

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 2016

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)

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FOR THE YEAR ENDED 31 AUGUST 2016

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

REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2016

Members

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

Trustees

Mr J Boyes	-resigned 20.02.16
Mrs R C Daniels	
Mr M Dyer *	-resigned 13.11.15
Mrs M C Everard	
Dr C Ewen (chairperson)	
Mr D Fuller *	
Mrs L M Gorringer *	
Mrs G Hoffmann *	
Mr L Hunter * (principal & accounting officer)	
Dr R J Jackson	
Mr A J Kilbee	
Mr C D Pearce * (staff trustee)	-resigned 13.08.16
Ms A Pujadas-Telmon (staff trustee)	-resigned 31.08.15
Reverend M Roberts	
Mrs J C Rosso	
Mrs A S Smith	-resigned 31.08.16
Mr M Waite *	-resigned 31.08.16
Dr A Weatherley	-resigned 16.11.16

* Members of the Finance and Building and Grounds Committee

Company Secretary

Mr T J Molloy

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

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

REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2016

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

National Westminster Bank PLC
21 Market Street
Sandwich
Kent CT13 9DD

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

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2016

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2015 to 31 August 2016. 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 2016

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. Training sessions for all trustees are arranged at the school on appropriate topics, usually once per year.

Organisational Structure

The trustees are responsible for the strategic direction of the school, making major decisions and monitoring the activities of the school. This is achieved through seven meetings a year of the full board of trustees 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 is assisted by two Deputy Headteachers and two Assistant Headteachers. The organisational structure cascades via senior leaders and middle managers that includes the School Business Manager, Heads of Department and Heads of Year.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2016

STRUCTURE, GOVERNANCE AND MANAGEMENT - continued

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 are moderated by the School Business Manager (for non-teaching staff) and the 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 Malcolm Waite Limited which is owned by a trustee and trades with the academy 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.

Further develop the use of ICT in school to support teaching and learning and administration within school. To produce a strategic plan of ICT development over the periods 2014-2019.

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

To continue to reflect upon the successful Ofsted inspection in 2013 to both maintain and improve the current high standards.

Develop effective communication with parents through the use of SIMS Learning Gateway and Schoolcomms.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2016

OBJECTIVES AND ACTIVITIES – continued

Objects and Aims - continued

Provide staff and students with an environment that is fit for purpose. Develop a strategic plan for the development of the school site for the period 2014-2019. Continue to seek funding from the Academies Capital Maintenance Fund for building improvements.

Ensure value for money from the school's funding.

The introduction of performance related pay for teaching staff to reflect the STPCD.

Ensure that the provision of boarding is judged Outstanding at the next Ofsted inspection.

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 953 students on roll, including 47 boarders.

The overall pass rate at A Level was over 97%, with two thirds being at grades B or above and a third at grade A or better. 47 students gained at least 3 B grades, with 31 of the 47 gaining at least 2 A grades. 20 students achieved at least one A* grade, of which, 4 had at least two A* grades; one of them achieved an A* in all three of his subjects.

At GCSE, just over 3 quarters of all the examinations taken were passed at grades A*, A or B; and over 94% were at grade C or above. 23 students achieved a total of 10 or more A* or A grades. 26 students gained 5 A* grades or more, and 11 achieved an A* pass in at least 8 subjects. 4 students achieved an A* in each of the 11 GCSES that they took.

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.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2016

ACHIEVEMENTS AND PERFORMANCE - continued

Specific financial KPI's for the year under review are as follows:

	31.08.16			31.08.15		
	Excluding boarding	Boarding	Whole school	Excluding boarding	Boarding	Whole school
Educational wages per pupil enrolled	N/A	N/A	£3,708	N/A	N/A	£3,607
Boarding wages per boarding pupil	N/A	£5,168	N/A	N/A	£5,631	N/A
Total wages as a percentage of GAG funding	88.70%	5.98%	94.68%	82.71%	7.58%	90.29%
Total wages as a percentage of total revenue grants	86.61%	5.84%	92.45%	79.53%	6.52%	86.05%

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 2015 to 31 August 2016.

The majority of the school's income is obtained from the EFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the EFA during the year ended 31 August 2016 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 EFA. 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 sixth 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 2016 total expenditure of £5,666,807 (2015: £5,589,325) was funded by recurrent grant funding from the EFA together with other incoming resources. The excess of expenditure over income for the year, including other recognised gains and losses, (excluding restricted fixed asset funds) was £859,082 (2015: excess of income over expenditure £154,538). At 31 August 2016 the net book value of fixed assets was £13,400,219 (2015: £13,628,226) and movements in tangible fixed assets are shown in note 14 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 2016 the Academy received Capital Improvement Funding Grant of £118,657 (2015: £nil).

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's current level of free reserves is £468,502 (2015: £534,667) which is in excess of the stated policy however the trust has set a deficit budget of £339,000 for the year ending 31 August 2017 and so taking this into account this level of reserves is necessary to support the trust in the current year and the Trustees' strategy of maintaining free reserves at a level of approximately £400,000 will continue in future years, when in year reserves will be under pressure.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2016

FINANCIAL REVIEW – continued

Funds in Deficit

The LGPS is stated in the accounts to be in deficit in the sum of £1,645,000 as at the balance sheet date (2015: £856,000). 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 2017.

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 are extracts from 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.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2016

PLANS FOR FUTURE PERIODS – continued

The trust will ensure that teaching is never less than good, and is frequently outstanding. This will be done by:

- a. Middle leaders continuing to effectively monitor class room practice.
- b. Continuing to focus on the quality of differentiation and feedback to students in lessons.
- c. Running sessions as part of the school's in-house CPD programme that are aimed at the most experienced as well as the least experienced members of the staff teaching body.
- d. Using Performance Management procedures effectively wherever necessary.
- e. Devoting specific time for departments to spend on the introduction of new GCSE's and A Levels.

The trust will ensure the curriculum continues to meet the needs of all individuals on the student body, steering the school through some years of great change to examinations at both GCSE and A Level. It will do this by:

- a. Developing new schemes of work in KS3, as appropriate, in light of the new National Curriculum.
- b. Introducing new GCSE specifications according to the timetable below:
2015: Maths, English Language and English Literature to Y10 and Biology, Chemistry and Physics to Y9.
2016: All other subjects to Y10.
- c. Introducing new A Level specifications as follows:
2015: Art and Design, Biology, Business, Chemistry, Computing, English Literature, History, Physics, Psychology.
2016: French, Geography, German, Music, RS (NB. this maybe delayed to 2017), Spanish, Sports Studies.
2017: Design Technology, Maths, Further Maths.
- d. By reviewing the curriculum offer in all key stages, in the light of both budget cuts and the new GCSE and A Level specifications and assessment.

To maintain the very high standards of pupil behaviour and wellbeing by:

- a. Staff continuing to not accept behaviour that is anything less than that expected, including the wearing of uniform, and the consistent implementation of the school's rewards and sanctions procedures.
- b. Developing use of the Behaviour Management module/s in SIMS.
- c. Increasing the size of the Student Support Team so that resources are in place to deal with the school's larger student body.
- d. Increasing the time allocation for Heads of Year, especially given the increasing size of the school's intake, and the possible increase in the number of pupils with challenging behaviour.
- e. Focusing on levels of attendance and punctuality and consistently applying the revised government regulations concerning authorised absence and making parents aware of the necessity for pupils to be in school during term time.

To provide Outstanding boarding provision by:

- a. Ensuring that all of the highlighted areas in the 2012 Ofsted report have been rectified and the systems are in place to ensure they continue to be carried out.
- b. Implementing the recommendations of the Boarding Review undertaken in summer 2014.
- c. Employing highly effective boarding staff and increasing the amount of training given to them.
- d. Continuing to improve the boarding premises and facilities.
- e. Improving the activities offered to boarders at weekends.
- f. Aiming to increase the number of boarders so that the greater income generated can be reinvested in the boarding facilities.

To improve the use of ICT by:

- a. Producing a 5 year strategic plan for ICT development.
- b. Developing the use of Assessment Manager to make data tracking more user friendly for class room teachers, Heads of Department and Heads of Year.
- c. Developing the use of automatic reports from SIMS for tracking of disadvantaged students.
- d. Developing the use of the Behaviour Management module/s in SIMS.
- e. Encouraging greater use of technology by sixth form students so as to maximise the school's wireless network and at the same time better prepare them for university and working practices.

SIR ROGER MANWOOD'S SCHOOL
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REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2016

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

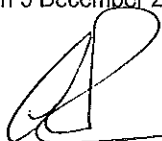
The trustees hold no funds as custodian trustee.

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 9 December 2016 and signed on the board's behalf by:



Dr C Ewen
Trustee

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

GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2016

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 5 times during the year ended 31 August 2016. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mr J Boyes – resigned 20.02.16	0	2
Mrs R C Daniels	5	5
Mr M Dyer * - resigned 13.11.15	0	1
Mrs C M Everard	4	5
Dr C Ewen (chairperson)	5	5
Mr D Fuller *	2	5
Mrs L M Gorringer*	5	5
Mrs G Hoffmann *	5	5
Mr L Hunter * (principal & accounting officer)	5	5
Dr R J Jackson	4	5
Mr A J Kilbee	5	5
Mr C D Pearce * (staff trustee) – resigned 13.08.16	4	5
Ms A Pujadas-Telmon (staff trustee) – resigned 31.08.16	4	5
Reverend M Roberts	5	5
Mrs J C Rosso	4	5
Mrs A S Smith – resigned 31.08.16	4	5
Mr M Waite * - resigned 31.08.16	0	5
Dr A Weatherley	2	5

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 Buildings and Grounds 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 5. Each committee feeds into the full board of trustees at each of the meetings of the full board of trustees.

Six trustees resigned during the year.

The **finance and buildings and grounds committee** was a sub-committee of the main board of trustees. During the year, 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
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GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2016

Due to the continued reductions in funding and the additional form of entry the committee paid particular attention to the setting of the budget for 2016-2017 and the projected 5 year budget.

During the year Mr M Dyer, Mr C Pearce and Mr M Waite resigned from the committee. Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mr M Dyer – resigned 13.11.16	1	1
Mr D Fuller	3	4
Mrs L M Gorringe	0	4
Mrs G Hoffmann	4	4
Mr L Hunter	4	4
Mr C Pearce –resigned 13.08.16	3	4
Mr M Waite – resigned 31.08.16	0	4

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 staffing allocations, which rose for class room teachers without a Teaching and Learning Responsibility from 41 hours out of the 50 hour teaching week to 42.
- reviewing the sixth form and Key Stage 4 curriculae.
- 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 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements.

GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2016

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 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the 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, as Responsible Officer ('RO'), to perform additional checks. The RO'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 EFA's requirements and all recommendations have been implemented.

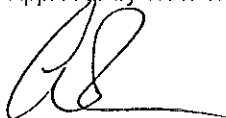
Review of Effectiveness

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 9 December 2016 and signed on its behalf by:



Dr C Ewen
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 2016

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 Funding Agency (EFA) of material irregularity, impropriety and non-compliance with EFA 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 2015.

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 2015.

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



Mr L Hunter
Accounting Officer

Date: 9 December 2016

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

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 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:

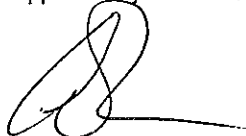
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements; 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 Education Funding Agency and Department for Education 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 9 December 2016 and signed on its behalf by:



Dr C Ewen
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 for the year ended 31 August 2016 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

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

Respective responsibilities of Trustees and Auditors

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

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2016 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;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

Opinion on other matter 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 Strategic Report and the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or 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 Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



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: 9 December 2016

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

In accordance with the terms of our engagement letter dated 28 April 2016 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Sir Roger Manwood's School during the period 1 September 2015 to 31 August 2016 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Sir Roger Manwood's School and the EFA 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 EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Sir Roger Manwood's School and the EFA, 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 2015, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

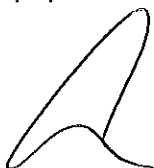
The work undertaken to draw our conclusion includes:

- 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 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 2015 to 31 August 2016 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:9 December..... 2016

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 2016

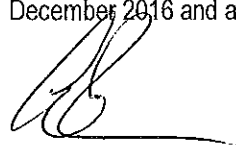
		Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	31.08.16 Total Funds	31.08.15 Total Funds
	Note	£	£	£	£	£
Income from:						
Donations and capital grants	2	1,593	55,500	196,640	253,733	42,674
<i>Charitable activities:</i>						
Funding for the academy trust's educational operations	3	-	4,158,706	-	4,158,706	4,316,883
Provision of boarding activities	28	-	511,991	-	511,991	528,511
Other trading activities	4	166,761	290,102	-	456,863	554,547
Investments	5	2,676	-	-	2,676	6,294
Total income		171,030	5,016,299	196,640	5,383,969	5,448,909
Expenditure on:						
Raising funds	8	166,022	282,173	-	448,195	429,746
<i>Charitable activities:</i>						
Academy trust's educational operations	7	78,324	4,377,051	317,396	4,772,771	4,641,690
Provision of boarding activities	28	-	445,841	-	445,841	517,889
Total expenditure	6	244,346	5,105,065	317,396	5,666,807	5,589,325
Net income/(expenditure)		(73,316)	(88,766)	(120,756)	(282,838)	(140,416)
Transfers between funds	20	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)	(140,416)
Other recognised gains and losses						
Remeasurement (losses)/gains on defined benefit pension schemes	20 & 24	-	(702,000)	-	(702,000)	27,000
Net movement in funds		(66,165)	(792,917)	(125,756)	(984,838)	(113,416)
RECONCILIATION OF FUNDS						
Total funds brought forward		534,667	(582,990)	13,619,975	13,571,652	13,685,068
TOTAL FUNDS CARRIED FORWARD		468,502	(1,375,907)	13,494,219	12,586,814	13,571,652

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

BALANCE SHEET
AS AT 31 AUGUST 2016

		31.08.16 £	31.08.16 £	31.08.15 £	31.08.15 £
	Notes				
FIXED ASSETS					
Tangible assets	14		13,400,219		13,628,226
CURRENT ASSETS					
Stocks	15	2,685		2,685	
Debtors	16	191,228		164,908	
Cash at bank and in hand		<u>1,270,620</u>		<u>1,114,992</u>	
		1,464,533		1,282,585	
CURRENT LIABILITIES					
Creditors: Amounts falling due within one year	17	<u>(619,188)</u>		<u>(466,909)</u>	
NET CURRENT ASSETS			<u>845,345</u>		<u>815,676</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			14,245,564		14,443,902
CREDITORS					
Amounts falling due after more than one year	18		(13,750)		(16,250)
Pension scheme liability	24		<u>(1,645,000)</u>		<u>(856,000)</u>
NET ASSETS INCLUDING PENSION LIABILITY			<u>12,586,814</u>		<u>13,571,652</u>
FUNDS OF THE ACADEMY:					
RESTRICTED FUNDS					
Fixed asset funds	20	13,494,219		13,619,975	
General funds	20	269,093		273,010	
Pension fund	20	<u>(1,645,000)</u>		<u>(856,000)</u>	
TOTAL RESTRICTED FUNDS			12,118,312		13,036,985
UNRESTRICTED FUNDS					
General funds	20	<u>468,502</u>		<u>534,667</u>	
TOTAL UNRESTRICTED FUNDS			<u>468,502</u>		<u>534,667</u>
TOTAL FUNDS			<u>12,586,814</u>		<u>13,571,652</u>

The financial statements on pages twenty to forty five were approved by the trustees, and authorised for issue on 9 December 2016 and are signed on their behalf by:



Dr C Ewen
Trustee

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

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2016

	Notes	31.08.16 £	31.08.15 £
Cash flows from operating activities			
Net cash provided by operating activities	1	48,201	170,916
Cash flows from investing activities	3	109,927	(78,349)
Cash flows from financing activities	2	(2,500)	8,750
		<hr/>	<hr/>
Change in cash and cash equivalents in the reporting period		155,628	101,317
Cash and cash equivalents at 1 September	4	1,114,992	1,013,675
		<hr/>	<hr/>
Cash and cash equivalents at 31 August		<u>1,270,620</u>	<u>1,114,992</u>

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

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2016

1. Reconciliation of net expenditure to net cash flow from operating activities			
	31.08.16	31.08.15	
	£	£	
Net expenditure for the period (as per the Statement of Financial Activities)	(282,838)	(140,416)	
Adjusted for:			
Depreciation charges (note 6)	317,396	317,651	
Interest received (note 5)	(2,676)	(6,294)	
Defined benefit pension cost less contributions payable (note 24)	33,000	49,000	
Defined benefit pension finance cost (note 24)	53,000	32,000	
Defined benefit pension administration expenses (note 24)	1,000	1,000	
Decrease in stocks	-	1,408	
(Increase)/decrease in debtors	(26,320)	24,226	
Increase/(decrease) in creditors	152,279	(91,172)	
Capital grants from DfE/EFA and other capital income	(196,640)	(17,537)	
Revenue expenditure from capital grants	-	1,050	
Net cash inflow from operating activities	48,201	170,916	
2. Cash flows from financing activities			
	31.08.16	31.08.15	
	£	£	
New loans in year	-	10,000	
Loan repayments in year	(2,500)	(1,250)	
Net cash provided by/(used in) investing activities	(2,500)	8,750	
3. Cash flows from investing activities			
	31.08.16	31.08.15	
	£	£	
Interest received	2,676	6,294	
Capital grants from DfE/EFA	184,640	17,537	
Other capital donations	12,000	-	
Revenue expenditure from capital grants	-	(1,050)	
Purchase of tangible fixed assets	(89,389)	(101,130)	
Net cash provided by/(used in) investing activities	109,927	(78,349)	
4. Analysis of cash and cash equivalents			
	At 01.09.15	Cash flow	At 31.08.16
	£	£	£
Net cash:			
Cash in hand and at bank	1,114,992	155,628	1,270,620
Total	1,114,992	155,628	1,270,620

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

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 2015 to 2016 issued by the Education Funding Agency, the Charities Act 2011 and the Companies Act 2006.

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

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the trustees have amended certain accounting policies to comply with FRS 102 and SORP 2015. Reconciliations to previous UK GAAP for the comparative figures are included in note 27.

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 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.

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

1. ACCOUNTING POLICIES - continued

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

- **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.

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

1. ACCOUNTING POLICIES - continued

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

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 estimated 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.

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

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

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 24, 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 at the discretion of the Trustees.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Education Funding Agency/Department for Education and other funders where the asset acquired or created is held for a specific purpose

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

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 24, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2016

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 £	31.08.16 Total Funds £	31.08.15 Total Funds £
Capital grants	-	196,640	196,640	17,537
Other donations	1,593	55,500	57,093	25,137
	<u>1,593</u>	<u>252,140</u>	<u>253,733</u>	<u>42,674</u>

3. FUNDING FOR THE ACADEMY TRUST'S EDUCATIONAL OPERATIONS

	Unrestricted Funds £	Restricted Funds £	31.08.16 Total Funds £	31.08.15 Total Funds £
DfE/EFA GRANTS				
General Annual Grant (GAG)	-	4,060,588	4,060,588	4,114,036
Other DfE/EFA grants	-	96,188	96,188	91,901
	<u>-</u>	<u>4,156,776</u>	<u>4,156,776</u>	<u>4,205,937</u>
 OTHER GOVERNMENT GRANTS				
Local authority grants	-	1,930	1,930	110,946
	<u>-</u>	<u>1,930</u>	<u>1,930</u>	<u>110,946</u>
	<u>-</u>	<u>4,158,706</u>	<u>4,158,706</u>	<u>4,316,883</u>

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2016

4. OTHER TRADING ACTIVITIES

	Unrestricted Funds £	Restricted Funds £	31.08.16 Total Funds £	31.08.15 Total Funds £
School trip income	-	290,102	290,102	313,844
Lettings	15,113	-	15,113	16,441
Student resales	1,338	-	1,338	20,424
Catering	136,618	-	136,618	136,080
Fundraising events	10,354	-	10,354	45,757
Other income	3,338	-	3,338	22,001
	<u>166,761</u>	<u>290,102</u>	<u>456,863</u>	<u>554,547</u>

5. INVESTMENT INCOME

	Unrestricted Funds £	Restricted Funds £	31.08.16 Total Funds £	31.08.15 Total Funds £
Deposit account interest	<u>2,676</u>	<u>-</u>	<u>2,676</u>	<u>6,294</u>
	<u>2,676</u>	<u>-</u>	<u>2,676</u>	<u>6,294</u>

6. EXPENDITURE

	Staff Costs £	Premises Costs £	Other Costs £	31.08.16 Total £	31.08.15 Total £
Expenditure on raising funds	67,385	-	380,810	448,195	429,746
Academy's educational operations					
Direct costs	3,349,344	-	530,549	3,879,893	3,794,477
Allocated support costs	247,127	228,425	417,326	892,878	847,213
Boarding Activities	<u>242,933</u>	<u>71,703</u>	<u>131,205</u>	<u>445,841</u>	<u>517,889</u>
	<u>3,906,789</u>	<u>300,128</u>	<u>1,459,890</u>	<u>5,666,807</u>	<u>5,589,325</u>

Net income/(expenditure) for the period includes:

	31.08.16 £	31.08.15 £
Operating leases	5,376	11,991
Depreciation	317,396	317,651
Fees payable to auditor for:		
- audit	7,625	7,885
- other services	<u>2,750</u>	<u>3,000</u>

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2016

7. CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted Funds £	Restricted Funds £	31.08.16 Total £	31.08.15 Total £
Direct costs – educational operations				
Teaching and educational support staff costs	1,458	3,347,886	3,349,344	3,202,404
Depreciation	-	278,140	278,140	294,734
Technology costs	-	7,156	7,156	3,632
Educational supplies	31,695	84,707	116,402	166,499
Examination fees	-	95,609	95,609	102,663
Staff development	-	7,750	7,750	11,314
Educational consultancy	-	25,492	25,492	13,231
	<u>33,153</u>	<u>3,846,740</u>	<u>3,879,893</u>	<u>3,794,477</u>
Allocated support costs – educational operations				
Support staff costs	6,060	241,067	247,127	246,587
Depreciation	-	39,256	39,256	22,917
Technology costs	6,679	52,147	58,826	69,005
Recruitment and support	-	9,279	9,279	13,558
Maintenance of premises and equipment	53	111,786	111,839	74,178
Professional fees	17,774	29,592	47,366	42,201
Cleaning	1,774	92,769	94,543	92,580
Rent, rates and water	-	38,291	38,291	36,552
Insurance	-	32,531	32,531	31,325
Energy costs	-	78,295	78,295	63,584
Security and transport	-	3,779	3,779	11,873
Hire of equipment	-	5,376	5,376	11,991
Bank interest and charges	-	2,302	2,302	3,907
FRS 102 pension adjustment	-	34,000	34,000	33,000
Governance costs (note 9)	-	13,270	13,270	10,290
Other support costs	12,831	63,967	76,798	83,665
	<u>45,171</u>	<u>847,707</u>	<u>892,878</u>	<u>847,213</u>
Total direct and support costs	<u>78,324</u>	<u>4,694,447</u>	<u>4,772,771</u>	<u>4,641,690</u>

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2016

8. RAISING FUNDS

	Unrestricted Funds £	Restricted Funds £	31.08.16 Total Funds £	31.08.15 Total Funds £
Catering	79,071	-	79,071	48,834
School trips expenditure	-	280,937	280,937	316,876
Staff costs	67,385	-	67,385	64,036
School events and resales	19,566	1,236	20,802	-
	<u>166,022</u>	<u>282,173</u>	<u>448,195</u>	<u>429,746</u>

9. GOVERNANCE COSTS

	Unrestricted Funds £	Restricted Funds £	31.08.16 Total £	31.08.15 Total £
Legal and professional fees	-	-	-	780
Auditor's remuneration				
Audit of financial statements	-	7,625	7,625	7,885
Accounts preparation	-	1,000	1,000	1,000
Other non audit related services	-	1,750	1,750	2,000
Over provision	-	-	-	(1,375)
Clerking service	-	2,895	2,895	-
	<u>-</u>	<u>13,270</u>	<u>13,270</u>	<u>10,290</u>

10. STAFF COSTS

a. Staff costs

Staff costs during the period were:

	31.08.16 £	31.08.15 £
Wages and salaries	3,077,116	3,045,450
Social security costs	245,835	223,217
Operating costs of pension schemes	552,083	494,825
	<u>3,875,034</u>	<u>3,763,492</u>
Supply staff costs	9,132	31,101
Staff restructuring costs	22,623	-
	<u>3,906,789</u>	<u>3,794,593</u>
Staff restructuring costs comprise:		
Redundancy payments	2,623	31,101
Severance payments	20,000	-
	<u>22,623</u>	<u>31,101</u>

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2016

10. STAFF - continued

b. Non statutory / non-contractual staff severance payments

Included in staff restructuring costs are non statutory/non contractual severance payments totalling £20,000 (2015: £nil). Individually the payments were: £20,000 (2015: £nil).

c. Staff numbers

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

	31.08.16	31.08.15
Charitable activities		
Teachers and educational support	62	70
Administration and support	47	45
Management	<u>6</u>	<u>5</u>
	<u>115</u>	<u>120</u>

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

	31.08.16	31.08.15
Charitable activities		
Teachers and educational support	53	62
Administration and support	35	30
Management	<u>6</u>	<u>5</u>
	<u>94</u>	<u>97</u>

d. Higher paid staff

The number of employees whose emoluments fell within the following bands above £60,000 was:

	31.08.16	31.08.15
£60,001 - £70,000	3	2
£70,001 - £80,000	-	1
£80,001 - £90,000	<u>1</u>	<u>-</u>

All of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2016, pension contributions for these staff amounted to £46,492 (2015: £30,438).

e. Key management personnel

The key management personnel of the academy trust comprise the trustees and the key management personnel 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 £436,272 (2015: £435,222).

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2016

11. RELATED PARTY TRANSACTIONS - TRUSTEES' REMUNERATION AND EXPENSES

One or more trustees have been paid remuneration or had 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 and not in respect of their services as trustees. Other trustees did not receive any payments, other than expenses, from the academy 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 (2015: £75,000 - £80,000)
Employer's pension contributions	£10,000 - £15,000 (2015: £10,000 - £15,000)

A Pujadas-Telmon (staff trustee resigned 31/08/15):

Remuneration	£n/a (2015: £45,000 - £50,000)
Employer's pension contributions	£n/a (2015: £5,000 - £10,000)

C Pearce (staff trustee resigned 13/08/16) :

Remuneration	£50,000 - £55,000 (2015: £50,000 - £55,000)
Employer's pension contributions	£5,000 - £10,000 (2015: £5,000 - £10,000)

Other related party transactions involving the trustees are set out in note 25.

12. 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.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2016

13. COMPARATIVE PERIOD STATEMENT OF FINANCIAL ACTIVITIES

		Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	31.08.15 Total Funds
	Note	£	£	£	£
Income from:					
Donations and capital grants	2	14,167	470	28,037	42,674
<i>Incoming resources from charitable activities:</i>					
Funding for the academy's educational operations	3	-	4,316,883	-	4,316,883
Provision of boarding activities	28	-	528,511	-	528,511
Other trading activities	4	221,217	333,330	-	554,547
Investments	5	5,994	300	-	6,294
Total income		241,378	5,179,494	28,037	5,448,909
Expenditure on:					
Raising funds	8	117,891	311,855	-	429,746
<i>Charitable activities:</i>					
Academy's educational operations	7	64,107	4,258,882	318,701	4,641,690
Provision of boarding activities	28	-	517,889	-	517,889
Total expenditure	6	181,998	5,088,626	318,701	5,589,325
Net income/expenditure		59,380	90,868	(290,664)	(140,416)
Gross transfers between funds	20	(53,119)	30,409	22,710	-
Net income/(expenditure) for the year before other recognised gains and losses		6,261	121,277	(267,954)	(140,416)
Other recognised gains and losses					
Remeasurement gains on defined benefit pension schemes	20 & 24	-	27,000	-	27,000
Net movement in funds		6,261	148,277	(267,954)	(113,416)
RECONCILIATION OF FUNDS					
Total funds brought forward		528,406	(731,267)	13,887,929	13,685,068
TOTAL FUNDS CARRIED FORWARD		534,667	(582,990)	13,619,975	13,571,652

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

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2016

14. TANGIBLE FIXED ASSETS

	Freehold Property £	School Equipment £	Fixtures and Fittings £	Motor Vehicles £	Computer Equipment £	Totals £
COST						
At 1 September 2015	14,690,743	94,924	27,400	47,381	191,573	15,052,021
Additions	<u>52,991</u>	<u>13,503</u>	<u>-</u>	<u>-</u>	<u>22,895</u>	<u>89,389</u>
At 31 August 2016	<u>14,743,734</u>	<u>108,427</u>	<u>27,400</u>	<u>47,381</u>	<u>214,468</u>	<u>15,141,410</u>
DEPRECIATION						
At 1 September 2015	1,157,036	64,564	16,020	41,611	144,564	1,423,795
Charge for year	<u>260,206</u>	<u>16,103</u>	<u>4,180</u>	<u>5,770</u>	<u>31,137</u>	<u>317,396</u>
At 31 August 2016	<u>1,417,242</u>	<u>80,667</u>	<u>20,200</u>	<u>47,381</u>	<u>175,701</u>	<u>1,741,191</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>
At 31 August 2015	<u>13,533,707</u>	<u>30,360</u>	<u>11,380</u>	<u>5,770</u>	<u>47,009</u>	<u>13,628,226</u>

Included in cost or valuation of land and buildings is freehold land of £1,694,337 (2015: £1,694,337) which is not depreciated.

15. STOCKS

	31.08.16 £	31.08.15 £
Catering	<u>2,685</u>	<u>2,685</u>

16. DEBTORS

	31.08.16 £	31.08.15 £
Trade debtors	80,306	113,982
Other debtors	9,514	-
VAT recoverable	79,882	42,614
Prepayments and accrued income	<u>21,526</u>	<u>8,312</u>
	<u>191,228</u>	<u>164,908</u>

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

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2016

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.08.16	31.08.15
	£	£
Other loans (see note 19)	2,500	2,500
Trade creditors	185,664	71,089
Other taxation and social security	140,242	125,060
Other creditors	61,030	54,019
Accruals and deferred income	<u>229,752</u>	<u>214,241</u>
	<u>619,188</u>	<u>466,909</u>

Deferred income

	31.08.16	31.08.15
	£	£
Deferred income at 1 September	199,982	201,242
Resources deferred in the year	217,958	199,982
Released from previous years	<u>(199,982)</u>	<u>(201,242)</u>
Deferred income at 31 August	<u>217,958</u>	<u>199,982</u>

At the balance sheet date the academy trust was holding funds received in advance for boarding for the autumn term 2016, totalling £217,958 (2015: £199,982).

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

	31.08.16	31.08.15
	£	£
Other loans (see note 19)	<u>13,750</u>	<u>16,250</u>

Included in other loans is a loan taken out with Salix Finance in 2014, which is approved by the EFA, 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.

19. LOANS

An analysis of the maturity of loans is given below:

	31.08.16	31.08.15
	£	£
Amounts falling due within one year on demand:		
Other loans	<u>2,500</u>	<u>2,250</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>

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2016

19. LOANS - continued

	31.08.16 £	31.08.15 £
Amounts falling due in more than five years:		
Repayable by instalments:		
Other loans more than 5 years	<u>3,750</u>	<u>6,250</u>

20. FUNDS

	At 01.09.15 £	Incoming Resources £	Resources Expended £	Gains, Losses and Transfers £	At 31.08.16 £
Restricted general funds					
General Annual Grant (GAG)	152,545	4,083,088	(4,166,837)	439	69,235
Other income	59,513	290,102	(281,987)	-	67,628
Other grants	18,671	131,118	(123,400)	(2,590)	23,799
Pension reserve	(856,000)	-	(87,000)	(702,000)	(1,645,000)
Boarding reserve	<u>42,281</u>	<u>511,991</u>	<u>(445,841)</u>	<u>-</u>	<u>108,431</u>
	<u>(582,990)</u>	<u>5,016,299</u>	<u>(5,105,065)</u>	<u>(704,151)</u>	<u>(1,375,907)</u>
Restricted fixed asset funds					
Transfer of property	13,301,478	-	(255,102)	-	13,046,376
Other assets	48,438	12,000	(12,861)	(7,500)	40,077
DfE/EFA capital grants	<u>270,059</u>	<u>184,640</u>	<u>(49,433)</u>	<u>2,500</u>	<u>407,766</u>
	<u>13,619,975</u>	<u>196,640</u>	<u>(317,396)</u>	<u>(5,000)</u>	<u>13,494,219</u>
Total restricted funds	<u>13,036,985</u>	<u>5,212,939</u>	<u>(5,422,461)</u>	<u>(709,151)</u>	<u>12,118,312</u>
Unrestricted funds					
Unrestricted funds	<u>534,667</u>	<u>171,030</u>	<u>(244,346)</u>	<u>7,151</u>	<u>468,502</u>
	<u>534,667</u>	<u>171,030</u>	<u>(244,346)</u>	<u>7,151</u>	<u>468,502</u>
Total funds	<u>13,571,652</u>	<u>5,383,969</u>	<u>(5,666,807)</u>	<u>(702,000)</u>	<u>12,586,814</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 2016.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2016

20. FUNDS - continued

Other restricted general funds

Funding is provided by the Education 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 Funding Agency or other government sources or capital expenditure from the GAG in order to acquire specified fixed assets for use by the Academy 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.

Transfers between funds

During the year, the following transfers have been made:

GAG

£2,939 was transferred to GAG from Other grants which related to income received to cover the cost of admissions/appeals in previous years paid through GAG.

£2,500 was transferred from GAG to Fixed Assets to cover the loan repayments during the year as the repayments should be covered by gas/electricity savings which are paid through GAG.

Unrestricted funds

£349 was transferred from Unrestricted to Other grants to cover the cost relating to pupil premium.

£7,500 was transferred from Fixed assets to Unrestricted which related to income received during the year for capital items paid via Unrestricted funds in the previous year.

21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total Funds £
Tangible fixed assets	-	-	13,400,219	13,400,219
Current assets	468,502	792,193	203,838	1,464,533
Current liabilities	-	(523,100)	(96,088)	(619,188)
Long term liabilities	-	-	(13,750)	(13,750)
Pension scheme liability	-	(1,645,000)	-	(1,645,000)
Total net assets	<u>468,502</u>	<u>(1,375,907)</u>	<u>13,494,219</u>	<u>12,586,814</u>

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2016

22. OPERATING LEASE COMMITMENTS

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

	31.08.16 £	31.08.15 £
Other		
Expiring within one year	3,784	5,701
Expiring within two and five years inclusive	-	3,784
	<u>3,784</u>	<u>9,485</u>

23. 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.

24. 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 2013.

Contributions amounting to £64,088 (2015: £59,175) were payable to the schemes at 31 August 2016 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 2016

24. PENSION AND SIMILAR OBLIGATIONS – continued

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the period amounted to £396,781 (2015: £345,403). 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 2016 was £131,000 (2015: £136,000), of which employer's contributions totalled £101,000 and employees' contributions totalled £30,000 (2015: £105,000 and £31,000). The agreed contribution rates for future years are 19.8 per cent for employers and range between 5.5 and 12.5 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):

	31.08.16	31.08.15
Rate of increase in salaries	4.10%	4.40%
Rate of increase for pensions in payment/inflation	2.30%	2.60%
Discount rate for scheme liabilities	2.20%	4.00%
Inflation assumption (CPI)	2.30%	2.60%
Commutation of pension to lump sums	50.00%	50.00%

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2016

24. 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:

	31.08.16	31.08.15
Retiring today		
Males	22.9	22.8
Females	25.3	25.2
Retiring in 20 years		
Males	25.2	25.1
Females	27.7	27.6

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:

	£ +0.1%	£ 0.0%	£ -0.1%
Adjustment to discount rate			
Present value of total obligation	2,959,000	3,023,000	3,089,000
Projected service cost	218,000	223,000	228,000
Adjustment to long term salary increase	+0.1%	0.0%	-0.1%
Present value of total obligation	3,035,000	3,023,000	3,011,000
Projected service cost	223,000	223,000	223,000
Adjustment to pension increases and deferred revaluation	+0.1%	0.0%	-0.1%
Present value of total obligation	3,077,000	3,023,000	2,971,000
Projected service cost	228,000	223,000	218,000
Adjustment to mortality age rating assumption	+1 year	None	-1 year
Present value of total obligation	2,009,000	1,958,000	1,908,000
Projected service cost	157,000	153,000	149,000

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2016

24. PENSION AND SIMILAR OBLIGATIONS – continued

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

	Fair value at 31 August 2016 £	Fair value at 31 August 2015 £
Equities	933,000	746,000
Gilts	12,000	11,000
Other bonds	147,000	121,000
Property	193,000	148,000
Cash	33,000	29,000
Target return portfolio	60,000	47,000
Total market value of assets	1,378,000	1,102,000
Present value of scheme liabilities		
-Funded	(3,023,000)	(1,958,000)
Deficit in the scheme	(1,645,000)	(856,000)

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 £165,000 (2015: £25,000).

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

	Defined benefit pension plans 31.08.16 £	Defined benefit pension plans 31.08.15 £
Current service cost (net of employee contributions)	(154,000)	(154,000)
Net interest cost	(33,000)	(32,000)
Administration expenses	(1,000)	(1,000)
Total operating charge	(188,000)	(187,000)
Recognised in other gains/losses:		
Remeasurement (losses)/gains	(702,000)	27,000
Total cost recognised	(890,000)	(160,000)

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 £823,000 loss (2015: £121,000 loss).

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2016

24. 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 31.08.16 £	Defined benefit pension plans 31.08.15 £
Opening defined benefit obligation	1,958,000	1,752,000
Current service cost	154,000	154,000
Employee contributions	30,000	31,000
Interest cost	79,000	72,000
Benefits paid	(19,000)	(10,000)
Remeasurement losses/(gains)	821,000	(41,000)
	<u>3,023,000</u>	<u>1,958,000</u>

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

	Defined benefit pension plans 31.08.16 £	Defined benefit pension plans 31.08.15 £
Opening fair value of scheme assets	1,102,000	951,000
Employer contributions	101,000	105,000
Employee contributions	30,000	31,000
Interest income	46,000	40,000
Administration costs	(1,000)	(1,000)
Return on assets less interest	119,000	(14,000)
Benefits paid	(19,000)	(10,000)
	<u>1,378,000</u>	<u>1,102,000</u>

The estimated value of employer contributions for the year ending 31 August 2017 is £101,000 (2016: £105,000).

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

	31.08.16 £	31.08.15 £	31.08.14 £	31.08.13 £	31.08.12 £
Defined benefit pension plans					
Defined benefit obligation	(3,023,000)	(1,958,000)	(1,752,000)	(1,426,000)	(1,158,000)
Fair value of scheme assets	1,378,000	1,102,000	951,000	695,000	476,000
Surplus /(Deficit)	1,645,000	856,000	(801,000)	(731,000)	(682,000)
Experience adjustments on scheme assets	-	(36,000)	97,000	55,000	20,000
Experience adjustments on scheme liabilities	-	-	4,000	-	-

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2016

25. RELATED PARTY TRANSACTIONS

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

Malcolm Waite Limited – a company which Mr M Waite, a trustee, wholly owns.

Transactions totalling £3,343 (2015: £3,778), relating to the purchase of fuel in the period. There was a balance owed by the academy to the company at the year end of £10 (2015: £11).

In entering into these transactions the trust has complied with the requirements of the EFA's Academies Financial Handbook 2016.

26. AGENCY AGREEMENTS

The academy trust distributes 16-19 bursary funds to students as an agent for the EFA. Payments received from EFA 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 2016 the trust received £18,192 (2015: £18,721) and disbursed £21,780 (2015: £8,826) from the fund. An amount of £6,307 (2015: £9,895) is included in other creditors relating to undistributed funds that is repayable to EFA.

27. FIRST TIME ADOPTION OF SORP 2015 (FRS 102)

It is the first year that the Academy Trust has presented its financial statements under SORP 2015 and FRS 102. The following disclosures are required in the year of transition. The last financial statements prepared under previous UK GAAP were for the year ended 31 August 2015 and the date of transition to FRS 102 and SORP 2015 was therefore 1 September 2014.

a) Changes in accounting policies:

Change in recognition of LGPS interest cost

Under previous UK GAAP the trust recognised an expected return on defined benefit plan assets in income/expense. Under FRS 102 a net interest expense, based on the net defined benefit liability, is recognised in income/expense. There has been no change in the defined benefit liability at either 1 September 2014 or 31 August 2015. The effect of the change has been to increase the charge to expenses by £22,000 and reduce the remeasurement losses in other recognised gains and losses in the SOFA by an equivalent amount.

No other changes in accounting policies have been made in preparing these financial statements. The existing accounting policies are sufficient to provide financial statements which conform to the requirements of the new financial reporting framework.

b) Reconciliation of total charitable company funds:

There have been no adjustments to previously reported total funds at the date of transition to SORP 2015 (FRS 102).

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2016

27. FIRST TIME ADOPTION OF SORP 2015 (FRS 102) - continued

c) Reconciliation of comparative period net income / (expenditure):

Adjustments to previously reported net income / (expenditure) in the comparative period were as follows:

	£
Net income/(expenditure) for the year ended 31 August 2015 under SORP 2015	(118,416)
Change in disclosure of defined benefit pension remeasurements	<u>(22,000)</u>
Net income/(expenditure) for the year ended 31 August 2015 under SORP 2015 (FRS 102)	<u>(140,416)</u>

28. ACADEMY BOARDING TRADING ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2016

	31.08.16 £	31.08.16 £	31.08.15 £	31.08.15 £
Income				
Fee income	511,991		527,169	
Other income	<u>-</u>		<u>1,342</u>	
		511,991		528,511
Expenditure				
Direct Costs				
Staff costs	114,860		103,535	
Goods and services	71,141		86,824	
Other direct costs	<u>24,185</u>		<u>30,318</u>	
Total direct costs	210,186		220,677	
Indirect costs				
Staff costs	128,073		178,030	
Utilities	15,111		23,029	
Rent and rates	15,575		17,025	
Insurance	794		3,878	
Buildings maintenance	41,017		33,755	
Equipment and IT purchases	11,447		10,469	
Other indirect costs	<u>23,638</u>		<u>31,026</u>	
Total indirect costs	235,655		297,212	
Total operating costs		<u>445,841</u>		<u>517,889</u>
Surplus on Boarding		66,150		10,622
Surplus/(Deficit) brought forward		42,281		97,342
Transfers (to)/ from other funds		<u>-</u>		<u>(65,683)</u>
Surplus carried forward		<u>108,431</u>		<u>42,281</u>