

Colyton Grammar School Academy Trust

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2017

Registration number: 07445493

Colyton Grammar School Academy Trust

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Colyton Grammar School Academy Trust

Reference and Administrative Details

Members	C J Bastin M Nickells (appointed 6 October 2016 and resigned 31 August 2017) V Wells (appointed 12 October 2016 and resigned 31 August 2017) H Dawson (appointed 2 November 2016 and resigned 31 August 2017) L Linnell (resigned 11 October 2016) R Scott (appointed 1 September 2017) B Salter (appointed 1 September 2017)
Trustees (Directors)	H Dawson A Eaton-Hart T Dyer B Merrett V Wells L Linnell S Burns-Price G Davis M Goscomb T Harris (appointed 1 September 2016) M Nickells (appointed 9 September 2016) B Sindall (appointed 12 January 2017) I Griffin (appointed 31 May 2017) M Marsh (resigned 30 September 2016) B Salter (resigned 5 January 2017) R Scott (resigned 31 August 2017) C Bastin (resigned 31 August 2017)
Company Secretary	S A Smith
Senior Management Team	T Harris (appointed 1 September 2016) A Gregson R Lewis (appointed 1 May 2017) F Harvey (appointed 1 September 2017) R Stidwell S Smith R Bush (resigned 31 August 2017) S Cook (resigned 31 May 2017)

Colyton Grammar School Academy Trust

Reference and Administrative Details (continued)

**Principal and
Registered Office** Colyton Grammar School
Whitewell Lane, Colyford
Colyton
EX24 6HN

**Company
Registration Number** 07445493

**Independent
Auditors** PKF Francis Clark
Vantage point
Woodwater Park
Pynes Hill
Exeter
EX2 5FD

Bankers Lloyds TSB plc
Market Square
Market Square
Colyton
EX24 6JS

Colyton Grammar School Academy Trust

Trustees' Report for the Year Ended 31 August 2017

The Trustees present their annual report together with the financial statements and auditor's report on the charitable company for the year ended 31 August 2017. The annual report serves the purposes of both a trustees' report and a directors' report under company law.

The trust operates an academy for students aged 11 to 18 who come from both the immediate local areas but also more widely from across East Devon, West Dorset and South Somerset. A small number of students travel from west of Exeter. There were 872 students on roll in the school census in October 2017.

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 act as the trustees for the charitable activities of Colyton Grammar School Academy Trust and are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Colyton Grammar School Academy Trust.

Details of the Trustees who served throughout the year except as noted 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

The Charitable Company has purchased Trustees' Liability insurance at a cost of £704.

Method of Recruitment and Appointment or Election of Trustees

The Academy's Governing Body comprises the Headteacher, a minimum of four Parent Trustees, up to two Staff Trustees (providing that the total number of Trustees, including the Headteacher, who are employees of the Academy Trust does not exceed one third of the total number of Trustees) and up to eleven Other Trustees. The Articles of Association require there to be a minimum of three Trustees.

Parent Trustees are elected by the parents of current pupils of the Academy Trust.

Staff Trustees are elected by the staff currently employed by the Academy Trust.

With regard to the appointment of Other Trustees, the Board will give consideration to the skills mix and experience of the Trustees in order to ensure that the Board of Trustees has the necessary skills to contribute fully to the Academy's development.

Colyton Grammar School Academy Trust

Trustees' Report for the Year Ended 31 August 2017 (continued)

Policies and Procedures Adopted for the Induction and Training of Trustees

All new Trustees participate in an induction programme, and all Trustees are issued with a copy of the annual Governing Body Yearbook giving a wide range of information and guidance relating to the governance of the Academy Trust.

The Staffing Committee, in liaison with other Committees, is responsible for arranging a programme of Trustee training. During the period under review, a number of Trustee Training Evenings were held covering a wide range of pertinent subjects.

Organisational Structure

The Board of Trustees normally meets once each academic term. The Board establishes an overall framework for the governance of the Academy and agrees membership of Committees and Statutory and other Panels. It receives reports, and in particular policy documents, from its Committees for ratification. It monitors the activities of the Committees through the Minutes of their meetings. It also establishes the Terms of Reference and Procedures for its Committees. The Board of Trustees may also, from time to time, establish Working Groups to perform specific tasks over a limited timescale.

The following decisions are reserved to the Board of Trustees: to determine any proposals for the alteration, closure or change of category of the Academy; to amend the constitution of the Governing Body; to appoint or remove the Chairman and/or Vice Chairman; to determine the ethos of the school; to delegate specific responsibilities to any Trustee, Committee or the Headteacher and to determine and review annually the terms of reference, constitution and membership of all Committees; to approve the annual budget plan; to decide school session times and dates of school terms and holidays; to make arrangement for staff dismissal appeals; to set up panels for the selection of the Headteacher; to develop, monitor and review the Academy Trust's Freedom of Information Act 2000 Publication Scheme; to approve the annual Development Plan and to monitor the annual Register of Interests.

During the year, there were three Committees as follows:

The Admissions, Learning and Standards Committee, which met once a term to:

- deal with all matters relating to Admissions, including the provision of effective liaison with Year 6 parents, the annual admissions process, arrangements for the Independent Appeals Panel and setting admissions limits for Years 7 and 12.
- monitor, evaluate and review school policy and practice in relation to curriculum planning, communications and publications, target-setting and performance data, assessment, recording and reporting, examinations, literacy and numeracy policies, approval of residential activities and all pastoral issues. This includes arrangements for Special Educational Needs, behaviour and discipline, collective worship and religious education.

Colyton Grammar School Academy Trust

Trustees' Report for the Year Ended 31 August 2017 (continued)

The Finance and Resources Committee, which met five times during the year 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 the Academy Trust; to agree limits of financial delegation; to ensure that adequate accounting records 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.
- develop, monitor and review the Premises Development Plan, to plan and approve specific capital projects (including the consideration and approval of tenders); to ensure the effective security, development and maintenance of the Academy Trust's land, buildings, equipment and vehicles; to develop, monitor and review the Academy Trust's Health and Safety Policy; to make arrangements for the effective provision of services such as catering; to develop and monitor the Sustainable School Policy.

The Staffing Committee which met once a term to:

- to advise the Governing Body on the procedures for the selection of the Headteacher;
- to determine pay and conditions for all staff;
- to monitor performance management policies for all staff;
- to ratify the process for staff salary increases linked to performance reviews for all staff;
- to make arrangements for the Headteacher's Performance Management review;
- to review safeguarding checks as part of the employment of new staff;
- to ensure effective arrangements are in place for succession planning for all staff;
- to make arrangements for Trustee induction and training.

The Headteacher is the Accounting Officer as required by the Funding Agreement with the Department for Education. The responsibilities of the Accounting Officer are defined in the Statement on Regularity, Propriety and Compliance on page 18.

Arrangements for setting pay and remuneration of key management personnel

The Board has regard to the following criteria when setting the pay of the Senior Leadership Team:

- 1) The recommended pay levels in the current School Teachers' Pay and Review Body report
- 2) Salary levels for posts carrying similar responsibilities in similar schools
- 3) Specific recruitment and retention issues

All members of the Senior Leadership Team, including the Headteacher, are subject to an annual performance review which informs any decision on performance related pay.

Related Parties and other Connected Charities and Organisations

The Academy Trust is an Ordinary Member of the South West Academic Trust, which consists of eleven selective schools in the South West of England, plus the University of Exeter. The South West Academic Trust seeks to advance the education of pupils of any member schools through partnership and collaboration, and staff from the Academy Trust have been actively involved in a wide variety of meetings and training events during the period under review.

Colyton Grammar School Academy Trust

Trustees' Report for the Year Ended 31 August 2017 (continued)

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.

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

Further aims are as follows:

- To provide high quality teaching that challenges students and equips them for life by encouraging enquiry, originality, empathy and creativity in a positive atmosphere
- To provide an environment that enables students to learn and teachers to teach effectively
- To promote and recognise high standards of achievement in all spheres of activity
- To help students form successful relationships characterised by understanding others, tolerance, trust and self-respect
- To broaden horizons and to promote an interest in and respect for the local, national and global communities and their cultures
- To develop physical and emotional health and a sense of the importance of morality and personal responsibility
- To encourage discernment, good judgement and self-discipline
- To provide equality of opportunity for all
- To develop an understanding of our responsibility as global citizens to live in a sustainable way

Objectives, Strategies and Activities

The Academy Trust's Improvement Plan for the period under review focused on the quality of teaching in the classroom and continuing preparations for major changes in national examinations at GCSE and A Level against the background of the continuing uncertainty regarding medium and long term funding. The main themes of the plan are:

a) Excellence including progress, attainment, achievement, curriculum and partnership

- Focus on Academic Progress especially linked to the Progress 8 measure and progress in the Sixth Form.
- The development of collaborative quality assurance models.
- Embedding the new 3 year KS4 curriculum model and newly introduced A-level Sixth Form programme through effective professional learning.

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Trustees' Report for the Year Ended 31 August 2017 (continued)

b) Integrity including safeguarding, behaviour and personal development

Focus on sustained improvement to behaviour.

Plan and embed a new pastoral structure to ensure the successful introduction of a new form, including Safeguarding.

Develop approaches to the development of character including sport, charity committee, world class competitions, enhanced PSHE programme and outside speakers.

c) Leadership including capacity, governance, attitudes, creativity, quality assurance and finance

Develop capacity of leadership at all levels to ensure Colyton Grammar School is able to play a leading role in sustainable school led improvement including school to school support and system leadership.

Embed local, regional, national and international partnership development which emphasises formal collaboration to support and challenge. For instance, The Jurassic Coast Teaching Alliance, review of MAT status, SWAT and PASCH' partnership with the Goethe-Institut.

Ensure the development of a sustainable model of support for primary school students and their schools including targeted intervention programmes for the most disadvantaged in our region.

Public Benefit

The Trustees have given due 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

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

The Academy Trust is a selective school serving East Devon, West Dorset and South Somerset. It is subject to the current statutory arrangements as laid down in the national Admissions Code. In order to ensure that students at the school can benefit fully from the education provided, the Trustees will consider the admission of children who attain the required standards with reference to ability and aptitude. Current arrangements for entry to the school are available in the section of the school website dealing with admissions arrangements:

<http://www.colytongrammar.devon.sch.uk/admissions/index.htm>

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Trustees' Report for the Year Ended 31 August 2017 (continued)

Strategic Report

Achievements and Performance

As a co-educational selective school, students represent the top 20-25% of the ability range and go on to achieve outstanding academic results. Students complete Key Stage 3 in two years, and then take GCSE exams at the end of Year 10. As a result of the transition towards the more traditional structure of completing Key Stage 4 in three years and the Sixth Form in two years, the only GCSE grades achieved this year were in relation to papers that had been taken again by students.

Results in public examinations in the summer 2016 were maintained at a very high level. In preparation for university and employment, students study a broad curriculum with opportunities for extension work, while continuing to achieve results which place the school at the top end of national performance tables.

Key Stage 5: A Level - Results

Year	A*/A	A*-B
2017	62.8%	81.3%
2016	69.4%	90.1%
2015	62.4%	84.5%

Key Stage 4: GCSE Results

	A*/A	A*-B	A*-C
2017*	0%	0%	0%
2016	72.93%	93.97%	98.88%
2015	74.05%	91.54%	97.56%

**Due to transition from three-year Sixth Form to traditional model*

Year 13 Leaver Destinations

Year	Total students	HE in year	HE deferred	Deferred application	Meds or vets	Oxbridge	Russell Group	Employment or Training	Other
2017	106	91	15	15	11	8	60	-	4
2016	109	90	14	15	12	13	72	-	4
2015	110	82	13	13	13	12	74	-	-

National Recognition

At its last inspection, the school was designated 'outstanding' by Ofsted.

The school is a member of the South West Academic Trust partnership of selective schools. The school is also a National Professional Qualification for Headteachers' Development School and is recognised by the Prince's Trust Teaching Initiative for Excellence in Mathematics. The school also holds the International School Award and is a partner school of the University of Exeter for the delivery of initial teacher training. In July 2013, the school was selected to be the fourth UK partner school of the prestigious Goethe-Institut by the German Embassy, a partnership that has continued.

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Trustees' Report for the Year Ended 31 August 2017 (continued)

Key Performance Indicators

For details of examination results including leavers' destinations, please refer to the Achievements and Performance section earlier in this report.

Staffing Costs as a % of Public/GAG income for the year ending:

	2017	2016	2015	2014	2013
Teaching Staff	71.4%	67.8%	64.0%	60.8%	60.2%
Support Staff	8.7%	8.3%	7.8%	8.2%	8.2%
Administrative Staff	7.6%	7.2%	6.1%	6.1%	6.1%
Site Staff	6.2%	5.8%	5.8%	5.6%	5.5%

Teaching Staff

	2017	2016	2015	2014	2013
Full Time Equivalents	48.01	47.86	47.76	48.91	47.30
Pupil Teacher Ratio	18.16	17.2	17.2	16.8	17.5

Admissions for Year 7 Entry

	2017	2016	2015	2014	2013
Applications	408	373	376	378	363
Accepted	160	124	120	125	121

Going Concern

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

Financial Review

In the current climate of uncertainty about future funding, Trustees have made it a priority to ensure that high standards are maintained within the framework of a budget that is sustainable, and have been rigorous in evaluating any proposals for additional expenditure. Key principles and actions specifically identified in terms of financial planning include:

- To continue to lobby actively to raise awareness of the funding challenges faced by the school
- A continuing policy of "no automatic replacement" for staff
- Rigorous, ongoing evaluation of the curriculum structure to ensure best value
- A continuing sharp focus on teaching and learning, ensuring best value and efficiency
- The importance of investing for both quality and efficiency savings
- In the light of curriculum and assessment changes, to maintain the quality of what the School provides and ensure the capacity to deliver
- Continuing recognition of the importance of clear communication with parents and others about the funding challenges

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Trustees' Report for the Year Ended 31 August 2017 (continued)

- The appointment of a Development Officer to focus on building relationships with former students with the medium/long-term aim of raising funds
- To use School reserves as a temporary "cushion" during a period of significant challenge

Key financial policies reviewed during the year include the Finance Policy which establishes the framework for financial management, including the key financial responsibilities of the Board, its committees and the key officers of the academy, as well as delegated authority for spending decisions. This policy is supported by additional policies including the following: Asset Management, Audit, Best Value, Charges for School Activities, Income and Lettings and Charging and Remissions.

Trustees have adopted a Responsible Officer policy and appointed an experienced current School Business Manager from a local School to undertake a programme of internal checks on financial controls and to report to meetings of the Finance and Resources Committee and the Board.

Trustees have also adopted an Investment Policy which establishes the framework for the cash management of the school, including bank and deposit accounts, and identifies the key criteria for the selection and evaluation of other forms of investment.

During the period under review, the principal source of income has been the General Annual Grant and other grant related income received from the EFA and Devon Local Authority. These funds have been applied to the Academy's Educational Operations. The zero balance on the General Annual Grant fund at 31 August 2017 is a sign of the increasing funding challenges facing the school, with the consequence that an increasing proportion of the Academy's Educational Operations are being funded from the General Unrestricted Fund.

In addition a sum of £167,683 has been used to purchase Fixed Assets to support the Academy's Educational Operations, This sum includes £67,752 from GAG funding, £28,417 Devolved Formula Capital Grant and £71,513 from unrestricted funds. These purchases have included the following major items:

- Significant work to substantially convert a design and technology room to a science laboratory (£71,513)
- All weather pitch footpath (£19,584)
- A range of IT projects, including installation of a suite of new desktop computers (£16,850) and a new storage area network (£10,099)
- Various improvements to site security and maintenance equipment

Trustees have also designated the Bradbeer Fund as follows:

- £200,000 for future capital projects
- £100,000 for anticipated capital repairs to the school's All Weather Pitch
- £177,867 for other special purposes at the Trustees' discretion

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Trustees' Report for the Year Ended 31 August 2017 (continued)

During the period under review, Trustees reviewed proposals for the extension and refurbishment of existing staff accommodation in Staff House. A bid under the 2016 Condition Improvement Fund (CIF) programme was not successful in gaining funding, but a revised bid is being prepared for submission in December 2017 which will focus on the condition issues in the existing Staff House building. A further bid for the first phase of the programme relating to the expansion to five forms of entry is also being prepared for submission in future.

The school's own Site Team continue to undertake a wide range of maintenance and improvement works in-house, ensuring both high standards and value for money.

The Academy Trust's activities expose it primarily to cash flow risk. The Governing Body continually monitors cash flows to ensure the Academy Trust has sufficient funds available to meet debts as they fall due. The Governing Body strives to maintain adequate cash reserves.

Funds have also been received from students to pay for a wide range of educational visits and activities, and these have been applied to the associated costs.

The Governing Body acknowledges the defined benefit scheme deficit within the Local Government Pension Scheme which is set out in the annual report. It considers that the Academy Trust is able to meet its known contribution commitments for the foreseeable future.

Reserves Policy

The Academy Trust aims to carry forward a minimum sum equivalent to 7.5% of the current year General Annual Grant allocation (£286,711 for 2016/17) from the General Annual Grant, the General Non-GAG Restricted Fund and the General Unrestricted Fund to cover the medium- and long-term needs for renewal and replacement, for major unforeseen contingencies and to contribute to major capital developments.

During a period of significant funding challenges, trustees have determined that these reserves will ensure financial viability. The Board will also need to meet the additional costs relating to the expansion to 5 forms of entry while the lagged benefits from increased funding work through. These requirements have been modelled in detail and will be kept under regular review.

At the end of the period under review the balances held in these funds were as follows:

- General Annual Grant - £3,392 (2016: £3,436)
- General Non-GAG Restricted Funds - £129,485 (2016: £110,631)
- General Unrestricted Fund - £703,045 (2016: £608,969)

Therefore in excess of the target reserves level.

A significant legacy from a former member of staff, shown in the financial statements as the Bradbeer Fund, was transferred to the Academy from the previous school at the date of transfer (1 January 2011). Trustees have made the following designations for these funds:

- Future capital projects - £200,000 a variety of projects, particularly to support Condition Improvement Fund grant requests
- All Weather Pitch - £100,000 Major costs within the next ten years include the replacement of the All Weather Pitch surface
- Other special purposes - £177,867 to be applied at the Trustees' discretion

The funds of the Educational Foundation, which are under the control of the Trustees, are restricted to the purposes identified in its charitable deed.

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Trustees' Report for the Year Ended 31 August 2017 (continued)

Investment Policy

Trustees are firmly committed to ensuring that all funds under their control are administered in such a way as to maximise return while minimising risk. Trustees do not consider the investment of surplus funds as a primary activity, but rather a requirement for the effective management of the various funds entrusted to the Board.

Trustees' management of cash flow should ensure that there are always sufficient funds in the main bank accounts to cover operational costs. Banks must be selected from the FCA Approved List included in the Financial Services Compensation Scheme (FSCS).

Trustees will seek to ensure that any cash not required for operating expenses is placed on deposit at the most favourable rate. Deposit account providers must be selected from the FCA Approved List included in the Financial Services Compensation Scheme (FSCS) or from the CCLA.

Where significant funds have been accumulated that are not required in the short term for operational expenses, or as part of a planned surplus for a specific project, Trustees may consider the investment of these funds in order to generate a longer term income or capital fund. In addition, the school may at times receive investments as part of a legacy or gift.

The approval of the Finance and Resources Committee is required before any investment is made. The following criteria should be used in selecting an appropriate investment:

- What level of risk does the investment represent? The Trustees' approach to risk is cautious – typical investments will include corporate bonds and fixed interest funds.
- The historical performance of the investment or fund
- The anticipated level of return
- Management fees and associated costs
- Any penalties e.g. for early redemption
- Ease of access should Trustees wish to realise the investment

Principal Risks and Uncertainties

Trustees have identified the following principal risks and uncertainties facing the Academy Trust:

Financial Risk

The Academy Trust has identified that the most serious threats to the academy over the next few years are the impact of various changes in funding for both 11-16 and 16-19 education, which are likely to lead to very significant reductions in the revenue budget. Trustees are working actively, both to prepare strategically for these challenges and to lobby nationally and locally for a long term solution. Financial planning is focused on maintaining the breadth and quality of future teaching and learning in the context of diminishing budgets.

The risk that the Local Government Pension Scheme will continue to be in significant deficit remains, but Trustees have noted that one of the aims of the triennial valuation is to set contribution rates so as to recover this deficit over a period of 20+ years. In addition, the DfE have given a guarantee that it will take on this liability in the event of an academy closing.

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

Colyton Grammar School Academy Trust

Trustees' Report for the Year Ended 31 August 2017 (continued)

Failures in Governance and/or Management

Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks. The structure and organisation of the Board has been the subject of a major internal governance review which reported in the autumn of 2016.

Reputational and Demand Risks

The continuing success of the Academy Trust 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.

In the same way, Trustees are active in keeping admissions arrangements under regular review and planning for expansion in order to ensure there are sufficient numbers to maintain the future viability of the school.

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.

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 operation of child protection policies in school and in training and support, in order to protect the vulnerable young people in its care. Trustees regularly review arrangements for safeguarding to ensure compliance with legislation and current guidance.

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.

Risk Management

The Trustees are responsible for the management of risks to which the Academy Trust is exposed, and have undertaken a review of risks associated with its activities. The key controls used by the Academy Trust include:

- A clear Development Plan identifying key strategic planning objectives and the resources required to achieve them
- Comprehensive budget planning, monitoring and review
- Clear financial delegation levels
- Formal written policies reviewed on a regular basis
- Regular review of the Risk Register
- Clear safeguarding and vetting procedures as required by law to protect children and young people
- Rigorous review of educational achievement to ensure continuing high standards
- Comprehensive planning and review of admissions processes
- A clear succession planning policy

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Trustees' Report for the Year Ended 31 August 2017 (continued)

The Board of Trustees has reviewed the major risks, focusing on operational, financial, governance, compliance and reputational risk, and have taken steps to mitigate likely risks and to ensure regular monitoring of the primary areas of potential risk.

The Board of Trustees is satisfied that the major risks identified have been adequately mitigated where necessary. It is recognised, however, that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

Plans for Future Periods

The Strategic Development Plan 2017-2023 has identified the following objectives:

- Pedagogy and Curriculum - Become a world leader in educational research and practice, providing a challenging and inspiring curriculum that fosters intellectual curiosity and promotes a life-long approach to learning.
- Academic Outcomes – Consistently maximising academic progress and attainment for all students to ensure they can access ambitious futures.
- Wellbeing – Develop independence, resilience and integrity in healthy students who embrace opportunity and value themselves and others.
- Partnerships and Community – Strengthen local, national and international partnerships to encourage people to discover the power of education and benefit learners regardless of social and economic circumstances.

At a time of tremendous change in education, the plan is built around adapting and being resilient, while remaining true the core values of providing an outstanding education for all, no matter what socio-economic background.

It is clear that the school faces significant financial challenges in the medium term and work will continue to reduce costs while trying to preserve the breadth of programme and opportunities for students.

Funds Held as Custodian Trustee on Behalf of Others

The financial statements include the results of the Colyton Educational Foundation, a registered charity (number 306672) which is under the control of the Trustees of the Academy Trust.

The objects of Colyton Educational Foundation are to:

- provide special benefits of any kind not normally provided by the local authority for Colyton Grammar School;
- provide benefits for students at Colyton Grammar School who are in need of financial assistance.

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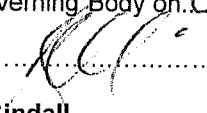
Trustees' Report for the Year Ended 31 August 2017 (continued)

Auditor

In so far as the Trustees 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.

Trustees' Report, incorporating a Strategic Report, approved by order of the members of the Governing Body on 07/12/17 and signed on its behalf by:

.....


B Sindall

Chair of Trustees

Colyton Grammar School Academy Trust

Governance Statement

Scope of responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that Colyton Grammar School Academy Trust 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 Governing Body has delegated the day-to-day responsibility to T Harris, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Colyton Grammar School Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Governing Body 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 Governing Body has formally met 4 times during the year. Attendance during the year at meetings of the Governing Body was as follows:

Trustee	Meetings attended	Out of a possible
B Sindall	2	2
H Dawson	3	4
A Eaton-Hart	3	4
T Dyer	4	4
B Merrett	4	4
V Wells	3	4
L Linnell	4	4
S Burns-Price	3	4
G Davis	3	4
M Goscomb	3	4
T Harris	4	4
M Nickells	3	4
I Griffin	1	1
C J Bastin	4	4
R Scott	4	4
B Salter	0	2
M Marsh	1	1

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Governance Statement (continued)

Governance reviews

During the year, a review of the governance arrangements at Colyton Grammar School was undertaken by Martin Goscomb (Trustee). In terms of the scope of the review, the 'Twenty Questions' which forms part of the Framework for Governance developed by the National Governance Association (NGA) and the Wellcome Trust, provided a helpful starting point. Other helpful sources include the NGA's Eight Elements of Effective Governance, the DfE Governors' Handbook and the criteria Ofsted Inspectors use to judge Governing Boards. For the purposes of assessing the arrangements for ensuring financial health, probity and value for money, particular reference was made to the Academies Financial Handbook published by the Education Funding Agency.

In terms of the project methodology for the Review, an initial preparatory phase involving research and planning for the Review was followed by a 'fact finding' phase during which the reviewer met with individual Governors and members of the School's Senior Leadership Team. These meetings provided some helpful insights into their views and perceptions about the effectiveness of the current governance arrangements as well as some thoughts about possible opportunities for change. The information and views collected during the 'fact finding' phase were then used to make the assessment of the potential strengths and weaknesses of the current arrangements.

Having regard to the NGA's 'Twenty Questions', their Eight Elements of Effective Governance and other relevant sources, We sought to refine the scope of this review by focusing on ten specific key questions. In terms of its overall scope and focus, this Review has therefore sought to answer the following key questions and make recommendations to address identified current weaknesses:

- Q1. Do our arrangements ensure that we have a clear vision, ethos and strategy with clearly defined priorities and targets and effective measures to keep them under review?
- Q2. Do we have effective arrangements to ensure we provide appropriate support and challenge, monitor school performance and hold school leaders to account for delivering our vision and priorities?
- Q3. Do we have effective arrangements for ensuring financial health, probity and value for money?
- Q4. Do our arrangements ensure that we are open, visible and relevant to the school and our key stakeholders and that governors are appropriately engaged with the work and activities of the school?
- Q5. Are we able to demonstrate that we are having an impact on outcomes for students?
- Q6. Do our arrangements ensure that we have the right structures in place to undertake governance effectively?
- Q7. Do our governance arrangements ensure that we have the right people on the Governing Board with the right balance of Skills and the right leadership?
- Q8. Do we have effective arrangements in place to ensure professional support to our governance arrangements, including legal advice, servicing meetings and governor training and development?
- Q9. Do our day to day working practices ensure that we are able to carry out our core functions and conduct our business effectively?
- Q10. Do we have a structured approach to self-evaluation and improvement to ensure that our governance arrangements remain efficient and effective?

Each of these questions appears as a separate section in the main body of this report. In each case, a short commentary and summary of findings is followed by a main recommendation, supported by a series of detailed recommendations and/or discussion points.

The subsequent action plan is being implemented at appropriate points so as to fit with the current Board's cycle of business. The action plan is reviewed annually to ensure that the recommendations remain relevant and applicable and to ensure the most robust governance arrangements are in place for the School.

Colyton Grammar School Academy Trust

Governance Statement (continued)

Finance and General Purposes Committee

The Finance and Resources Committee is a sub-committee of the main Governing Body. Its purpose is to

(i) 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 the 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.

(ii) To develop, monitor and review the Premises Development Plan, to plan and approve specific capital projects (including the consideration and approval of tenders); to ensure the effective security, development and maintenance of the Academy Trust's land, buildings, equipment and vehicles; to develop, monitor and review the Academy Trust's Health and Safety Policy; to make arrangements for the effective provision of services such as catering; to develop and monitor the Sustainable School Policy.

Attendance at meetings during the year was as follows:

Trustee	Meetings attended	Out of a possible
T Dyer	5	5
S Burns-Price	4	5
G Davis	0	5
M Goscomb	5	5
T Harris	5	5
M Nickells	5	5
C J Bastin	4	5
R Scott	5	5
B Salter	1	2

Review of value for money

As accounting officer the member 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 outcomes achieved in return for the taxpayer resources received.

The Accounting Officer considers how the Academy Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the Academy Trust has delivered improved value for money during the year by:

Colyton Grammar School Academy Trust

Governance Statement (continued)

(a) A continuing focus on improving educational results and student outcome against a background of reduced funding.

Results at A Level (no GCSE results were achieved) in the summer of 2017 were maintained at a very high level against a background of increasing financial challenge.

At A Level, the proportion of A*/A grades remained high at 62.8% compared to the national average of 26.2%. A* grades also remained high at 27.6% compared to the national average of 8.3%.

Students continued to gain places at prestigious Russell Group universities and a high number gained entry to challenging courses such as Medicine and Veterinary Science (see the tables in the Achievement and Performance section on page 8).

This outstanding level of achievement for students is despite the school's General Annual Grant being based on Devon funding levels which remain among the lowest across all local authorities.

(b) Effective use of school reserves to in lieu of and to supplement future grant funding for major capital projects.

During the year in question the school spent a total of £71,513 from its reserves for the purchase of fixed assets. This was to begin work on the conversion of a design and technology room to a science laboratory. This was funded by contributions from the Colyton Grammar School Parents Association who managed to raise £100,000 for the project.

The School has also submitted a number of bids to the Condition Improvement Fund for the expansion of the school to accommodate the increase to five forms of entry. As yet, the school has been unsuccessful in being granted this funding but it is hoped that with the School promising to commit up to £200,000 towards such projects, future bids will be looked upon more favourably.

The school's own Site Team continue to undertake a wide range of maintenance and improvements works in-house, ensuring both high standards and value for money.

(c) Robust financial governance oversight

The school has in place robust and well-proven financial systems. As for previous years, the audit completion report from the external auditors for the year ending 31 August 2017 raised no significant issues of concern in respect of internal control. Relevant policies and procedures are reviewed on a least an annual basis, and the Board is supported in its oversight by a Responsible Officer who makes a termly report.

The Board has in place a Best Value Policy which includes an annual Best Value Review focusing on at least one major area of school activity.

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 ongoing process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Colyton Grammar School Academy Trust for the year ended 31 August 2017 and up to the date of approval of the annual report and financial statements.

Colyton Grammar School Academy Trust

Governance Statement (continued)

Capacity to handle risk

The Governing Body 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 Governing Body is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year ending 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Body.

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 and Resources 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;
- 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 have appointed Laurence Evans as responsible officer (RO)

The RO's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. In particular the checks carried out in the current period include:

- testing of payroll systems
- testing of purchase systems
- testing of control account/ bank reconciliations

work has been completed on a bi-annual basis, the RO reports to the Governing Body on the operation of the systems of control and on the discharge of the Governing Body' financial responsibilities.

There were no material control or other issues reported by the Responsible Officer to date.

Review of effectiveness

As Accounting Officer, T Harris has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:


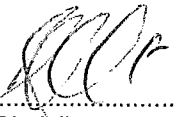
- the work of the responsible officer;
- the work of the external auditor;
- the financial management and governance self assessment process;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

Colyton Grammar School Academy Trust

Governance Statement (continued)

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

Approved by order of the members of the Governing Body on 07/12/17 and signed on its behalf by:


.....
T Harris
Accounting officer
Trustee
.....
B Sindall
Trustee

Colyton Grammar School Academy Trust

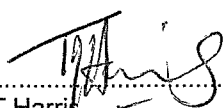
Statement on Regularity, Propriety and Compliance

As Accounting Officer of Colyton Grammar School Academy Trust I have considered my responsibility to notify the Academy Trust Governing Body and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2016.

I confirm that I and the Academy Trust Governing Body are able to identify any material irregular or improper use of funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2016.

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

Approved by order of the members of the Governing Body on 07/12/17 and signed on its behalf by:


.....
T Harris
Accounting Officer

Colyton Grammar School Academy Trust

Statement of Trustees' Responsibilities

The Trustees (who act as the governors of Colyton Grammar School Academy Trust 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 published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

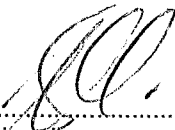
- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards [FRS 102] have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by order of the members of the Governing Body on 07/12/17 and signed on its behalf by:


.....
B Sindall
Trustee

Colyton Grammar School Academy Trust

Independent Auditor's Report on the Financial Statements to the Members of Colyton Grammar School Academy Trust

Opinion

We have audited the financial statements of Colyton Grammar School Academy Trust (the 'Academy') for the year ended 31 August 2017, which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, Balance Sheet, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2017 and of its results for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Use of our report

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

Conclusions relating to going concern

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

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

Colyton Grammar School Academy Trust

Independent Auditor's Report on the Financial Statements to the Members of Colyton Grammar School Academy Trust (continued)

Other information

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Colyton Grammar School Academy Trust

Independent Auditor's Report on the Financial Statements to the Members of Colyton Grammar School Academy Trust (continued)

Responsibilities of Trustees

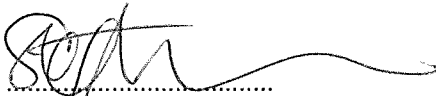
As explained more fully in the Statement of Trustees' Responsibilities [set out on page 23], the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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



Stephanie Henshaw (Senior Statutory Auditor)
PKF Francis Clark, Statutory Auditor

Vantage point
Woodwater Park
Pynes Hill
Exeter
EX2 5FD

Date: 16/12/17

Colyton Grammar School Academy Trust

Independent Reporting Accountant's Report on Regularity to Colyton Grammar School Academy Trust and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 4 October 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Colyton Grammar School Academy Trust during the period 1 September 2016 to 31 August 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Colyton Grammar School Academy Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we may state to Colyton Grammar School Academy Trust and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Colyton Grammar School Academy Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of the Governing Body's Accounting Officer and the reporting Accountant

The Accounting Officer is responsible, under the requirements of the Governing Body' funding agreement with the Secretary of State for Education dated and the Academies Financial Handbook extant from 1 September 2016, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2016 to 2017. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year from 1 September 2016 to 31 August 2017 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2016 to 2017 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

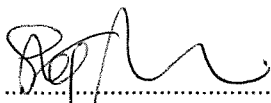
- Inspection and review of documentation providing evidence of governance procedures;
- Evaluation of the system of internal controls for authorisation and approval;
- Performing substantive tests on relevant transactions.

Colyton Grammar School Academy Trust

Independent Reporting Accountant's Report on Regularity to Colyton Grammar School Academy Trust and the Education and Skills Funding Agency (continued)

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 from 1 September 2016 to 31 August 2017 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.


.....
Stephanie Henshaw
PKF Francis Clark, Chartered Accountants

Vantage point
Woodwater Park
Pynes Hill
Exeter
EX2 5FD

Date: 15/12/17

Colyton Grammar School Academy Trust

Statement of Financial Activities for the Year Ended 31 August 2017 (including Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2017 £
Income and endowments from:					
Donations and capital grants	2	36,605	22,540	70,657	129,802
<i>Charitable activities:</i>					
Funding for the Academy Trust's educational operations	3	388,069	4,220,174	-	4,608,243
Other trading activities	4	44,537	21,759	-	66,296
Investments	5	10,137	223	-	10,360
Total		479,348	4,264,696	70,657	4,814,701
Expenditure on:					
<i>Charitable activities:</i>					
Academy trust educational operations	7	358,465	4,467,304	222,871	5,048,640
Gains/losses on investment assets		16,063	(4)	-	16,059
Net income/(expenditure)		136,946	(202,612)	(152,214)	(217,880)
Transfers between funds		-	(43,139)	43,139	-
Other recognised gains and losses					
Actuarial loss on defined benefit pension schemes	27	-	519,000	-	519,000
Net movement in funds/(deficit)		136,946	273,249	(109,075)	301,120
Reconciliation of funds					
Total funds/(deficit) brought forward at 1 September 2016		1,128,197	(1,791,927)	9,037,734	8,374,004
Total funds/(deficit) carried forward at 31 August 2017		1,265,143	(1,518,678)	8,928,659	8,675,124

Colyton Grammar School Academy Trust

Statement of Financial Activities for the Year Ended 31 August 2016 (including Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2016 £
Income and endowments from:					
Donations and capital grants	2	36,393	7,120	263,810	307,323
<i>Charitable activities:</i>					
Funding for the Academy Trust's educational operations	3	368,419	4,156,022	-	4,524,441
Other		-	28,864	-	28,864
Other trading activities	4	36,887	17,078	-	53,965
Investments	5	23,637	285	-	23,922
Total		465,336	4,209,369	263,810	4,938,515
Expenditure on:					
<i>Charitable activities:</i>					
Academy trust educational operations	7	376,862	4,211,778	309,485	4,898,125
Gains/losses on investment assets		7,388	302	-	7,690
Net income/(expenditure)		95,862	(2,107)	(45,675)	48,080
Transfers between funds		(24,664)	(82,947)	107,611	-
Other recognised gains and losses					
Actuarial loss on defined benefit pension schemes	27	-	(753,000)	-	(753,000)
Net movement in funds/(deficit)		71,198	(838,054)	61,936	(704,920)
Reconciliation of funds					
Total funds/(deficit) brought forward at 1 September 2015		1,056,999	(953,873)	8,975,798	9,078,924
Total funds/(deficit) carried forward at 31 August 2016		1,128,197	(1,791,927)	9,037,734	8,374,004

Colyton Grammar School Academy Trust

(Registration number: 07445493) Balance Sheet as at 31 August 2017

	Note	2017 £	2016 £
Fixed assets			
Intangible assets	11	9,520	11,900
Tangible assets	12	8,890,061	8,942,679
		<u>8,899,581</u>	<u>8,954,579</u>
Current assets			
Investments	13	663,267	647,208
Stocks	14	27,301	34,323
Debtors	15	196,278	153,885
Cash at bank and in hand		996,622	1,086,426
		<u>1,883,468</u>	<u>1,921,842</u>
Creditors: Amounts falling due within one year	16	<u>(373,633)</u>	<u>(434,983)</u>
Net current assets		<u>1,509,835</u>	<u>1,486,859</u>
Total assets less current liabilities		10,409,416	10,441,438
Creditors: Amounts falling due after more than one year	17	(10,284)	(15,426)
Provisions	18	<u>(30,008)</u>	<u>(30,008)</u>
Net assets excluding pension liability		10,369,124	10,396,004
Defined benefit pension scheme liability	27	<u>(1,694,000)</u>	<u>(2,022,000)</u>
Total assets		<u>8,675,124</u>	<u>8,374,004</u>
Funds of the Academy:			
Restricted funds			
Restricted general fund		132,877	114,066
Restricted fixed asset fund		8,928,659	9,037,734
Other restricted fund		<u>(1,651,555)</u>	<u>(1,905,993)</u>
		<u>7,409,981</u>	<u>7,245,807</u>
Unrestricted funds			
Unrestricted general fund		703,045	608,969
Other unrestricted fund		<u>562,098</u>	<u>519,228</u>
		<u>1,265,143</u>	<u>1,128,197</u>
Total funds		<u>8,675,124</u>	<u>8,374,004</u>

Colyton Grammar School Academy Trust

(Registration number: 07445493)

Balance Sheet as at 31 August 2017 (continued)

The financial statements on pages 29 to 58 were approved by the Trustees, and authorised for issue on ~~07/12/17~~ 07/12/17 and signed on their behalf by:



.....
B Sindall
Trustee

Colyton Grammar School Academy Trust

Statement of Cash Flows for the Year Ended 31 August 2017

	Note	2017 £	2016 £
Cash flows from operating activities			
Net cash provided by operating activities	22	2,004	229,203
Cash flows from investing activities	24	(86,666)	(11,920)
Cash flows from financing activities	23	<u>(5,142)</u>	<u>(5,142)</u>
Change in cash and cash equivalents in the year		(89,804)	212,141
Cash and cash equivalents at 1 September		<u>1,086,426</u>	<u>874,285</u>
Cash and cash equivalents at 31 August	25	<u><u>996,622</u></u>	<u><u>1,086,426</u></u>

Colyton Grammar School Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2017

1 Accounting policies

Statement of accounting policies

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

Basis of preparation

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2016 to 2017 issued by EFSA, the Charities Act 2011 and the Companies Act 2006.

The financial statements include the results of the Colyton Educational Foundation, a registered charity (number 306672) which is under the control of the Trustees of the Academy Trust, this is included as a restricted fund in the financial statements.

Going concern

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The Trustees make this assessment in respect of a period of one year from the date of approval 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.

Income

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

Grants

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

Colyton Grammar School Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

1 Accounting policies (continued)

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

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

Donations

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

Other income

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the Academy Trust has provided the goods or services.

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

Charitable activities

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

Intangible fixed assets

Intangible assets costing £2,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment. Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Asset class	Amortisation method and rate
IT software	20% straight line

Colyton Grammar School Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

1 Accounting policies (continued)

Tangible fixed assets

Assets costing £2,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset over its expected useful lives, per the table below.

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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

Asset class	Depreciation method and rate
Furniture and equipment	10% per year
Plant, machinery and equipment	10% per year
IT equipment	20% per year
Motor vehicles	10% per year
Freehold buildings	2% per year

Liabilities

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

Provisions

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

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

Colyton Grammar School Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

1 Accounting policies (continued)

Leased assets

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

Investments

Investments are shown at fair value as at the period end date.

Financial Instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to charity's wholly owned subsidiary are held at face value less any impairment.

Stock

Unsold uniforms and catering stocks are valued at the lower of cost or net realisable value.

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.

Colyton Grammar School Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

1 Accounting policies (continued)

Pension benefits

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes 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 the notes to the financial statements, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

Fund accounting

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

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

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

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.

Colyton Grammar School Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

1 Accounting policies (continued)

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 27, 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 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Agency accounting

The trust acts as an agent for the following entities:

(a) Colyton Grammar School Parents' Association

At 1 September 2016 the trust held £15 as an agent for the Colyton Grammar School Parents' Association.

In the accounting period ending 31 August 2017 the trust received £10,242 on behalf of the Colyton Grammar School Parents' Association and passed on £10,187.

A balance of £70 is included in other creditors falling due within one year.

(b) South West Academic Trust

At 1 September 2016 the trust held a balance of £3,778 as an agent for the South West Academic Trust.

In the accounting period ending 31 August 2017 the trust received £3,247 and made payments of £4,753 as an agent for the South West Academic Trust.

A balance of £2,272 is included in other creditors falling due within one year.

Colyton Grammar School Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

2 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total 2017 £	Total 2016 £
Capital grants - Devolved formula capital allocations	-	-	38,657	38,657	19,120
Capital grants - Building grants	-	-	-	-	176,690
Donations fixed assets	-	-	32,000	32,000	68,000
Other donations	36,605	22,540	-	59,145	43,513
	<u>36,605</u>	<u>22,540</u>	<u>70,657</u>	<u>129,802</u>	<u>307,323</u>

3 Funding for the Academy Trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
DfE/ESFA revenue grants				
General annual grant (GAG)	-	3,822,401	3,822,401	3,854,103
16-19 Bursary fund	-	12,874	12,874	13,350
Pupil premium	-	30,088	30,088	29,000
	-	<u>3,865,363</u>	<u>3,865,363</u>	<u>3,896,453</u>
Other government grants				
SEN funding from LA	-	3,173	3,173	3,173
Other LA grants	6,112	1,556	7,668	4,295
	<u>6,112</u>	<u>4,729</u>	<u>10,841</u>	<u>7,468</u>
Non-government grants and other income				
Catering income	342,113	-	342,113	312,265
Educational visit and activities	3,659	300,496	304,155	224,345
Other	36,185	49,586	85,771	83,910
	<u>381,957</u>	<u>350,082</u>	<u>732,039</u>	<u>620,520</u>
Total grants	<u>388,069</u>	<u>4,220,174</u>	<u>4,608,243</u>	<u>4,524,441</u>

Colyton Grammar School Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

4 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
Hire of facilities	271	-	271	8,699
Other services	44,266	21,759	66,025	45,266
	<u>44,537</u>	<u>21,759</u>	<u>66,296</u>	<u>53,965</u>

5 Investment income

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
Short term deposits	8,691	161	8,852	22,450
Dividends	1,446	62	1,508	1,472
	<u>10,137</u>	<u>223</u>	<u>10,360</u>	<u>23,922</u>

6 Expenditure

	Non Pay Expenditure			Total 2017 £	Total 2016 £
	Staff costs £	Premises £	Other costs £		
Academy's educational operations					
Direct costs	2,882,482	145,586	653,265	3,681,333	3,608,613
Allocated support costs	<u>761,900</u>	<u>211,858</u>	<u>393,549</u>	<u>1,367,307</u>	<u>1,289,512</u>
	<u>3,644,382</u>	<u>357,444</u>	<u>1,046,814</u>	<u>5,048,640</u>	<u>4,898,125</u>

Colyton Grammar School Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

6 Expenditure (continued)

Net income/(expenditure) for the year includes:

	2017 £	2016 £
Operating lease rentals	28,807	29,185
Depreciation	220,301	309,283
Amortisation of intangible fixed assets	2,380	202
Fees payable to auditor - audit	6,500	6,450
Accountancy services	<u>1,800</u>	<u>-</u>

7 Charitable activities

	Total 2017 £	Total 2016 £
Direct costs - educational operations	3,681,333	3,608,613
Support costs - educational operations	<u>1,367,307</u>	<u>1,289,512</u>
	<u>5,048,640</u>	<u>4,898,125</u>

	Educational operations £	Total 2017 £	Total 2016 £
Analysis of support costs			
Support staff costs	761,900	761,900	693,144
Depreciation	46,056	46,056	60,607
Premises costs	165,802	165,802	202,005
Other support costs	375,671	375,671	317,946
Governance costs	<u>17,878</u>	<u>17,878</u>	<u>15,810</u>
Total support costs	<u>1,367,307</u>	<u>1,367,307</u>	<u>1,289,512</u>

Colyton Grammar School Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

8 Staff

Staff costs

	2017	2016
	£	£
Staff costs during the year were:		
Wages and salaries	2,716,716	2,693,476
Social security costs	255,183	219,140
Operating costs of defined benefit pension schemes	624,948	497,484
	<u>3,596,847</u>	<u>3,410,100</u>
Supply staff costs	22,535	26,100
Staff restructuring costs	25,000	9,342
	<u>3,644,382</u>	<u>3,445,542</u>

Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £25,000 (2016: £Nil).

Staff numbers

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

	2017	2016
	No	No
Charitable Activities		
Teachers	51	51
Education support	15	15
Administration and support	32	32
Management	6	5
	<u>104</u>	<u>103</u>

Colyton Grammar School Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

8 Staff (continued)

Higher paid staff

The number of employees whose emoluments exceeded £60,000 was:

	2017 No	2016 No
£60,001 - £70,000	1	-
£70,001 - £80,000	-	1
£80,001 - £90,000	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 £412,104 (2016: £388,731).

9 Related party transactions - Trustees' remuneration and expenses

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

G Davis (Staff Trustee):

Remuneration: £45,000 - £50,000 (2016 - £45,000 - £50,000)
Employer's pension contributions: £5,000 - £10,000 (2016 - £5,000 - £10,000)

S Burns-Price (Staff Trustee):

Remuneration: £10,000 - £15,000 (2016 - £20,000 - £25,000)
Employer's pension contributions: £0 - £5,000 (2016 - £0 - £5,000)

T Harris (Headteacher):

Remuneration: £80,000 - £85,000 (2016 - £Nil)
Employer's pension contributions: £10,000 - £15,000 (2016 - £Nil)

During the year ended 31 August 2017, travel and subsistence expenses totalling £Nil (2016 - £792) were reimbursed or paid directly to 0 Trustees (2016 - 3).

Other related party transactions involving the Trustees are set out in note 28.

10 Trustees' and officers' insurance

In accordance with normal commercial practice the Academy Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2017 was £704 (2016 - £595). The cost of this insurance is included in the total insurance cost.

Colyton Grammar School Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

11 Intangible fixed assets

	IT Software £	Total £
Cost		
At 1 September 2016	<u>12,102</u>	<u>12,102</u>
At 31 August 2017	<u>12,102</u>	<u>12,102</u>
Amortisation		
At 1 September 2016	202	202
Charge for the year	<u>2,380</u>	<u>2,380</u>
At 31 August 2017	<u>2,582</u>	<u>2,582</u>
Net book value		
At 31 August 2017	<u><u>9,520</u></u>	<u><u>9,520</u></u>
At 31 August 2016	<u><u>11,900</u></u>	<u><u>11,900</u></u>

Colyton Grammar School Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

12 Tangible fixed assets

	Freehold land and buildings £	Furniture and equipment £	Motor vehicles £	Computer equipment £	Plant Machinery and Equipment £	Under Construction £	Total £
Cost							
At 1 September 2016	11,264,284	397,275	31,270	700,123	470,487	171,335	13,034,774
Additions	36,460	13,738	-	28,618	17,354	71,513	167,683
Transfers	171,335	-	-	-	-	(171,335)	-
At 31 August 2017	11,472,079	411,013	31,270	728,741	487,841	71,513	13,202,457
Depreciation							
At 1 September 2016	3,035,127	274,841	11,732	583,493	186,902	-	4,092,095
Charge for the year	145,586	13,617	1,954	29,050	30,094	-	220,301
At 31 August 2017	3,180,713	288,458	13,686	612,543	216,996	-	4,312,396
Net book value							
At 31 August 2017	8,291,366	122,555	17,584	116,198	270,845	71,513	8,890,061
At 31 August 2016	8,229,157	122,434	19,538	116,630	283,585	171,335	8,942,679

Colyton Grammar School Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

13 Investments

	Investments £
Fair value	
At 1 September 2016	647,208
Revaluation	<u>16,059</u>
At 31 August 2017	663,267
Provision	
At 31 August 2017	<u>-</u>
Net book value	
At 31 August 2017	<u><u>663,267</u></u>

The historical cost of these investments was £618,669.

14 Stock

	2017 £	2016 £
Stock	<u>27,301</u>	<u>34,323</u>

15 Debtors

	2017 £	2016 £
Trade debtors	11,480	13,483
Prepayments	116,865	82,773
Gift aid recoverable	5,800	6,146
Accrued grant and other income	29,456	25,169
VAT recoverable	<u>32,677</u>	<u>26,314</u>
	<u><u>196,278</u></u>	<u><u>153,885</u></u>

Colyton Grammar School Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

16 Creditors: amounts falling due within one year

	2017 £	2016 £
Trade creditors	130,739	29,169
Other taxation and social security	66,397	60,706
Other creditors	11,229	29,285
Pension scheme creditor	332	469
Accruals	62,098	15,910
Deferred income	97,696	147,649
Salex energy scheme loan	5,142	5,142
Other capital expenditure	-	146,653
	<u>373,633</u>	<u>434,983</u>

	2017 £
Deferred income	
Deferred income at 1 September 2016	147,649
Resources deferred in the period	97,696
Amounts released from previous periods	<u>(147,649)</u>
Deferred income at 31 August 2017	<u>97,696</u>

At the balance sheet date the Academy Trust was holding funds received in advance for:

Catering income received via ParentPay - £16,660
 Payments for educational visits taking place post year end - £64,271
 EFA Rates for 2017/18 - £16,765

The Energy Scheme loan is a loan of £30,853 from Salix, £15,426 of which has been repaid up to 31 August 2017. The loan is provided on an interest free basis, with the repayment amount projected to be covered by energy efficiency savings over the repayment period of 8 years and 4 months.

The sum of £5,142 included above is the amount repayable within one year.

17 Creditors: amounts falling due after one year

	2017 £	2016 £
Salex energy scheme loan	<u>10,284</u>	<u>15,426</u>

Colyton Grammar School Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

18 Provisions

	MMI Scheme of Arrangement £	Total £
At 1 September 2016	<u>30,008</u>	<u>30,008</u>
At 31 August 2017	<u><u>30,008</u></u>	<u><u>30,008</u></u>

The Academy was notified that the Scheme of Arrangement under section 425 of the Companies Act 1985 (now section 899 of the Companies Act 2006) between Municipal Mutual Insurance and certain of its creditors was triggered on 13 November 2012. Under this scheme, Colyton Grammar School is liable for a maximum payment of £40,010.

Colyton Grammar School Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

19 Funds

	Balance at 1 September 2016 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2017 £
Restricted general funds					
General Annual Grant (GAG)	3,436	3,822,823	(3,779,728)	(43,139)	3,392
Pupil premium	40,266	30,088	(31,426)	-	38,928
16-19 Bursery Fund	20,086	12,874	(12,465)	-	20,495
LA and other grants	3,322	3,173	(6,495)	-	-
General Non-GAG Fund	46,956	54,704	(31,598)	-	70,062
	<u>114,066</u>	<u>3,923,662</u>	<u>(3,861,712)</u>	<u>(43,139)</u>	<u>132,877</u>
Restricted fixed asset funds					
On incorporation	6,265,522	2	(112,938)	-	6,152,586
Dfe / ESFA capital grants	1,589,942	38,100	(46,664)	-	1,581,378
Capital expenditure from GAG	676,096	555	(35,710)	43,139	684,080
Other capital expenditure	506,174	32,000	(27,559)	-	510,615
	<u>9,037,734</u>	<u>70,657</u>	<u>(222,871)</u>	<u>43,139</u>	<u>8,928,659</u>
Other restricted funds					
Colyton educational foundation	41,975	474	-	(4)	42,445
Special purpose fund	74,032	340,560	(414,592)	-	-
Defined benefit pension	(2,022,000)	-	(191,000)	519,000	(1,694,000)
	<u>(1,905,993)</u>	<u>341,034</u>	<u>(605,592)</u>	<u>518,996</u>	<u>(1,651,555)</u>
Total restricted funds	<u>7,245,807</u>	<u>4,335,353</u>	<u>(4,690,175)</u>	<u>518,996</u>	<u>7,409,981</u>
Unrestricted funds					
Unrestricted general funds	608,969	436,759	(347,159)	4,476	703,045
Alumni and friends fund	59,833	25,909	(1,511)	-	84,231
Bradbeer Fund	459,395	25,671	(9,795)	2,596	477,867
Total unrestricted funds	<u>1,128,197</u>	<u>488,339</u>	<u>(358,465)</u>	<u>7,072</u>	<u>1,265,143</u>
Total funds	<u>8,374,004</u>	<u>4,823,692</u>	<u>(5,048,640)</u>	<u>526,068</u>	<u>8,675,124</u>

Colyton Grammar School Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

19 Funds (continued)

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

General Annual Grant:

Funds received from the ESFA under the General Annual Grant arrangements for the recurrent expenditure of the Academy as defined in the Funding Agreement.

Pupil Premium Fund:

Additional funding received from the ESFA to target those students from low income families who need the most in order to raise attainment.

16-19 Bursary Fund:

To support the most vulnerable young people to participate in and benefit from post-16 education and training.

LA and Other Grants

Top-up funding received from the LA for the High Needs Block and other grants received for the purpose of supporting school to school improvement.

General Non-GAG Restricted Fund:

General monies received for restricted educational purposes not forming part of General Annual Grant.

Colyton Educational Foundation:

A separate charity registered with the Charity Commission and under the control of the Trustees of the Academy.

Special Purposes Fund:

Funds received for specific purposes such as income for educational visits and activities and the related expenditure.

Restricted Fixed Asset Fund:

Funds received for the purchase of fixed assets in the following categories:

- On incorporation – fixed assets transferred to the Academy on incorporation
- DfE/EFA Capital Grants
- Capital expenditure from the General Annual Grant (GAG)
- Other capital expenditure – capital donations and capital transfers from unrestricted funds

In addition, the Bradbeer Fund and Alumni and Friends Fund (Unrestricted) has been designated by the Trustees for special purposes agreed by the Board.

Colyton Grammar School Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

20 Analysis of net assets between funds

Fund balances at 31 August 2017 are represented by:

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Intangible fixed assets	-	-	9,520	9,520
Tangible fixed assets	-	-	8,890,061	8,890,061
Current assets	1,265,143	563,680	54,645	1,883,468
Current liabilities	-	(358,350)	(15,283)	(373,633)
Creditors over 1 year	-	-	(10,284)	(10,284)
Provisions	-	(30,008)	-	(30,008)
Pension scheme liability	-	(1,694,000)	-	(1,694,000)
Total net assets	<u>1,265,143</u>	<u>(1,518,678)</u>	<u>8,928,659</u>	<u>8,675,124</u>

21 Financial commitments

Operating leases

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

	2017 £	2016 £
Amounts due within one year	7,141	28,807
Amounts due between one and five years	<u>11,080</u>	<u>18,451</u>
	<u>18,221</u>	<u>47,258</u>

Colyton Grammar School Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

22 Reconciliation of net (expenditure)/income to net cash inflow/(outflow) from operating activities

	2017 £	2016 £
Net (expenditure)/income	(217,880)	48,080
Amortisation	2,380	202
Depreciation	220,301	309,282
Capital grants from DfE	(38,657)	(195,810)
Capital grants from others	(32,000)	(68,000)
Interest receivable	(8,852)	(22,450)
Returns on investments	(1,508)	(1,472)
Defined benefit pension scheme cost less contributions payable	150,000	70,000
Defined benefit pension scheme finance cost	41,000	43,000
Decrease/(increase) in stocks	7,022	(3,376)
(Increase)/decrease in debtors	(42,393)	34,803
(Decrease)/increase in creditors	(61,350)	26,635
(Gains)/losses on investments	(16,059)	(7,690)
Increase/(decrease) in provisions	-	(4,001)
Net cash provided by Operating Activities	<u>2,004</u>	<u>229,203</u>

23 Cash flows from financing activities

	2017 £	2016 £
Repayments of borrowing	<u>(5,142)</u>	<u>(5,142)</u>
Net cash used in financing activities	<u>(5,142)</u>	<u>(5,142)</u>

24 Cash flows from investing activities

	2017 £	2016 £
Dividends, interest and rents from investments	10,360	23,922
Purchase of intangible fixed assets	-	(12,102)
Purchase of tangible fixed assets	(167,683)	(276,164)
Purchase of investments	-	(11,386)
Capital grants from DfE/ESFA	38,657	195,810
Capital funding received from sponsors and others	<u>32,000</u>	<u>68,000</u>
Net cash used in investing activities	<u>(86,666)</u>	<u>(11,920)</u>

Colyton Grammar School Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

25 Analysis of cash and cash equivalents

	At 31 August 2017 £	At 31 August 2016 £
Cash at bank and in hand	<u>996,622</u>	<u>1,086,426</u>
Total cash and cash equivalents	<u><u>996,622</u></u>	<u><u>1,086,426</u></u>

26 Members' liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while 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.

27 Pension and similar obligations

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2017.

Contributions amounting to £(332) (2016 - £(469)) were payable to the schemes at 31 August 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.

Colyton Grammar School Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

27 Pension and similar obligations (continued)

Valuation of the Teachers' Pension Scheme

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

The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to TPS in the period amounted to £278,306 (2016: £277,712).

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

Under the definitions set out in Financial Reporting Standard 102 (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 the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2017 was £152,000 (2016 - £132,000), of which employer's contributions totalled £115,000 (2016 - £99,000) and employees' contributions totalled £37,000 (2016 - £33,000). The agreed contribution rates for future years are per cent for employers and per cent for employees.

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

Colyton Grammar School Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

27 Pension and similar obligations (continued)

Principal actuarial assumptions

	At 31 August 2017 %	At 31 August 2016 %
Rate of increase in salaries	4.20	4.10
Rate of increase for pensions in payment/inflation	2.70	2.30
Discount rate for scheme liabilities	<u>2.60</u>	<u>2.10</u>

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

	At 31 August 2017	At 31 August 2016
Retiring today		
Males retiring today	23.40	22.90
Females retiring today	25.50	26.20
Retiring in 20 years		
Males retiring in 20 years	25.70	25.20
Females retiring in 20 years	<u>27.90</u>	<u>28.60</u>

Sensitivity analysis

	At 31 August 2017 £	At 31 August 2016 £
Discount rate +0.1%	3,200,000	3,089,000
Discount rate -0.1%	3,331,000	3,214,000
Mortality assumption – 1 year increase	3,378,000	3,239,000
Mortality assumption – 1 year decrease	<u>3,156,000</u>	<u>3,066,000</u>

The Academy Trust's share of the assets in the scheme were:

	At 31 August 2017 £	At 31 August 2016 £
Equities	930,000	276,000
Gilts	49,000	37,000
Other bonds	39,000	30,000
Property	137,000	111,000
Cash and other liquid assets	37,000	19,000
Investment funds	<u>379,000</u>	<u>656,000</u>
Total market value of assets	<u>1,571,000</u>	<u>1,129,000</u>

Colyton Grammar School Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

27 Pension and similar obligations (continued)

The actual return on scheme assets was £143,000 (2016 - £137,000).

Amounts recognised in the statement of financial activities

	2017 £	2016 £
Current service cost	(264,000)	(168,000)
Interest cost	(41,000)	(43,000)
Admin expenses	(1,000)	(1,000)
Total amount recognised in the SOFA	<u>(306,000)</u>	<u>(212,000)</u>

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

	2017 £	2016 £
At start of period	3,151,000	2,146,000
Current service cost	264,000	168,000
Interest cost	66,000	82,000
Employee contributions	37,000	33,000
Actuarial (gain)/loss	(224,000)	851,000
Benefits paid	<u>(29,000)</u>	<u>(129,000)</u>
At 31 August	<u>3,265,000</u>	<u>3,151,000</u>

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

	2017 £	2016 £
At start of period	1,129,000	990,000
Interest income	24,000	38,000
Actuarial gain/(loss)	295,000	98,000
Employer contributions	115,000	99,000
Employee contributions	37,000	33,000
Benefits paid	<u>(29,000)</u>	<u>(129,000)</u>
At 31 August	<u>1,571,000</u>	<u>1,129,000</u>

28 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 a member of the Board of Trustees may have 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.

There were no related party transactions in the year, other than certain trustees' remuneration and expenses already disclosed in note 9.

Colyton Grammar School Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

28 Related party transactions (continued)

During the prior year the Academy Trust made the following related party transactions:

Ms Sarah Taylor

(partner of Mr R Stidwell (Assistant Headteacher))

The trust employed Ms Taylor as a part-time Learning Support Assistant and an Entrance Exam Invigilator during the period of account. Ms Taylor was paid at the standard school rates for each post, and contributions to the Local Government Pension Scheme were paid at the standard rate.

Ms Taylor was paid £10,000-£15,000 (2016: £10,000-£15,000) as a part time learning assistant with £0-£5,000 (2016 £0-£5,000) of Employer's contributions made to the Local Government Pension Scheme. Ms Taylor was paid £nil (2016: £0-£5,000) as an entrance exam invigilator.

There was £nil (2016: £0-£5,000) employer's national insurance contributions payable on these amounts.

This arrangement was made at arms' length following the normal recruitment exercises in accordance with the trust's employment regulations, which Mr Stidwell neither participated in, nor influenced. In entering into the transaction the trust complied with the requirements of the EFA's Academies Financial Handbook.

29 Agency arrangements

The trust acts as an agent for the following entities:

(a) Colyton Grammar School Parents' Association

At 1 September 2016 the trust held £15 as an agent for the Colyton Grammar School Parents' Association.

In the accounting period ending 31 August 2017 the trust received £10,242 on behalf of the Colyton Grammar School Parents' Association and passed on £10,187.

A balance of £70 is included in other creditors falling due within one year.

(b) South West Academic Trust

At 1 September 2016 the trust held a balance of £3,778 as an agent for the South West Academic Trust.

In the accounting period ending 31 August 2017 the trust received £3,247 and made payments of £4,753 as an agent for the South West Academic Trust.

A balance of £2,272 is included in other creditors falling due within one year.