

financial statements

The Sweyne Park School

Trustees' Report and Financial Statements

For the year ended: 31 August 2016

Company registration number: 08401607



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THE SWEYNE PARK SCHOOL

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THE SWEYNE PARK SCHOOL
(A company limited by guarantee)

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

Members

Lynda Walker
Phil Bridgen
Tina Carter
Ian Smith
Jacqui Clements

Trustees/Governors

Lynda Walker, Chairman
Phil Bridgen
Tina Carter
Ian Smith
Jacqui Clements, Vice Chairman
Julie Hunt, term finished 20.07.2016
Mary Roper
John Staines, resigned 20.07.2016
Michaela Tosh
Andy Hodgkinson, Head Teacher
Chris Hogg, Staff Trustee
Wendy Williamson, Staff Trustee
Sue Shirley, Staff Trustee
Jackie Chawner
Mike Culley
Kay Burke, term finished 20.07.2016
Lorraine Needham

Company secretary Simon Smith

Senior Management Team

Andy Hodgkinson, Head Teacher
Katharine Dines, Deputy Head Teacher
Sally Pemberton, Deputy Head Teacher
Sue Donovan, Assistant Head Teacher
Ed Hawkings, Assistant Head Teacher
June Morgan, Assistant Head Teacher
Nicola Welch, Assistant Head Teacher
Alick Robertson, Assistant Head Teacher
Simon Smith, Finance Manager

Company Name	The Sweyne Park School
Principal and Registered Office	Sir Walter Raleigh Drive Rayleigh Essex SS6 9BZ

THE SWEYNE PARK SCHOOL
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2016

Company Registration Number	08401607 (England and Wales)
Independent Auditor	MHA MacIntyre Hudson LLP Boundary House 4 County Place Chelmsford Essex CM2 0RE
Bankers	Lloyds Bank 78 High Street Rayleigh Essex SS6 7EB
Solicitors	Essex Legal Services C/o Essex County Council County Hall Chelmsford Essex.

THE SWEYNE PARK SCHOOL
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2016

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2016. The annual report serves the purposes of both a Trustees' Report, and a Directors' Report under company law.

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

The charitable company operates as an Academy Trust for pupils aged 11 to 18 serving a catchment area in Rayleigh. It has a pupil count of 1,482 in the school census on 02.10.15. 2015/16 was the first year of intake for Year 13.

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 The Sweyne Park School are also the Directors and Trustees of the charitable company for the purposes of company law, and act as the School's Governing Body. The charitable company is known as The Sweyne Park School.

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

Trustees benefit from indemnity insurance to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust. This cover is provided within the Risk Protection Arrangement (RPA) with the Department for Education.

Method of Recruitment and Appointment or Election of Trustees/Governors

Appointment of Governors:

The Members may appoint up to 6 Governors.

The Members may appoint Staff Governors through such process as they may determine.

The total number of Governors (including the Head Teacher) who are employees of the Academy Trust shall not exceed one third of the total number of Governors.

Subject to the Articles, the Parent Governors shall be elected by parents of registered pupils at the Academy Trust. A Parent Governor must be a parent of a pupil at the Academy Trust at the time when they are elected.

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2016

The Governing Body shall make all necessary arrangements for, and determine all other matters relating to, an election of Parent Governors, including any question of whether a person is a parent of a registered pupil at the Academy. Any election of Parent Governors which is contested shall be held by secret ballot.

The arrangements made for the election of a Parent Governor shall provide for every person who is entitled to vote in the election to have an opportunity to do so by post or if they prefer, by having their ballot paper returned to the Academy Trust by a registered pupil at the Academy.

Where a vacancy for a Parent Governor is required to be filled by election, the Governing Body 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 they are entitled to stand as a candidate, and vote at the election, and given an opportunity to do so.

The number of Parent Governors required shall be made up by Parent Governors appointed by the Governing Body if the number of parents standing for election is less than the number of vacancies.

In appointing a Parent Governor the Governing Body 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.

Co-opted Governors:

The Governors may appoint Co-opted Governors. A 'Co-opted Governor' means a person who is appointed to be a Governor by being Co-opted by Governors who have themselves been so appointed. The Governors may not co-opt an employee of the Academy as a Co-opted Governor if thereby the number of Governors who are employees of the Academy would exceed one third of the total number of Governors (including the Head Teacher).

Policies and Procedures Adopted for the Induction and Training of Trustees

At the commencement of each academic year a skills audit is completed or reviewed. This informs training requirements during the year. The Governing Body subscribes to a training package from Essex Governor services. Trustees attend internal and external sessions. Attendance at training sessions is recorded. Formal Child protection training is given to Trustees at the start of their term and is refreshed annually. An Induction Pack that is given to all new Trustees on appointment and is discussed with them. A new Trustee is allocated a fellow Trustee to act as a mentor for the first few months.

Organisational Structure

The Governing Body, comprising the Trustees, is the strategic decision making body of the school.

The school's Head Teacher is responsible for the day-to-day running of the school and the Governing Body works closely with the Head Teacher and the staff. The school Trustees are involved with:

- Setting suitable aims and objectives;
- Agreeing policies, targets and priorities
- Monitoring and reviewing aims and objectives and whether the policies, targets and priorities are being achieved in order to hold the school to account;
- Setting and monitoring a balanced financial budget;
- Ensuring the school is a welcoming and safe place and provides a positive learning environment.

THE SWEYNE PARK SCHOOL
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2016

Governing Body meetings are held once a term. Whole school issues are discussed and decisions and policies agreed as appropriate. All Trustees can attend these meetings.

There are sub-Committees which cover specific areas of school management with certain powers delegated to them. These meetings are held each half term. The Committees are:

- Curriculum Committee (now renamed as Standards and Curriculum Committee)
- Finance Committee
- Personnel Committee
- Premises Committee
- Pay Committee

Arrangements for setting pay and remuneration of Key Management Personnel

The Governing Body has established the following Pay Committees which have fully delegated powers to make decisions on pay, and (except in relation to the Head Teacher's pay) will be advised by the Head Teacher as appropriate.

- Pay Committee
- Head Teacher's Pay Committee
- Pay Appeals Committee

The School has a pay policy that specifically details Head Teacher and leadership pay scale arrangements. All pay decisions are a reflection of a Performance Review.

The School's Key Management Personnel comprise the Trustees and the members of the Senior Management Team listed on page 1. Trustees are not remunerated for their role as Trustee.

Related Parties and other Connected Charities and Organisations

The Sweyne Park School is a member of, or subscribes to, wider networks of schools that include close links with the Specialist Schools and Academies Trust, The Rayleigh Teaching School Alliance, The Benfleet Teaching School Alliance, Rochford District Schools Partnership Trust (LDG) and Castle Point & Rochford Heads' Association. Trustees have all completed a declaration of interest form along with senior staff. Lynda Walker is a Director of Rochford District Schools Partnership Trust. Tina Carter is a director of Prospects Learning Foundation. Andy Hodgkinson's spouse provides staff development training. Further details are included in note 24.

OBJECTIVES AND ACTIVITIES

Objects and Aims

The Academy Trust's object is specifically restricted to the advancement, for the public benefit, of education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum to ensure the highest possible educational standards.

The principal aim of the Academy Trust is to provide high quality learning that helps all students to fulfil their intellectual potential and become good citizens and emotionally well-balanced young people.

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2016

Objectives, Strategies and Activities

Key influences on the School's Development Plan for the period under review were the significant challenges and opportunities arising from national changes in education policy and funding. The school introduced Year 13 from September 2015 and consolidated its offer in Year 12 to new pupils. This is in addition to the Achievements in Teaching and Learning, Leadership, Spiritual, Moral, Social and Cultural, Behaviour, Safety and Child Protection priorities as identified via the school's Self-Evaluation Form and legislation.

Key activities and targets are set out in our school Development Plan, which is available on request, and the key priorities are set out on our website, www.sweynepark.com.

Public Benefit

The Trustees have complied with their duty under section 4 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission and the Trustees have paid due regard to this guidance in deciding what activities the charitable company should undertake.

The Trustees have given consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education.

The Academy Trust provides education to children and young people that is:

- 1) balanced and broadly based;
- 2) promotes the spiritual, moral, cultural, mental and physical development of students at the school and society;
- 3) prepares students at the school for the opportunities, responsibilities and experiences of later life;
- 4) promotes, sustains and increases individual and collective knowledge and understanding of specific areas of study, skills and expertise.

The Academy Trust is a Comprehensive school for Rayleigh and its surroundings. It is subject to the current statutory arrangements as laid down in the national Admissions Code. Current arrangements for entry to the school are available in the section of the school website dealing with admission arrangements.

STRATEGIC REPORT

Achievements and performance of the Academy Trust 2015/16

The Sweyne Park School achieved the following accreditations:

- Investors in People Gold
- Leading Parent Partnership Award
- GCSE results for 2016 indicate the school's existing high standards continued to be maintained after the academy conversion process: 83% pupils making expected progress in English, 77% pupils making expected progress in Maths, 66% achieved "C" or better in English/Maths.
- Fully staffed with qualified teachers.
- Set a balanced budget/continued to invest in infrastructure projects despite austerity.
- Responded robustly to first set of A-Level results in our new Sixth Form, which were below expected standards, with improved AS results in 2016.

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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2016

Key Performance Indicators

We have submitted a best value statement and completed a budget forecast consolidation exercise. Staff turnover remains well below 10% and staff attendance is 97%.

Other key data about the school and its performance can be found on the school website:
www.sweynepark.com

The school maintains a live Self-Evaluation form which provides the basis of self reflection and monitoring of standards against Ofsted criteria. Key evidenced statements include; Leadership and management are highly effective, Governors are increasingly effective and set challenging targets/hold leaders to account. The quality of Teaching Learning and Assessment is highly effective. The gaps between progress and attainment of disadvantaged pupils are closing.

Going Concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue 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 Sweyne Park School is operating in a period of considerable financial uncertainty with regard to public funding. Financial planning is focused on maintaining the breadth and quality of future work in the context of diminishing budgets. The Governing Body has taken a closer monitoring role with the budget in the period covered by this report with monthly management reports being presented for examination.

Trustees have also given due consideration to the risk associated with financial mismanagement and / or compliance failures.

The principal funding for the operation of the school is provided by the Education Funding Agency. A formal funding agreement is in place for this. Other funding is provided by Essex County Council and other local authorities who receive invoices for education provided for pupils who live in their administrative area. The School's governance arrangements ensure that financial performance is reviewed on a half termly basis.

Monthly accounts are produced and a financial review is carried out with results circulated to the Finance Committee. Budget planning is started in detail by October each year to ensure continuity. All sources of income, especially those around pupils' numbers are examined for robustness and sustainability. Support is provided by our auditors at key points. The day to day management of financial matters is handled on-site by a skilled team.

During the period covered by the report, decisions made resulted in an operating surplus on unrestricted funds. The school was able to undertake all of its planned activities during the year.

The financial results are shown in the Statement of Financial Activities. Total income for the year ended 31 August 2016 was £8,380,110 (2015: £7,799,597). Total expenditure was £8,601,382 (2015: £8,182,003) so net expenditure was £221,272 (2015: £382,406). This includes a surplus on unrestricted funds of £117,756 (2015: deficit of £143,433). Actuarial losses of the LGPS scheme through the Statement of Financial Activities totalled £1,401,000 (2015: £10,000 gains) resulting in a net movement in funds of £1,622,272 loss (2015: £372,406 loss). Funds carried forward are as shown in note 17.

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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2016

Reserves Policy

The School aims to hold 1 month's expenditure in unrestricted reserves. Unrestricted funds are for use on the general purposes of the Academy, at the discretion of the Trustees. £600,000 is the longer term reserves target although this may rise as the Academy's turnover increases. The bank balance is carefully monitored and has remained at acceptable levels during the year. The Academy holds a good cash-flow position however, it has not as yet moved any surpluses into a specific reserves account. The unrestricted funds of £156,591 are currently below target. However, the school has set a budget for 2016/17 that is balanced. It will only be possible to increase reserves by generating an operating surplus during 2016/17.

At 31 August 2016 the total funds comprised:

Unrestricted	156,591
Restricted:	
Fixed asset funds	8,801,303
Pension reserve	(3,199,000)
	<u>5,758,894</u>

The deficit on the pension reserve relates to the non-teaching staff pension scheme (LGPS) where, unlike the teachers' scheme, separate assets are held to fund future liabilities as discussed in note 21. The deficit should be met in the longer term from the increased employer contributions that are being made. This scheme is wholly managed for us by the LGPS and Essex County Council. The restricted funds represent the Academy's funds which are tied up in fixed assets, or those which have to be spent only in accordance with the terms of the particular funds.

Investment Policy

The Academy would invest reserves only within a low risk environment of a commercial high street bank. There were no investments during the period covered by this document. As the Academy evolves, a more detailed policy on investment will be developed.

Principal Risks and Uncertainties

The principal risks facing the Academy are set out in the Academy's Risk Management policy and Risk Register which is reviewed annually by the Finance Committee.

In the intervening period, any major risks highlighted at any sub-Committee are brought to the full Governing Body with proposed mitigating actions and they continue to be reported until the risk is adequately mitigated.

The Governing Body accepts managed risk as an inevitable part of its operations but maintains an objective not to run unacceptable levels of risk in any area. The subjective nature of this process requires major risks to be resolved by the Governing Body collectively, whilst more minor risks are dealt with by senior staff.

Trustees have identified the following principal risks and uncertainties facing Sweyne Park School:

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2016

Financial Risk

Sweyne Park School is operating in a period of considerable financial uncertainty with regard to public funding. Financial planning is focused on maintaining the breadth and quality of future work in the context of diminishing budgets. Trustees have given due consideration to the risk associated with financial mismanagement and / or compliance failures.

Failures in Governance and / or Management

Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks.

Reputational Risk

The continuing success of Sweyne Park School depends on maintaining the highest educational standards in order to continue to attract applicants in sufficient numbers. Trustees are clearly focused on monitoring and reviewing the achievement and success of students.

Trustees continue to give due consideration to other aspects of the school's activities where there could be a reputational risk, including discipline, safeguarding, Health and Safety etc., with policies reviewed regularly.

Safeguarding and Child Protection Risks

Trustees continue to ensure that the highest standards are maintained in the selection and monitoring of staff and volunteers. The Chair of the Personnel Committee also independently scrutinises the school Single Central Record, the operation of child protection policies of the school, the training and support, to protect the young people in its care. There are staff specifically appointed with Child protection responsibilities. All staff receive refresher training annually. The vice Chair of Trustees is also the safeguarding Governor.

Significant Changes in Staff

Trustees have put in place a clear succession planning policy, and continue to review and monitor arrangements for recruitment and the development of existing staff to minimise the risk resulting from major changes in key staff.

PLANS FOR FUTURE PERIODS

The school would like to create a permanent 6th Form base. A fully funded bid to the EFA will enable this. Plans are being made for such a bid. The LA have been in early discussions with the school about role expansion. Any such move will be determined by the Governing Body taking into account the requirement for enhanced facilities.

In times of national recruitment and retention issues, staff training and the provision of places for teacher in training will remain a key feature of Sweyne Park. The Academy will also contribute to provide peer support to a number of local schools. The Academy is actively exploring the requirements of becoming an Academy Sponsor and forming a Multi-Academy Trust.

Any financial investment undertaken by The Sweyne Park School will be within a low risk environment. Any investment must not compromise any cash flow or short term financial demands. Any investments will be reported to the Finance Committee of the Governing Body prior to being undertaken.

THE SWEYNE PARK SCHOOL
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2016

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

No funds are held as custodian Trustee on behalf of others. The school does, however, administer distributions of 16-19 bursary funds on behalf of the EFA, as noted in Note 25.

DISCLOSURE OF INFORMATION TO AUDITORS

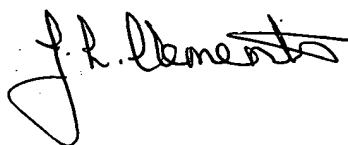
In so far as the Trustees, being the Companies Act directors, are aware:

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

The Trustees' Report, incorporating a Strategic Report, was approved by order of the Board of Trustees, as the company directors, on 6th December 2016 and signed on the Board's behalf by:

Jacqui Clements

Vice Chairman of Trustees



THE SWEYNE PARK SCHOOL
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**GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2016**

SCOPE OF RESPONSIBILITY

As Trustees we acknowledge we have overall responsibility for ensuring that The Sweyne Park 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 Head Teacher, as Accounting Officer, for ensuring financial controls conform to 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 The Sweyne Park 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 Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees, as the Governing Body, has formally met 3 times during the year. Attendance during the year at meetings of the Board of Trustees in 2015/16 was as follows:

Trustee	Meetings attended	Out of a possible
Lynda Walker, Chairman	3	3
Phil Bridgen	3	3
Tina Carter	3	3
Ian Smith	2	3
Jacqui Clements, Vice Chairman	3	3
Julie Hunt	1	3
Mary Roper	2	3
John Staines	0	3
Michaela Tosh	3	3
Andy Hodgkinson, Head Teacher and Accounting Officer	3	3
Chris Hogg, Staff Trustee	3	3
Wendy Williamson, Staff Trustee	2	3
Sue Shirley, Staff Trustee	3	3
Jackie Chawner	3	3
Mike Culley	3	3
Kay Burke	0	3
Lorraine Needham	2	3

THE SWEYNE PARK SCHOOL
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**GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2016**

The Finance Committee is a sub-committee of the main Board of Trustees. The Finance Committee meets six times a year. Its purpose is to: monitor, evaluate and review school policy and practice in relation to financial planning and monitoring; to decide how to spend the General Annual Grant and other funds under the control of Trustees for the purposes of the Academy Trust; to monitor and ensure compliance with DfE, EFA, Charity Commission and other relevant bodies and all relevant legal requirements in relation to the proper financial management of Academy Trust; to agree limits of financial delegation; to ensure that full accounts are kept; to arrange appropriate insurance cover; to receive the termly report of the Responsible Officer, to report the Academy Trust's financial position to the Governing Body at least once a term. The Finance Committee assumes the role of an Audit Committee. This is further supported by regularity visits from the school's auditors.

Attendance at Finance Committee meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Lynda Walker	5	6
Phil Bridgen	6	6
Tina Carter	5	6
Mary Roper	4	6
Ian Smith, (Chairman)	5	6
John Staines	0	6
Andy Hogkinson, Head Teacher and Accounting Officer	6	6
Chris Hogg, Staff Trustee	6	6

REVIEW OF VALUE FOR MONEY

As Accounting Officer, the Head Teacher has responsibility for ensuring that the Academy Trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcome 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, with evidence presented to the Trustees and by an independent School improvement partner. Parents and the wider community also receive a weekly newsletter highlighting key achievements. During the year the Governing Body completed an Academy Trust's internal self evaluation exercise with satisfactory results.

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 school 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 The Sweyne Park School for the year 1st September 2015 to 31st August 2016 and up to the date of approval of the Trustees' 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 year 1st September 2015 to 31 August 2016 and up to the date of approval of the Trustees' 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 Governing Body;
- regular reviews by the Finance Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties; and
- identification and management of risks.

The Governing Body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor, however the Trustees engage MHA MacIntyre Hudson, the external auditor, to perform focused checks on specific areas.

The auditor's role includes performing a range of checks on the financial systems. In particular the checks carried out in 2015/16 included:

- Testing of lettings income
- The use of purchase cards
- Budget forecasting including a 5 year plan
- Procurement
- Review of compliance with "The Musts" in the Academies Financial Handbook 2015

On a termly basis the auditor's comments are reported to the Board of Trustees, through the Finance Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

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**GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2016**

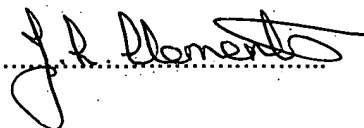
REVIEW OF EFFECTIVENESS

As Accounting Officer, the Head Teacher 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 external auditor;
- the financial management and governance self-assessment process
- the work of the executive managers within Sweyne Park School who have responsibility for the development and maintenance of the internal control framework.

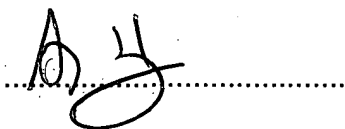
The Accounting Officer has been advised of the implications of the result of their reviews of the system of internal control by Finance Committee and a plan to address any weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 6th December 2016 and signed on its behalf by:



Jacqui Clements

Vice Chairman of Trustees



Andy Hodgkinson

Accounting Officer

THE SWEYNE PARK SCHOOL

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of The Sweyne Park School I have considered my responsibility to notify the Academy Trust's Board of Trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Academy 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's 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.



Andy Hodgkinson
Accounting Officer

Date: 6 December 2016

THE SWEYNE PARK SCHOOL

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

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

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

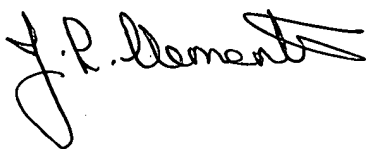
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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 EFA/DfE have been applied for the purposes intended.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the 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 6 December 2016 and signed on its behalf by:



Jacqui Clements
Vice Chairman

THE SWEYNE PARK SCHOOL

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

We have audited the financial statements of The Sweyne Park School for the year ended 31 August 2016 which comprise the Statement of Financial Activities (including the Income and Expenditure Account), the Balance Sheet, the Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

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

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

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

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 Financial Reporting Council'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 Academy Trust's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

THE SWEYNE PARK SCHOOL

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

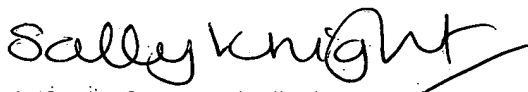
OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

- adequate accounting records have not been kept; or
- the 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.



Sally Knight BA FCA DChA (Senior Statutory Auditor)

for and on behalf of

MHA MacIntyre Hudson

Chartered Accountants & Statutory Auditor
Statutory Auditors

Boundary House
4 County Place
Chelmsford
Essex
CM2 0RE
Date:



THE SWEYNE PARK SCHOOL

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE SWEYNE PARK SCHOOL AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 3 August 2015 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Sweyne Park School during the year 1 September 2015 to 31 August 2016 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to The Sweyne Park School and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The Sweyne Park 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 The Sweyne Park School and the EFA, for our work, for this report, or for the conclusion we have formed.

RESPECTIVE RESPONSIBILITIES OF THE SWEYNE PARK SCHOOL'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The Accounting Officer is responsible, under the requirements of The Sweyne Park School's funding agreement with the Secretary of State for Education dated 27 March 2013, and the Academies Financial Handbook extant from 1 September 2015, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

APPROACH

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

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

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

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

THE SWEYNE PARK SCHOOL

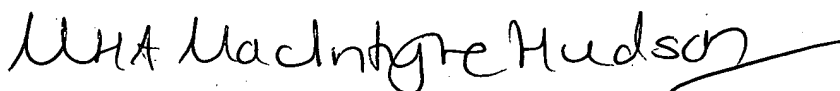
INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE SWEYNE PARK SCHOOL AND THE EDUCATION FUNDING AGENCY (continued)

The work undertaken to draw our conclusions includes:

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

CONCLUSION

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



Reporting Accountant

MHA MacIntyre Hudson
Chartered Accountants

Boundary House
4 County Place
Chelmsford
Essex
CM2 0RE

Date:

6th December 2016.

THE SWEYNE PARK SCHOOL

**STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING THE INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2016**

	Note	Unrestricted funds 2016 £	Restricted general funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
INCOME FROM:						
Donations and capital grants	2	24,011	-	27,873	51,884	228,341
Charitable activities	5	17,396	8,160,738	-	8,178,134	7,441,448
Other trading activities	3	149,456	-	-	149,456	129,208
Investments	4	636	-	-	636	600
TOTAL INCOME		191,499	8,160,738	27,873	8,380,110	7,799,597
EXPENDITURE ON:						
Charitable activities		73,743	8,310,417	217,222	8,601,382	8,182,003
TOTAL EXPENDITURE	6	73,743	8,310,417	217,222	8,601,382	8,182,003
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES						
		117,756	(149,679)	(189,349)	(221,272)	(382,406)
Actuarial gains/(losses) on defined benefit pension scheme	21	-	(1,401,000)	-	(1,401,000)	10,000
NET MOVEMENT IN FUNDS		117,756	(1,550,679)	(189,349)	(1,622,272)	(372,406)
RECONCILIATION OF FUNDS:						
Total funds brought forward		38,835	(1,648,321)	8,990,652	7,381,166	7,753,572
TOTAL FUNDS CARRIED FORWARD		156,591	(3,199,000)	8,801,303	5,758,894	7,381,166

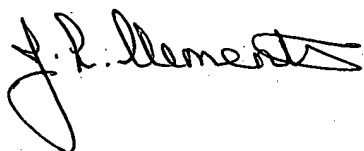
The notes on pages 24 to 45 form part of these financial statements.

THE SWEYNE PARK SCHOOL
REGISTERED NUMBER: 08401607

BALANCE SHEET
AS AT 31 AUGUST 2016

	Note	£	2016 £	£	2015 £
FIXED ASSETS					
Tangible assets	14		8,773,430		8,990,652
CURRENT ASSETS					
Debtors	15	118,527		152,685	
Cash at bank and in hand		463,214		323,953	
		<u>581,741</u>		<u>476,638</u>	
CREDITORS: amounts falling due within one year	16	(397,277)		(348,124)	
NET CURRENT ASSETS			<u>184,464</u>		<u>128,514</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>8,957,894</u>		<u>9,119,166</u>
Defined benefit pension scheme liability	21		(3,199,000)		(1,738,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u><u>5,758,894</u></u>		<u><u>7,381,166</u></u>
FUNDS OF THE ACADEMY					
Restricted funds:					
Restricted general funds		-		89,679	
Restricted fixed asset funds		8,801,303		8,990,652	
Restricted funds excluding pension liability		<u>8,801,303</u>		<u>9,080,331</u>	
Restricted general funds - pension reserve		<u>(3,199,000)</u>		<u>(1,738,000)</u>	
Total restricted funds	17		<u>5,602,303</u>		<u>7,342,331</u>
Unrestricted income funds	17		<u>156,591</u>		<u>38,835</u>
TOTAL FUNDS			<u><u>5,758,894</u></u>		<u><u>7,381,166</u></u>

The financial statements were approved by the Trustees, and authorised for issue, on 6 December 2016 and are signed on their behalf, by:



Jacqui Clements
Vice Chairman of Trustees

The notes on pages 24 to 45 form part of these financial statements.

THE SWEYNE PARK SCHOOL

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

	Note	2016 £	2015 £
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	19	<u>110,752</u>	<u>(327,825)</u>
Cash flows from investing activities:			
Dividends, interest and rents from investments		636	600
Purchase of tangible fixed assets		-	(31,480)
Capital grants from DfE/EFA		<u>27,873</u>	<u>105,673</u>
Net cash provided by investing activities		<u>28,509</u>	<u>74,793</u>
Change in cash and cash equivalents in the year		139,261	(253,032)
Cash and cash equivalents brought forward		<u>323,953</u>	<u>576,985</u>
Cash and cash equivalents carried forward	20	<u><u>463,214</u></u>	<u><u>323,953</u></u>

THE SWEYNE PARK SCHOOL

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.

1.1 Basis of preparation of financial statements

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

The Sweyne Park School constitutes a public benefit entity as defined by FRS 102. The financial statements are prepared in sterling, which is the functional currency of the Academy Trust and rounded to the nearest pound.

First time adoption of FRS 102

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

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

Reconciliations to previous UK GAAP for the comparative figures are included in note 28.

1.2 Fund accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the Academy Trust at the discretion of the Trustees.

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

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

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

THE SWEYNE PARK SCHOOL

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

1. ACCOUNTING POLICIES (continued)

1.3 Income

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

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

General Annual Grant is recognised in full in the Statement of Financial Activities 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.

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

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and overhead costs, including support costs, involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Support costs which contribute to more than one activity are apportioned between those activities on a basis consistent with the use of resources. Staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Costs of raising funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

All resources expended are inclusive of irrecoverable VAT.

1.5 Going concern

The Trustees assess whether the use of the going concern assumption is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy Trust 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. The Trustees 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.

THE SWEYNE PARK SCHOOL

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

1. ACCOUNTING POLICIES (continued)

1.6 Tangible fixed assets and depreciation

All assets costing more than £1,500 are capitalised.

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

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.

The leasehold property is stated at fair value, calculated using the depreciated replacement cost method, as at 31 March 2014. Other tangible fixed assets, including subsequent leasehold additions, are carried at cost, net of depreciation and any provision for impairment. No value is attributed to freehold land in these financial statements as the freehold is owned by Essex County Council. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Long-term leasehold property	-	50 years straight line
Motor vehicles	-	5 - 10 years straight line
Fixtures and fittings	-	5-125 years straight line
Computer equipment	-	5 years straight line

1.7 Interest receivable

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

1.8 Operating leases

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

1.9 Debtors receivable and creditors payable within one year

Debtors are recognised when the Academy Trust is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

Creditors are recognised when the Academy Trust has a present legal or constructive obligation resulting from a past event and the settlement is expected to result in an outflow of economic benefits.

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

1. ACCOUNTING POLICIES (continued)

1.10 Cash at bank and in hand

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

1.11 Liabilities and provisions

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

1.12 Financial instruments

The Academy Trust only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.13 Taxation

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

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

1. ACCOUNTING POLICIES (continued)

1.14 Pensions

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 and the assets are held separately from those of the Academy Trust.

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 21, 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 after net income/expenditure in other recognised gains and losses in the Statement of Financial Activities.

1.15 Agency arrangements

The Academy Trust acts as an agent in distributing 16-19 Bursary Funds from the EFA. Payments received from the EFA and subsequent disbursements to students are excluded from the Statement of Financial Activities as the Academy Trust does not have control over the charitable application of the funds. The Academy Trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the Statement of Financial Activities. Where funds have not been fully applied in the accounting period then an amount will be included within creditors as amounts due to the EFA.

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

1. ACCOUNTING POLICIES (continued)

1.16 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 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 21, 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.

Valuation of the leasehold property (Note 14).

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2016 £	Restricted general funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Donations	24,011	-	-	24,011	122,668
Capital Grants	-	-	27,873	27,873	105,673
	<u>24,011</u>	<u>-</u>	<u>27,873</u>	<u>51,884</u>	<u>228,341</u>

In 2015, of the total income from donations and capital grants, £38,094 was to unrestricted funds and £190,247 was to restricted fixed asset funds.

THE SWEYNE PARK SCHOOL

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

3. OTHER TRADING ACTIVITIES

	Unrestricted funds 2016 £	Restricted general funds 2016 £	Total funds 2016 £	Total funds 2015 £
Rental income	106,672	-	106,672	111,101
Other self generated income	42,784	-	42,784	18,107
	<u>149,456</u>	<u>-</u>	<u>149,456</u>	<u>129,208</u>

In 2015 all income from other trading activities was to unrestricted funds.

4. INVESTMENT INCOME

	Unrestricted funds 2016 £	Restricted general funds 2016 £	Total funds 2016 £	Total funds 2015 £
Bank interest receivable	636	-	636	600
	<u>636</u>	<u>-</u>	<u>636</u>	<u>600</u>

In 2015 all income from investments was to unrestricted funds.

THE SWEYNE PARK SCHOOL

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

5. CHARITABLE ACTIVITIES - FUNDING FOR EDUCATIONAL OPERATIONS

	Unrestricted funds 2016 £	Restricted general funds 2016 £	Total funds 2016 £	Total funds 2015 £
DfE/EFA grants				
General Annual Grant (GAG)	-	7,185,779	7,185,779	6,527,795
Pupil Premium	-	247,366	247,366	248,059
	-	7,433,145	7,433,145	6,775,854
Other government grants				
Local Authority Grants	-	400,472	400,472	381,716
Other Government Grants	-	56,497	56,497	70,350
	-	456,969	456,969	452,066
Other funding				
Other income	17,396	270,624	288,020	213,528
	17,396	270,624	288,020	213,528
	17,396	8,160,738	8,178,134	7,441,448

In 2015, of the total income from charitable activities, £2,852 was to unrestricted funds and £7,438,596 was to restricted general funds.

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

6. TOTAL EXPENDITURE

	Staff costs 2016 £	Premises costs 2016 £	Other costs 2016 £	Total 2016 £	Total 2015 £
Educational Operations:					
Direct costs	6,120,572	-	1,093,542	7,214,114	6,698,827
Support costs	642,722	607,420	137,126	1,387,268	1,483,176
	6,763,294	607,420	1,230,668	8,601,382	8,182,003

In 2016, of the total expenditure, £73,743 (2015 - £314,187) was from unrestricted funds, £8,310,417 (2015 - £7,655,329) was from restricted general funds and £217,222 (2015 - £212,487) was from restricted fixed asset funds.

THE SWEYNE PARK SCHOOL

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

7. ANALYSIS OF RESOURCES EXPENDED BY ACTIVITIES

	Activities undertaken directly 2016 £	Support costs 2016 £	Total 2016 £	Total 2015 £
Educational operations	7,214,114	1,387,268	8,601,382	8,182,003

In 2016, of the total expenditure on charitable activities, £73,743 (2015 - £314,187) was from unrestricted funds, £8,310,417 (2015 - £7,655,329) was from restricted general funds and £217,222 (2015 - £212,487) was from restricted fixed asset funds.

8. TOTAL SUPPORT COSTS

	Educational Operations £	Total 2016 £	Total 2015 £
Defined benefit pension scheme finance cost	68,000	68,000	68,000
Premises costs	414,719	414,719	450,968
Governance costs	14,340	14,340	19,562
Other costs	98,265	98,265	144,198
Support staff costs	574,722	574,722	587,960
Depreciation	217,222	217,222	212,487
	<u>1,387,268</u>	<u>1,387,268</u>	<u>1,483,175</u>

In 2016, of the total expenditure on support costs £1,170,046 (2015 - £1,270,688) was from restricted general funds and £217,222 (2015 - £212,487) was from restricted fixed asset funds.

9. GOVERNANCE COSTS

	2016 £	2015 £
Auditors' remuneration - Audit of the financial statements	9,950	9,490
Auditors' remuneration - Other services	4,390	10,072
	<u>14,340</u>	<u>19,562</u>

In 2016 and 2015 all expenditure on governance costs was from restricted general funds.

THE SWEYNE PARK SCHOOL

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

10. NET INCOMING RESOURCES/(RESOURCES EXPENDED)

This is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets: - owned by the charity	217,222	212,487
Auditors' remuneration - Audit of the financial statements	9,950	9,490
Auditors' remuneration - Other services	4,390	10,072
Operating lease rentals	10,584	25,992
	<u>242,146</u>	<u>258,041</u>

11. STAFF COSTS

Staff costs were as follows:

	2016 £	2015 £
Wages and salaries	5,382,569	5,278,315
Social security costs	453,216	390,166
Operating costs of defined benefit pension schemes	859,509	730,155
	<u>6,695,294</u>	<u>6,398,636</u>
Defined benefit pension scheme finance cost	68,000	68,000
	<u>6,763,294</u>	<u>6,466,636</u>

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

	2016 No.	2015 No.
Teachers	120	123
Administration and support	86	83
Management	8	10
	<u>214</u>	<u>216</u>

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

	2016 No.	2015 No.
In the band £60,001 - £70,000	1	1
In the band £70,001 - £80,000	1	1
In the band £90,001 - £100,000	1	1

The Key Management Personnel of the Academy Trust comprise the Trustees and the Senior Management Team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by Key Management Personnel for their services to the Academy Trust was £778,479 (2015 - £748,888).

THE SWEYNE PARK SCHOOL

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

12. TRUSTEES' REMUNERATION AND EXPENSES

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Academy Trust. The Head Teacher and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Head Teacher and other staff members under their contracts of employment, and not in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows:

		2016 £	2015 £
A Hodgkinson (Head Teacher and Accounting Officer)	Remuneration	95,000-100,000	95,000-100,000
	Pension contributions paid	15,000-20,000	10,000-15,000
W Williamson (Staff Trustee)	Remuneration	10,000-15,000	10,000-15,000
	Pension contributions paid	0-5,000	0-5,000
C Hogg (Staff Trustee)	Remuneration	35,000-40,000	35,000-40,000
	Pension contributions paid	5,000-10,000	5,000-10,000
S Shirley (Staff Trustee)	Remuneration	40,000-45,000	40,000-45,000
	Pension contributions paid	5,000-10,000	5,000-10,000

During the year, no Trustees received any reimbursement of expenses (2015 - £Nil).

13. TRUSTEES' AND OFFICERS' INSURANCE

The Academy Trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £5,000,000. It is not possible to quantify the Trustees' and officers' indemnity element from the overall cost of the RPA scheme.

THE SWEYNE PARK SCHOOL

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

14. TANGIBLE FIXED ASSETS

	Long-term leasehold property £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
Cost					
At 1 September 2015 and 31 August 2016	9,361,100	10,400	54,459	95,951	9,521,910
Depreciation					
At 1 September 2015	488,282	3,638	13,525	25,813	531,258
Charge for the year	189,536	1,240	7,256	19,190	217,222
At 31 August 2016	677,818	4,878	20,781	45,003	748,480
Net book value					
At 31 August 2016	8,683,282	5,522	33,678	50,948	8,773,430
At 31 August 2015	8,872,818	6,762	40,934	70,138	8,990,652

The freehold of the land and buildings is owned by Essex County Council. The Academy holds a 125 year lease on a peppercorn rent from 1 April 2013.

The leasehold property was valued as at 31 March 2014 at £9,261,000 by Mouchel, a RICS Registered Valuer using the Depreciated Replacement Cost method. No value has been attributed to the land in these financial statements. The Trustees consider that the valuation of the property remains appropriate for the purposes of these financial statements.

15. DEBTORS

	2016 £	2015 £
VAT recoverable	6,348	2,352
Other debtors	4,697	41,583
Prepayments and accrued income	107,482	108,750
	<u>118,527</u>	<u>152,685</u>

THE SWEYNE PARK SCHOOL

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

16. CREDITORS: Amounts falling due within one year

	2016 £	2015 £
Trade creditors	88,661	98,621
Other taxation and social security	132,272	113,312
Pension contributions payable	105,089	91,990
Other creditors	39,701	17,534
Accruals and deferred income	31,554	26,667
	<u>397,277</u>	<u>348,124</u>

	2016 £	2015 £
Deferred income		
Deferred income at 1 September 2015	14,667	24,720
Resources deferred during the year	17,214	14,667
Amounts released from previous years	(14,667)	(24,720)
	<u>17,214</u>	<u>14,667</u>

At the Balance Sheet date the Academy Trust was holding funds received in advance of the 16-17 financial year in respect of music lessons and rates relief from the EFA.

THE SWEYNE PARK SCHOOL

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

17. STATEMENT OF FUNDS

	Brought Forward £	Income £	Expenditure £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds					
General funds	38,835	191,499	(73,743)	-	156,591
Restricted general funds					
General Annual Grant (GAG)	-	7,185,779	(7,185,779)	-	-
Pupil Premium	-	247,366	(247,366)	-	-
Local Authority Grants	-	400,472	(400,472)	-	-
Other Government Grants	-	56,497	(56,497)	-	-
Other activities	89,679	270,624	(360,303)	-	-
Pension reserve	(1,738,000)	-	(60,000)	(1,401,000)	(3,199,000)
	<u>(1,648,321)</u>	<u>8,160,738</u>	<u>(8,310,417)</u>	<u>(1,401,000)</u>	<u>(3,199,000)</u>
Restricted fixed asset funds					
NBV of fixed assets	8,990,652	-	(217,222)	-	8,773,430
DfE / EFA Capital Grants	-	27,873	-	-	27,873
	<u>8,990,652</u>	<u>27,873</u>	<u>(217,222)</u>	<u>-</u>	<u>8,801,303</u>
Total restricted funds	<u>7,342,331</u>	<u>8,188,611</u>	<u>(8,527,639)</u>	<u>(1,401,000)</u>	<u>5,602,303</u>
Total of funds	<u>7,381,166</u>	<u>8,380,110</u>	<u>(8,601,382)</u>	<u>(1,401,000)</u>	<u>5,758,894</u>

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

The Unrestricted General fund has been created to recognise the income and expenditure in respect of activities undertaken by the Academy Trust which fall outside the scope of its core activities.

The General Annual Grant (GAG) represents the core funding for the educational activities of the Academy Trust via the EFA by the DfE. The GAG fund has been established because the GAG must be used for the normal running costs of the Academy Trust.

The Pupil Premium fund has been established to recognise the restricted funding from the Education Funding Agency to raise the attainment of disadvantaged pupils and close the gap between them and their peers.

The Local Authority Grants fund has been set up to recognise the income received from Essex County Council as a contribution towards the cost of the Academy Trust's revenue expenditure. Funding received for Special Educational Needs is also recognised within Local Authority Grants. These funds are to assist with the costs incurred providing disadvantaged students with the additional educational resources that they require.

THE SWEYNE PARK SCHOOL

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

17. STATEMENT OF FUNDS (continued)

The Other Government Grants fund has been set up to recognise the restricted funding received from all other Government bodies which fall outside the scope of core funding.

The Other activities fund has been established to recognise all other restricted funding that cannot be classified above but fall outside the scope of its core activities.

The Pension Reserve has been created to separately identify the pension deficit inherited from the Local Authority upon conversion to Academy status, and through which all the pension scheme movements are recognised.

The NBV of Fixed Assets fund has been set up to recognise the tangible assets held by the Academy Trust and is equivalent to the NBV of tangible fixed assets. Depreciation of tangible fixed assets is allocated to this fund.

The DfE/EFA Capital Grants fund has been created to recognise capital grants received for the purpose of the acquisition of tangible fixed assets. As tangible fixed assets are purchased, a transfer is made to the NBV of Fixed Asset funds.

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.

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2016 £	Restricted general funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Tangible fixed assets	-	-	8,773,430	8,773,430	8,990,652
Current assets	553,868	-	27,873	581,741	476,638
Creditors due within one year	(397,277)	-	-	(397,277)	(348,124)
Defined benefit pension scheme liability	-	(3,199,000)	-	(3,199,000)	(1,738,000)
	<u>156,591</u>	<u>(3,199,000)</u>	<u>8,801,303</u>	<u>5,758,894</u>	<u>7,381,166</u>

THE SWEYNE PARK SCHOOL

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

**19. RECONCILIATION OF NET EXPENDITURE TO NET CASH FLOW
FROM OPERATING ACTIVITIES**

	2016 £	2015 £
Net expenditure for the year (as per Statement of financial activities)	(221,272)	(382,406)
Adjustment for:		
Depreciation charges	217,222	212,487
Dividends, interest and rents from investments	(636)	(600)
Decrease/(increase) in debtors	34,158	(20,953)
Increase/(decrease) in creditors	49,153	(90,680)
Capital grants from DfE and other capital income	(27,873)	(105,673)
Defined benefit pension scheme cost less contributions payable	(8,000)	(8,000)
Defined benefit pension scheme finance cost	68,000	68,000
Net cash provided by/(used in) operating activities	110,752	(327,825)

20. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2016 £	2015 £
Cash at bank and in hand	463,214	323,953
	463,214	323,953

21. PENSION COMMITMENTS

The Academy Trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme for England and Wales (TPS) for academic and related staff and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Essex County Council. Both are Multi-Employer defined Benefit Pension Schemes.

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

Contributions amounting to £105,089 were payable to the schemes at 31 August 2016 (2015 - £91,990) 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
FOR THE YEAR ENDED 31 AUGUST 2016**

21. PENSION COMMITMENTS (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 £705,293 (2015 - £556,597).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2016 was £208,216 (2015 - £205,734), of which employer's contributions totalled £162,216 (2015 - £159,397) and employees' contributions totalled £46,000 (2015 - £46,337). The agreed contribution rates for future years are 31.5% for employers and between 5.5% and 12.5% for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

THE SWEYNE PARK SCHOOL

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

21. PENSION COMMITMENTS (continued)

Principal actuarial assumptions:

	2016	2015
Discount rate for scheme liabilities	2.20 %	4.00 %
Rate of increase in salaries	4.00 %	4.50 %
Rate of increase for pensions in payment / inflation	2.30 %	2.70 %
Inflation assumption (CPI)	2.30 %	2.70 %
Commutation of pensions to lump sums	60.00 %	60.00 %

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

	2016	2015
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 Academy Trust's share of the assets in the scheme was:

	Fair value at 31 August 2016 £	Fair value at 31 August 2015 £
Equities	1,126,000	827,000
Gilts	59,000	52,000
Other bonds	74,000	123,000
Property	182,000	147,000
Cash	50,000	31,000
Alternative assets	73,000	92,000
Other managed funds	79,000	-
Total fair value of assets	1,643,000	1,272,000

The actual return on scheme assets was £203,000.

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

	2016 £	2015 £
Current service cost (net of employee contributions)	(154,000)	(152,000)
Net interest cost	(68,000)	(68,000)
Total operating charge	(222,000)	(220,000)

THE SWEYNE PARK SCHOOL

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

21. PENSION COMMITMENTS (continued)

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

	2016 £	2015 £
Opening defined benefit obligation	3,010,000	2,715,000
Current service cost	154,000	152,000
Interest cost	121,000	112,000
Actuarial losses	1,550,000	1,000
Employee contributions	46,000	46,000
Benefits paid	(39,000)	(16,000)
Closing defined benefit obligation	4,842,000	3,010,000

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

	2016 £	2015 £
Opening fair value of scheme assets	1,272,000	1,027,000
Interest income	53,000	44,000
Actuarial gains	149,000	11,000
Contributions by employer	162,000	160,000
Contributions by employees	46,000	46,000
Benefits paid	(39,000)	(16,000)
Closing fair value of scheme assets	1,643,000	1,272,000

Reconciliation of opening to closing (deficit)

	2016 £	2015 £
Opening balance	(1,738,000)	(1,688,000)
Current Service Cost	(154,000)	(152,000)
Net interest cost	(68,000)	(68,000)
Employer contributions	162,000	160,000
Net actuarial losses	(1,401,000)	10,000
Net defined benefit pension scheme liability	(3,199,000)	(1,738,000)

The amounts recognised in the Balance Sheet are as follows:

	2016 £	2015 £
Closing defined benefit scheme obligation	(4,842,000)	(3,010,000)
Fair value of scheme assets	1,643,000	1,272,000
Net defined benefit pension scheme liability	(3,199,000)	(1,738,000)

THE SWEYNE PARK SCHOOL

NOTES TO THE FINANCIAL STATEMENTS 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 for equipment, computers and a 6th form temporary building is:

	2016 £	2015 £
Amounts payable:		
Within 1 year	64,273	70,635
Between 1 and 5 years	67,158	131,430
Total	<u>131,431</u>	<u>202,065</u>

23. MEMBERS' LIABILITY

Each of the 5 members 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. RELATED PARTY TRANSACTIONS

Owing to the nature of the Academy Trust'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 the Academy Trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy Trust's financial regulations and normal procurement procedures.

During the year ended 31 August 2016 the Academy Trust was invoiced £47,703 (2015 - £18,875) by Rochford District Schools Partnership Trust, a charitable trust which provides support for children in local schools through the provision of support services which are provided at cost. The services are in accordance with the Academy's financial regulations and standard procurement procedures. There was a balance of £nil (2015 - £9,438) outstanding at 31 August 2016 in respect of these transactions.

Lynda Walker, Chair of Trustees of this Academy, is a Trustee of Rochford District Schools Partnership Trust, being the representative for this Academy Trust. All transactions undertaken with the charity are at arms length and Lynda Walker derives no personal benefit from this arrangement.

The spouse of the Head Teacher provides staff development training for the school. None of the commissioning of these services or matters to do with payment are handled by Andy Hodgkinson. Fees for the provision of training by his spouse amounted to £6,431 in the financial year 2015/16 (2014/15: £6,190). This arrangement was put in place by the previous Head Teacher.

THE SWEYNE PARK SCHOOL

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

25. AGENCY ARRANGEMENTS

The Academy Trust administers the distributions of the new discretionary support for learners, 16-19 Bursary Funds, on behalf of the EFA. During the year the Academy Trust received £26,820 (2015 - £17,640) and disbursed £4,300 (2015 - £200). £Nil (2016: £Nil) was retained to cover administration expenses and therefore a balance of £39,960 (2015 - £17,440) relating to undistributed funds is repayable to the EFA as at the balance sheet date and is included within creditors.

26. COMPANY LIMITED BY GUARANTEE

The Academy Trust is a company limited by guarantee and does not have share capital.

27. CONTROLLING PARTY

There is no ultimate controlling party.

THE SWEYNE PARK SCHOOL

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

28. FIRST TIME ADOPTION OF FRS 102

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

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

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

RECONCILIATION OF TOTAL FUNDS	Notes	1 September 2014 £	31 August 2015 £
Total funds under previous UK GAAP		7,753,572	7,381,166
Total funds reported under FRS 102		<u>7,753,572</u>	<u>7,381,166</u>

Reconciliation of net (expenditure)	Notes	31 August 2015 £
Net (expenditure) previously reported under UK GAAP		(366,406)
Change in recognition of LGPS interest cost	A	(16,000)
Net movement in funds reported under FRS 102		<u>(382,406)</u>

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

A - Change in recognition of LGPS interest cost	Under the previous UK GAAP the Academy Trust recognised an expected return on defined benefit plan assets in expenditure. Under FRS 102 a net interest expense, based on the defined benefit liability, is recognised in expenditure. 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 debit to expenditure by £16,000 and reduce the debit, changing it to a credit, in other recognised gains and losses in the Statement of Financial Activities by an equivalent amount.
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