Individually the payments were: £nil (2016: £20,000).

c. Staff numbers

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

	31.08.17	31.08.16
Charitable activities		
Teachers and educational support	66	62
Administration and support	46	47
Management	<u>5</u>	<u>6</u>
	<u>117</u>	<u>115</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:

	31.08.17	31.08.16
Charitable activities		
Teachers and educational support	55	53
Administration and support	41	35
Management	<u>6</u>	<u>6</u>
	<u>102</u>	<u>94</u>

d. Higher paid staff

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

	31.08.17	31.08.16
£60,001 - £70,000	1	3
£70,001 - £80,000	2	-
£80,001 - £90,000	<u>1</u>	<u>1</u>

All of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2017, pension contributions for these staff amounted to £46,630 (2016: £46,492).

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) received by key management personnel for their services to the academy trust was £370,724 (2016: £436,272).

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2017

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 Principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of Principal and staff members under their contracts of employment. Other trustees did not receive any payments, other than expenses, from the academy trust in respect of their role as trustees.

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

L Hunter (Principal and trustee):	
Remuneration	£80,000 - £85,000 (2016: £80,000 - £85,000)
Employer's pension contributions	£10,000 - £15,000 (2016: £10,000 - £15,000)
C Pearce (staff trustee resigned 13/08/16) :	
Remuneration	£n/a (2016: £50,000 - £55,000)
Employer's pension contributions	£n/a (2016: £5,000 - £10,000)
J Poole (staff trustee appointed 01/09/16):	
Remuneration	£40,000 - £50,000 (2016: £n/a)
Employer's pension contributions	£5,000 - £10,000 (2016: £n/a)
D Thomas (staff trustee appointed 01/09/16, resigned 31/08/2017):	
Remuneration	£40,000 - £50,000 (2016: £n/a)
Employer's pension contributions	£5,000 - £10,000 (2016: £n/a)

During the period ended 31 August 2017, travel and subsistence expenses totalling £nil were reimbursed or paid directly to trustees (2016: £nil).

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

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.

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

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2017

11. COMPARATIVE PERIOD STATEMENT OF FINANCIAL ACTIVITIES

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	31.08.16 Total Funds £
Income from:					
Donations and capital grants	2	1,593	55,500	196,640	253,733
<i>Incoming resources from charitable activities:</i>					
Funding for the academy's educational operations	3	136,618	4,448,808	-	4,585,426
Provision of boarding activities	26	-	511,991	-	511,991
Other trading activities	4	30,143	-	-	30,143
Investments	5	2,676	-	-	2,676
Total income		171,030	5,016,299	196,640	5,383,969
Expenditure on:					
Raising funds		19,566	1,236	-	20,802
<i>Charitable activities:</i>					
Academy's educational operations	7	224,780	4,657,988	317,396	5,200,164
Provision of boarding activities	26	-	445,841	-	445,841
Total expenditure	6	244,346	5,105,065	317,396	5,666,807
Net income/expenditure		(73,316)	(88,766)	(120,756)	(282,838)
Gross transfers between funds	18	7,151	(2,151)	(5,000)	-
Net income/(expenditure) for the year before other recognised gains and losses		(66,165)	(90,917)	(125,756)	(282,838)
Other recognised gains and losses					
Remeasurement gains on defined benefit pension schemes	23	-	(702,000)	-	(702,000)
Net movement in funds		(66,165)	(792,917)	(125,756)	(984,838)
RECONCILIATION OF FUNDS					
Total funds brought forward		534,667	(582,990)	13,619,975	13,571,652
TOTAL FUNDS CARRIED FORWARD		468,502	(1,375,907)	13,494,219	12,586,814

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

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2017

12. TANGIBLE FIXED ASSETS

	Freehold Property £	School Equipment £	Fixtures and Fittings £	Motor Vehicles £	Computer Equipment £	Totals £
COST						
At 1 September 2016	14,743,734	108,427	27,400	47,381	214,468	15,141,410
Additions	<u>194,540</u>	<u>10,606</u>	<u>19,641</u>	<u>-</u>	<u>73,242</u>	<u>298,029</u>
At 31 August 2017	<u>14,938,274</u>	<u>119,033</u>	<u>47,041</u>	<u>47,381</u>	<u>287,710</u>	<u>15,439,439</u>
DEPRECIATION						
At 1 September 2016	1,417,242	80,667	20,200	47,381	175,701	1,741,191
Charge for year	<u>264,037</u>	<u>10,847</u>	<u>3,105</u>	<u>-</u>	<u>32,266</u>	<u>310,255</u>
At 31 August 2017	<u>1,681,279</u>	<u>91,514</u>	<u>23,305</u>	<u>47,381</u>	<u>207,967</u>	<u>2,051,446</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>
At 31 August 2016	<u>13,326,492</u>	<u>27,760</u>	<u>7,200</u>	<u>-</u>	<u>38,767</u>	<u>13,400,219</u>

Included in cost or valuation of land and buildings is freehold land of £1,694,337 (2016: £1,694,337) which is not depreciated.

13. STOCKS

	31.08.17 £	31.08.16 £
Catering	<u>2,685</u>	<u>2,685</u>

14. DEBTORS

	31.08.17 £	31.08.16 £
Trade debtors	106,550	80,306
Other debtors	12,372	9,514
VAT recoverable	164,157	79,882
Prepayments and accrued income	<u>236,976</u>	<u>21,526</u>
	<u>520,055</u>	<u>191,228</u>

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

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2017

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.08.17	31.08.16
	£	£
Other loans (see note 17)	2,500	2,500
Trade creditors	129,068	185,664
Other taxation and social security	147,097	140,242
Other creditors	72,788	61,030
Accruals and deferred income	<u>389,928</u>	<u>229,752</u>
	<u>741,381</u>	<u>619,188</u>

Deferred income

	31.08.17	31.08.16
	£	£
Deferred income at 1 September	217,958	199,982
Resources deferred in the year	378,581	217,958
Released from previous years	<u>(217,958)</u>	<u>(199,982)</u>
Deferred income at 31 August	<u>378,581</u>	<u>217,958</u>

At the balance sheet date the academy trust was holding funds received in advance for boarding for the autumn term 2017, totalling £168,367 (2016: £217,958) and trip income of £210,214 (2016: £nil).

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

	31.08.17	31.08.16
	£	£
Other loans (see note 17)	<u>11,250</u>	<u>13,750</u>

Included in other loans is a loan taken out 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.

17. LOANS

An analysis of the maturity of loans is given below:

	31.08.17	31.08.16
	£	£
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>2,500</u>	<u>2,500</u>
Amounts falling between two and five years		
Other loans – 2-5 years	<u>7,500</u>	<u>7,500</u>

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

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2017

17. LOANS - continued

	31.08.17 £	31.08.16 £
Amounts falling due in more than five years:		
Repayable by instalments:		
Other loans more than 5 years	<u>1,250</u>	<u>3,750</u>

18. FUNDS

	At 01.09.16 £	Incoming Resources £	Resources Expended £	Gains, Losses and Transfers £	At 31.08.17 £
Restricted general funds					
General Annual Grant (GAG)	69,235	4,073,020	(4,352,983)	210,728	-
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	<u>108,431</u>	<u>568,189</u>	<u>(457,957)</u>	-	<u>218,663</u>
	<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	<u>407,766</u>	<u>342,992</u>	<u>(52,041)</u>	-	<u>698,717</u>
	<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	<u>468,502</u>	<u>230,331</u>	<u>(160,594)</u>	<u>(351,090)</u>	<u>187,149</u>
	<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>

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 2017.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2017

18. FUNDS - continued

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 £351,090 was transferred to GAG from unrestricted funds to cover the overspend on the fund.

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total Funds £
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>

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2017

20. CAPITAL COMMITMENTS

	31.08.17	31.08.16
	£	£
Contracted for, but not provided in the financial statements	<u>262,404</u>	<u>55,000</u>
	<u>262,404</u>	<u>55,000</u>

21. OPERATING LEASE COMMITMENTS

At 31 August 2017 the total of the academy trust's future minimum lease payments under non cancellable operating leases was:

	31.08.17	31.08.16
	£	£
Other		
Expiring within one year	7,982	3,784
Expiring within two and five years inclusive	<u>28,143</u>	<u>-</u>
	<u>36,125</u>	<u>3,784</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.

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 pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

Contributions amounting to £66,673 (2016: £64,088) were payable to the schemes at 31 August 2017 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' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2017

23. PENSION AND SIMILAR OBLIGATIONS – continued

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

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS 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 £413,935 (2016: £396,781).

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 a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2017 was £143,000 (2016: £131,000), of which employer's contributions totalled £110,000 and employees' contributions totalled £33,000 (2016: £101,000 and £30,000). The agreed contribution rates for future years are 20.0 per cent for employers and range between 5.0 and 12.8 per cent for employees depending on pensionable pay.

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):

	31.08.17	31.08.16
Rate of increase in salaries	4.20%	4.10%
Rate of increase for pensions in payment/inflation	2.70%	2.30%
Discount rate for scheme liabilities	2.60%	2.20%
Inflation assumption (CPI)	2.70%	2.30%
Commutation of pension to lump sums	50.00%	50.00%

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2017

23. PENSION AND SIMILAR OBLIGATIONS – continued
Local Government Pension Scheme – continued

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

	31.08.17	31.08.16
Retiring today		
Males	23.0	22.9
Females	25.1	25.3
Retiring in 20 years		
Males	25.2	25.2
Females	27.4	27.7

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	2,795,000	2,854,000	2,914,000
Projected service cost	225,000	230,000	235,000
Adjustment to long term salary increase	+0.1%	0.0%	-0.1%
Present value of total obligation	2,862,000	2,854,000	2,846,000
Projected service cost	230,000	230,000	230,000
Adjustment to pension increases and deferred revaluation	+0.1%	0.0%	-0.1%
Present value of total obligation	2,907,000	2,854,000	2,802,000
Projected service cost	235,000	230,000	225,000
Adjustment to mortality age rating assumption	+1 year	None	-1 year
Present value of total obligation	2,955,000	2,854,000	2,757,000
Projected service cost	237,000	230,000	223,000

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

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2017

23. PENSION AND SIMILAR OBLIGATIONS – continued

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

	Fair value at 31 August 2017 £	Fair value at 31 August 2016 £
Equities	1,121,000	933,000
Gilts	11,000	12,000
Other bonds	153,000	147,000
Property	196,000	193,000
Cash	51,000	33,000
Target return portfolio	<u>61,000</u>	<u>60,000</u>
Total market value of assets	1,593,000	1,378,000
Present value of scheme liabilities		
-Funded	<u>(2,854,000)</u>	<u>(3,023,000)</u>
Deficit in the scheme	<u>(1,261,000)</u>	<u>(1,645,000)</u>

The expected return on assets is based on the long-term future expected investment return for each asset class at the beginning of the period. The returns on gilts and other bonds are assumed to be the gilt yield and corporate bond yield (with an adjustment to reflect default risk) respectively at the relevant date. The returns on equities and property are then assumed to be a margin above gilt yields.

The actual return on scheme assets was £233,000 (2016: £165,000).

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

	Defined benefit pension plans 31.08.17 £	Defined benefit pension plans 31.08.16 £
Current service cost (net of employee contributions)	(241,000)	(154,000)
Net interest cost	(35,000)	(33,000)
Administration expenses	<u>(1,000)</u>	<u>(1,000)</u>
Total operating charge	<u>(277,000)</u>	<u>(188,000)</u>
Recognised in other gains/losses:		
Remeasurement (losses)/gains	<u>551,000</u>	<u>(702,000)</u>
Total cost recognised	<u>274,000</u>	<u>(890,000)</u>

The actuarial remeasurements for the current year are recognised in the Statement of Financial Activities. The cumulative amount of actuarial remeasurements recognised in the Statement of Financial Activities since the adoption of the relevant pensions accounting is a £272,000 loss (2016: £823,000 loss).

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

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2017

23. PENSION AND SIMILAR OBLIGATIONS – continued
Local Government Pension Scheme – continued

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

	Defined benefit pension plans 31.08.17 £	Defined benefit pension plans 31.08.16 £
Opening defined benefit obligation	3,023,000	1,958,000
Current service cost	241,000	154,000
Employee contributions	33,000	30,000
Interest cost	66,000	79,000
Benefits paid	(72,000)	(19,000)
Remeasurement losses/(gains)	<u>(437,000)</u>	<u>821,000</u>
	<u>2,854,000</u>	<u>3,023,000</u>

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

	Defined benefit pension plans 31.08.17 £	Defined benefit pension plans 31.08.16 £
Opening fair value of scheme assets	1,378,000	1,102,000
Employer contributions	110,000	101,000
Employee contributions	33,000	30,000
Interest income	31,000	46,000
Administration costs	(1,000)	(1,000)
Return on assets less interest	202,000	119,000
Benefits paid	(72,000)	(19,000)
Remeasurement losses	<u>(88,000)</u>	<u>-</u>
	<u>1,593,000</u>	<u>1,378,000</u>

The estimated value of employer contributions for the year ending 31 August 2018 is £111,000 (2017: £101,000).

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

	31.08.17 £	31.08.16 £	31.08.15 £	31.08.14 £	31.08.13 £
Defined benefit pension plans					
Defined benefit obligation	(2,854,000)	(3,023,000)	(1,958,000)	(1,752,000)	(1,426,000)
Fair value of scheme assets	1,593,000	1,378,000	1,102,000	951,000	695,000
Surplus /(Deficit)	1,261,000	1,645,000	856,000	(801,000)	(731,000)
Experience adjustments on scheme assets	-	-	(36,000)	97,000	55,000
Experience adjustments on scheme liabilities	-	-	-	4,000	-

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2017

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 trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the trust's financial regulations and normal procurement procedures. The following related party transaction took place in the period of account.

On 25 January 2017 Anthony Mills was co-opted as a Governor. Since then he has carried out three internal audit visits for which he has been paid £780.

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 2017 the trust received £18,785 (2016: £18,192) and disbursed £19,334 (2016: £21,780) from the fund. An amount of £5,758 (2016: £6,307) is included in other creditors relating to undistributed funds that is repayable to ESFA.

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

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2017

26. ACADEMY BOARDING TRADING ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2017

	31.08.17 £	31.08.17 £	31.08.16 £	31.08.16 £
Income				
Fee income	<u>568,189</u>		<u>511,991</u>	
		568,189		511,991
Expenditure				
Direct Costs				
Staff costs	146,008		114,860	
Goods and services	138,830		71,141	
Other direct costs	<u>7,453</u>		<u>24,185</u>	
Total direct costs	292,291		210,186	
Indirect costs				
Staff costs	97,418		128,073	
Utilities	8,215		15,111	
Rent and rates	12,110		15,575	
Insurance	428		794	
Buildings maintenance	26,107		41,017	
Equipment and IT purchases	518		11,447	
Other indirect costs	<u>20,870</u>		<u>23,638</u>	
Total indirect costs	165,666		235,655	
Total operating costs		<u>457,957</u>		<u>445,841</u>
Surplus on Boarding		110,232		66,150
Surplus/(Deficit) brought forward		<u>108,431</u>		<u>42,281</u>
Surplus carried forward		<u><u>218,663</u></u>		<u><u>108,431</u></u>