

Company Registration No. 07331954 (England and Wales)

**SIR THOMAS RICH'S SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2018**

SIR THOMAS RICH'S SCHOOL

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SIR THOMAS RICH'S SCHOOL

REFERENCE AND ADMINISTRATIVE DETAILS

Members

R A Ogle
A K Bishop
M S R Morgan
I M Birchall
M T Lynch
R Goldsby
I Marshall
J Major
B McBurnie
A S Pilbeam
R J T Powell
B Stiles
J J Wilton
T H Wilton
T R Grogan (Appointed 6 November 2018)
J May (Appointed 8 November 2018)

Trustees

R A Ogle (Chair)
A K Bishop (Vice chair)
M S R Morgan (Headmaster and Accounting Officer)
I M Birchall (Staff trustee)
M T Lynch (Staff trustee)
R Goldsby (Parent trustee)
I Marshall (Parent trustee)
J Major
B McBurnie
A S Pilbeam
R J T Powell
B Stiles
J J Wilton
T H Wilton
T R Grogan (Appointed 6 November 2018)
J May (Appointed 8 November 2018)

Senior management team

M S R Morgan (Headmaster)
C Carter (Deputy headmaster)
D Brake (Assistant headteacher)
P M Daniell (Assistant headteacher)
D Dempsey (Assistant headteacher)

Company secretary

S R Bain

Company registration number

07331954 (England and Wales)

SIR THOMAS RICH'S SCHOOL

REFERENCE AND ADMINISTRATIVE DETAILS

Principal and registered office

Nine Elms Road
Oakleaze
Longlevens
Gloucester
Gloucestershire
GL2 0LF
England

Independent auditor

Baldwins Audit Services
Pillar House
113/115 Bath Road
Cheltenham
Gloucestershire
GL53 7LS

Bankers

Lloyds Bank Plc
19 Eastgate Street
Gloucester
Gloucestershire
GL1 1NU

Solicitors

Harrison Clark Rickerbys LLP
Ellenborough House
Wellington Street
Cheltenham
Gloucestershire
GL50 1YD

SIR THOMAS RICH'S SCHOOL

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2018

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

The principal activity of Sir Thomas Rich's School is to provide education to pupils in the years 11 18 with a broad and balanced curriculum.

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 charitable company operates as Sir Thomas Rich's School.

The trustees of Sir Thomas Rich's School are also the directors of the charitable company for the purposes of company law. Details of the trustees who served during the year, and to the date these accounts are approved, 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

There are no qualifying third party indemnity provisions in place.

Method of recruitment and appointment or election of trustees

The members may appoint up to 14 trustees with no more than three employees of the academy trust (including the Headmaster) appointed as trustees. The term of office for any trustee, other than the Headmaster, is four years. All Trustees are also members of the academy trust. The LA may appoint an LA trustee.

Parent trustees are elected by parents of registered pupils at the academy and should be a parent of a pupil at the academy when elected. If this is not reasonably practical to do so, then they should be a person who is the parent of a child of compulsory school age. The trustees may appoint up to three co opted trustees.

Regard is given to the skills mix of the trustees to ensure that the board of trustees has all the necessary skills required to contribute fully to the academy's development.

The trustees that served during this year are detailed within the reference and administration details of the academy.

No trustee received any remuneration in respect of their duties as trustee from the academy during the year. M S R Morgan was remunerated as Headmaster and I M Birchall was remunerated as an employee of the academy.

Policies and procedures adopted for the induction and training of trustees

Training opportunities are available on an on-going basis and in addition training and induction is provided for new trustees depending upon their existing experience.

SIR THOMAS RICH'S SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Organisational structure

The trustees are responsible for setting general policy, adopting an annual school improvement plan and budget, monitoring the academy and making senior staff appointments. The members also monitor the performance of the senior management team.

The board of trustees meets twice each term to receive reports from its committees and manage its strategic objectives.

During the Academic Year 2017- 2018, The board had four main committees:

- The **Finance, Audit, Risk Management and Health & Safety Committee**, which met termly to consider the annual budget and the management accounts;
- The **Evaluation and Curriculum Committee**, which met twice to consider curricular issues, to review policies and to monitor and evaluate Leadership, Learning and Teaching and Governance;
- The **Personnel Committee**, which met termly to review senior management targets and pay issues. The Personnel Committee also acts as the Pay Review Committee to determine staff salaries, including performance related pay;
- The **Commercial Operations and Premises Committee**, which met termly to review the commercial operations of the Academy and consider issues associated with the site and buildings of the school.

The Board had a further committee The **Admissions Committee**, that met on an ad hoc basis which was concerned with all aspects of pupil admissions.

The day to day management of the academy is delegated to the Headmaster and senior management team.

During the academic year 2017-18 the senior management team consisted of the Headmaster, Deputy Headmaster, Deputy Headteacher and two Assistant Headteachers. The Headmaster is also the Accounting Officer. The extended senior management team also included the Finance Director and the Key Stage 3 Manager.

SIR THOMAS RICH'S SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Arrangements for setting pay and remuneration of key management personnel

Determination of starting salaries

The board of trustees will use the three stage process when setting pay, in line with the STPCD and the DfE Departmental Advice:

Stage One is defining the role and determining the headteacher group,
Stage Two is setting the indicative pay range, and
Stage Three is deciding the starting salary and individual pay range.

In exceptional cases, the board of trustees may decide that the maximum of the pay range may be above the maximum of the headteacher group, up to an additional 25%. If the pay committee decides that the pay range would need to be more than the additional 25%, then it will need to make a business case and seek external independent advice to ascertain whether it is justifiable to exceed the limit in a particular case. The maximum of the Deputy or Assistant Headteachers' pay range must not exceed the maximum of the headteacher group for the school and should only overlap it in exceptional circumstances.

Performance criteria

At the commencement of each school year, the trustees' personnel committee will agree performance criteria for the Headmaster, Deputy Headmasters and Assistant Headteachers for the ensuing year. This will involve ratifying the objectives and targets set by the Headmaster for the Deputy Headmasters and Assistant Headteachers and setting objectives and targets for the Headmaster against which performance will be measured.

Annual review

The annual review of the salaries of the Headmaster, Deputy Headmaster, Deputy Headteacher and Assistant Headteachers will take place during the autumn term and be effective from the previous 1 September. The review will have regard in particular (but not exclusively) to the criteria set out in the School Teachers' Pay and Conditions document. The trustees' decisions and the reasons for the decisions will be notified individually to the Headmaster, the Deputy Headmaster, Deputy Headteacher and Assistant Headteachers.

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the relevant period	2
Full-time equivalent employee number	2.00

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	2
1%-50%	-
51%-99%	-
100%	-

Percentage of pay bill spent on facility time

Total cost of facility time	-
Total pay bill	-
Percentage of the total pay bill spent on facility time	-

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	-
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SIR THOMAS RICH'S SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Related parties and other connected charities and organisations

Sir Thomas Rich's continues to develop its Teaching School Alliance working with Barnwood Park Arts College, Cleeve School and Tewkesbury School. The Alliance is led by Sir Thomas Rich's with Initial Teacher Training ITT, leading professional development and School to School Support as its key foci. Through active participation in the three areas, the school aims to provide a high quality education for our pupils and to remain at the forefront of educational research both addressing regional and national agendas. In order to deliver the Initial Teacher Training, Sir Thomas Rich's works in partnership with the Gloucestershire Initial Teacher Education Partnership GITEP and the Gloucestershire Association of Secondary Headteachers GASH and also supports Adfecto the professional development arm of GASH Ltd to run various professional development opportunities for teachers in schools in Gloucestershire and beyond. The Alliance also works with other teaching school alliances. The academy has continued to support local primary schools in the teaching of science and continued a close link with Milestone (Special) School.

Objectives and activities

Objects and aims

Sir Thomas Rich's aims to develop students with self discipline and resilience, a love of learning, enquiring and creative minds and an appreciation of our heritage. The school aims to realise this through:

The achievement of the highest standards of work

The school encourages and expects students to work to the best of their abilities and to achieve the highest possible academic standards. It offers a broad traditional curriculum, which aims to stimulate students to develop interests and gain understanding and knowledge, commensurate with their abilities.

The achievement of the highest standards of behaviour

The school provides a "small school ethos" in which it knows its students well, in which there is a relaxed and friendly, yet purposeful and disciplined atmosphere. It expects students to show respect for and tolerance of other students and staff. It expects very high standards of behaviour and appearance.

The promotion of a wide range of extra curricular activities

The school provides, and encourages students to take part in, a wide range of extra curricular activities in order to offer enhanced opportunities for learning and achievement, to increase the sense of belonging and pride in being a member of Sir Thomas Rich's and to foster good relationships within the school and the community.

The achievement of the highest standards of support and guidance

We aspire to excel in our provision of teaching, learning opportunities and care so that all pupils are encouraged to have high aspirations and are well supported through excellent pastoral support, academic mentoring and social, moral and spiritual guidance to enable them to achieve their potential. These overarching objectives therefore require the academy:

- to maintain effectiveness by keeping the curriculum and organisational structure under continual review;
- to provide value for money for the funds expended;
- to comply with all appropriate statutory and curriculum requirements; and
- to conduct our business in accordance with the highest standards of integrity, probity and openness.

SIR THOMAS RICH'S SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Objectives, strategies and activities

The academy has clear targets and strategies, which are included in the Annual School Improvement Plan. The plan outlines how we intend to achieve the objectives over the coming year:

Learning and Teaching we shall:

- further develop pupils' independent learning skills and resilience
- embed the importance of coaching so that a 'growth mindset' predominates
- endeavour to provide outstanding pedagogies that inspire pupils to work hard, develop a thirst for learning and ensure that they value academic endeavour

Student Support, Personal Development and Progress:

- enhance our offer of 'early help' through increased training in mental health first aid
- continue to improve careers information and guidance to pupils

Inspiring and Enriching we will endeavour to:

- widen access
- maintain and enhance our reputation for excellence in Sports
- increase opportunities in Expressive Arts

Resourcing we will:

- continue to work to maximise Gift Aid donations from parents through embedding The Development Fund
- look to gain further capital funding, utilising the Condition Improvement Fund and other funding sources such as former pupils and members of staff

To quantify that element which is measurable, our aims for examination success in summer 2019 are:

GCSE

- 100% of students to gain 5 or more GCSEs at grade 4 or above, including English and Maths
- 70% of examination results to be graded 7, 8 and 9
- No grades below a 4

A Level

- 50% of grades to be A and A*
- 80% of grades to be B or above

Equal opportunities

The trustees recognise that equal opportunities should be an integral part of good practice within the workplace. The academy aims to establish equal opportunity in all areas of its activities including creating a working environment in which the contribution and needs of all people are fully valued.

Public benefit

The trustees confirm that they have complied with their duty in Section 4 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission for England & Wales. The trustees have referred to the Charity Commission's general guidance on public benefit when reviewing the trust's objectives and aims and in planning future activities for the year. The academy continues to be at the heart of its community, promoting community cohesion and sharing facilities with other schools and the wider community.

SIR THOMAS RICH'S SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Strategic report

Key performance indicators

At GCE A Level over 70% of the grades were A* to B. 99.8% of the grades were A* E and 90% of A Levels were grades A* C. The most common grade was a B.

At GCSE, 66% of all entries gained grade 7 or A or above. Over 95 boys, in a year group of 119, each gained five or more passes at grades 7 or A and above. Whilst results were strong across all subjects, the percentage of 7,8 and 9 or A*/A grades awarded exceeded 80% in Biology, Mathematics, Design and Religious Studies.

Our students' success in public examinations contributes towards our high reputation and our popularity. We continued to be over subscribed for entry into year 7 and we repeated previous years' very large Sixth Form entry. Over 200 students joined year 12 in September 2017.

Going concern

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

Financial review

The overall revenue surplus for the year was £239,211 after funding capital expenditure of £120,492, resulting in the academy maintaining a good level of funds with unrestricted reserves at £679,752 and restricted reserves of £997,700 before a pension deficit of £1,163,000. At the end of this accounting period the academy carried forward funds of £1,677,452 (2017: £1,438,241), excluding the restricted fixed asset funds and pension reserve.

Income

Most of the academy's income is obtained from the ESFA in the form of recurrent grants, the use of which is restricted for specific purposes. The grants received from the ESFA during the period ended 31 August 2018 and the associated expenditure are shown as restricted funds in the statement of financial activities.

The academy also receives grants for fixed assets from the ESFA. These are also shown as restricted income in the fixed asset fund. The academy was awarded a total of £359,131 for capital projects during the period.

The restricted fixed assets fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

In addition, the academy generates income through the hire of facilities and services, which is included within unrestricted funds.

Expenditure

The running costs of the academy have been as expected for the age of the buildings.

Recent capital work has included refurbishment of science laboratories and upgrading some flooring.

The academy's support staff are entitled to membership of the Local Government Pension Scheme. The academy's share of the deficit has been assessed at £1,163,000.

Future funding is likely to be affected by increased cost pressures associated with human resource. However, it is hoped that the growth of pupil numbers in the year 7 will offset some of the adverse effect of these changes.

The academy will continue to monitor and update its three year financial plan accordingly.

SIR THOMAS RICH'S SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Reserves policy

The academy aims to use its grant funding (restricted funds) along with its various fundraising and business generated income (unrestricted funds) to the full benefit of its students. The trustees considers it prudent to maintain an appropriate level of financial reserves, essential in protecting the academy from financial risk. The current level of reserves of £1,677,452 is considered by the trustees to be sufficient to ensure stability of the academy's operations and to enable the academy to adjust to the turbulence of funding arrangements and ever increasing spending needs to ensure high quality education provision. Reserves are also maintained for both short and long term development plans.

At 31 August 2018 the restricted fixed asset fund was £20,206,417 and this can only be realised by disposal of tangible fixed assets.

Total funds carried forward at 31 August 2018 were £20,720,869, including the pension liability of £1,163,000 and restricted funds of £515,918 which are unavailable for general purposes of the academy trust.

Investment policy

Any surplus income is held within the School's designated bank accounts with Lloyds Bank plc and accrues interest at the designated rate. The School does not invest funds elsewhere or enter into any schemes e.g. equity bonds. It does not have sufficient reserves to enter into any long term secured investments.

Principal risks and uncertainties

The trustees have assessed the major risks to which the trustees have assessed the major risks to which the academy is exposed and these are detailed in the Risk Register. They have implemented systems in order to minimise operational and financial risk. Where significant risks remain, they have ensured they have adequate insurance cover.

The academy is aware of current budgetary issues and continually reviews its costs to ensure a balanced budget.

SIR THOMAS RICH'S SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Fundraising

The academy endeavours to raise money from all available sources in order to augment its funding from central government. This fundraising is both for capital projects and for revenue commitments. The academy is committed to act with fairness, integrity, and in accordance with all applicable laws, adhere to the provisions of applicable professional codes of ethics, standards of practice, etc. cease solicitation of a prospective donor who identifies solicitation as harassment or undue pressure; disclose immediately to the trustees any actual or apparent conflict of interest; and not accept donations for purposes that are inconsistent with the academy's objectives. At all times the academy will endeavour to protect the public, vulnerable people and those with protected characteristics from intrusive approaches. The approach to prospective donors is not unreasonably persistent from donors and prospective donors are entitled to receive the most recent financial statements; and confirmation of the charitable status of the academy.

The academy will endeavour to fundraise from the existing parental body via talks and through occasional email updates, from trust funds and charities with respect to specific projects from alumni and friends of the school and through limited commercial sponsorship opportunities.

The academy will not disclose (except as may be required by statute or law) or make use of information given or obtained in confidence from the donating public or any other source without express prior consent.

The requirements and expectations of donors are respected, especially those relating to any expressed wish to remain anonymous. Money donated for a specific purpose must be used for that purpose. If this is not possible it must be returned within a reasonable timescale unless agreement can be reached on a change of use.

The Finance, Audit, Risk Management and Health & Safety Committee has responsibility for monitoring the fundraising of the academy and receives regular reports from the headmaster and finance director. Additionally, the approach to fundraising is monitored by Mrs J Major, a trustee, who carries out a programme of internal checks.

Complaints regarding fundraising would be considered in line with the academy's complaints policy. There have been no complaints regarding fundraising during the academic year 2017 - 2018.

Plans for future periods

We aim to:

- Embed the importance of coaching in the school so that a growth mindset is a pervasive attitude that empowers pupils to achieve
- Enhance our provision of help to pupils with specific mental health concerns
- Refine the procedures, rewards and sanctions which we use with pupils and embed intervention strategies to support under attaining pupils
- Further relationships with our alumni and other stakeholders encouraging them to maintain their interest in the school and to participate in activities and events
- Maintain and enhance our reputation for excellence in Sports
- Increase opportunities in Expressive Arts
- Widen our reach through greater liaison with communities at home and abroad
- Further promote the 'Development Fund' and 'regular giving'
- Apply for funding from trusts and charitable grants
- Work intensively on the medium and long term financial plan to ensure that the school operates as efficiently as possible
- Maintain a broad and balanced curriculum.

SIR THOMAS RICH'S SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Auditor

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 03 December 2018 and signed on its behalf by:



R A Ogle
Chair

SIR THOMAS RICH'S SCHOOL

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2018

Scope of responsibility

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

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

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of trustees has formally met 6 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustees	Meetings attended	Out of possible
R A Ogle (Chair)	5	6
A K Bishop (Vice chair)	6	6
M S R Morgan (Headmaster and Accounting Officer)	6	6
I M Birchall (Staff trustee)	4	6
M T Lynch (Staff trustee)	5	6
R Goldsby (Parent trustee)	5	6
I Marshall (Parent trustee)	6	6
J Major	5	6
B McBurnie	6	6
A S Pilbeam	6	6
R J T Powell	3	6
B Stiles	6	6
J J Wilton	3	6
T H Wilton	5	6
T R Grogan (Appointed 6 November 2018)		
J May (Appointed 8 November 2018)		

The School enacts a continuous programme of governance review and improvement through the work of the Evaluation Committee, focusing on the following aspects:

- Effective induction of new trustees through a mentored induction programme, a Trustees' Induction Pack and an Introduction to Governance document, with the objective of promoting awareness of trustees' duties and statutory responsibilities;
- Active promotion of a programme of trustee training and development, with a focus on ensuring that Trustees acquire and maintain the necessary skill sets to monitor school performance and hold School management to account;
- Regular reviews of the skills balance of the trustee body and the terms of reference of its committees;
- Monitoring implementation and achievement of the School Improvement Plan;
- Regularly reviewing the performance of the trustee body against the NGA "Twenty One Questions for Governing Bodies" document.

SIR THOMAS RICH'S SCHOOL

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

The finance, audit, risk management and health & safety committee is a sub-committee of the main board of trustees. Its purpose is to:

- monitor that the school's finances are being run in accordance with the agreed Finance Policy statement
- prepare and review Financial Policy statements
- prepare and recommend an annual budget statement for approval by the board of trustees
- monitor expenditure and income against the budget
- receive and consider the audit of the school public and non public funds

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
R A Ogle (Chair)	3	4
A K Bishop (Vice chair)	1	4
M S R Morgan (Headmaster and Accounting Officer)	4	4
M T Lynch (Staff trustee)	4	4
R Goldsby (Parent trustee)	3	4
B McBurnie	3	4
B Stiles	3	4
T H Wilton	4	4

Review of value for money

As accounting officer the headmaster 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 available). The accounting officer for the academy trust has delivered improved value for money during the year by:

Targeted Improvement: Continuing to restructure staffing by removing several posts either after consultation or after resignation and devolving responsibilities to other post holders ensured improved value for money. The staffing structure is deployed to drive school improvement. For example, the academy trust now has only one Deputy Head, whereas four years ago, we had three.

Focus on Individual Pupils: Lunchtime and after school revision sessions targeted at students who need most support. Targeted use of non contact time to ensure students with SEND and others requiring additional support make sustained progress. Pupil premium funding is spent mostly on one to one tuition in line with national research the most effective way to 'close the gap'.

SIR THOMAS RICH'S SCHOOL

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Collaboration: The Trust has continued its partnership with the 6 other grammar schools in Gloucestershire to make the best use of expertise across the group. Furthermore, further collaboration with other secondary schools through GASH (Gloucestershire Association of Secondary Headteachers) and G15 has established economies of scale in the ordering of resources and commissioning of services, for example from 'Infobuzz'. Additionally, the School continues to work with local primary schools and a Special School to give support to their learners.

New Initiatives: Continued increased use of Lettings: The school has worked hard to develop long term letting arrangements with music groups, new community and faith groups and improve its income generation through letting of the swimming pool, sports hall, gymnasium and classrooms at weekends and evenings.

Quantifying Improvements: The standard of students' results at GCSE and A Level continues to improve and rank as outstanding. Attendance is exemplary and above national averages. Pupils' behaviour is often commented upon by others as being outstanding in lessons, during School events and on trips and visits.

Financial Governance and Oversight: The Trust performance continues on a very secure footing since converting to an academy. The emphasis has been on utilising funds to improve the School's buildings and resources, whilst staying within budget and maintaining high educational standards. Extra income has been generated through successful bids to trust funds (such as Gloucester United Charities) and CIF grants. The Full Governing Body (FGB) approves the budget each year and is mindful of the need to balance expenditure against income to ensure the academy is a "going concern".

The FGB receives and approves the Statutory Accounts and External Auditor's Management Report. Additionally, the Trustees' Finance, Audit, Risk Management and Health & Safety Committee meet at least 5 times a year to ensure probity and regularity as well as value for money. The Finance Manager, the Headmaster and the Chair of the Trustees' Finance, Audit, Risk Management and Health & Safety Committee monitor budget reports on a very regular basis. Remedial action is undertaken to address significant variances that may have an impact budget outturn. The Trustees' Finance, Audit, Risk Management and Health & Safety Committee approves variances. The Senior Management Team reviews expenditure within each budget heading 6 times a year and makes adjustments based on an evaluation of the effectiveness of strategies implemented with reference to pupil outcomes, the School Improvement plan and School Development Plan.

The school strives to achieve value for money in all areas of procurement. Services and contracts are regularly reviewed for fitness for purpose. For instance, contracts with energy suppliers and insurers have been secured at highly competitive rates following a full options appraisal. During this year, a new contract with T W Hawkins & Sons has been secured which has vastly improved our grounds maintenance. The decision to move from 'in house' catering via a formal tender process resulted in securing a contract with Innovate Services Ltd who provide us with an excellent, nutritional and popular catering service.

The school continues to be a member of BASS and GSHA this enables us to undertake more rigorous benchmarking against similar organisations in order to ensure we utilise our resources efficiently and provide value for money for the tax payer.

The academy is completely committed to raising student attainment in every respect. Results continue to improve. Further details can be found on the academy's website: www.strschool.co.uk.

The purpose of the system of internal control

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

SIR THOMAS RICH'S SCHOOL

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Capacity to handle risk

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

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the finance, audit, risk management and health & safety 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 board of trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However the trustees have appointed Mrs J Major, a trustee, to carry out a programme of internal checks.

The reviewer's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. In particular the checks carried out in the current period included reviews of:

- purchase order procedures
- controls over use of credit cards
- systems and procedures in place to control petty cash

On a regular basis, the reviewer reports to the board of trustees through the finance, audit, risk management and health & safety committee on the operation of the systems of control and on the discharge of the financial responsibilities of the board of trustees.

The board of trustees consider the internal reviewer function to have been delivered in line with the schedule of works planned. There have been no material control issues arising from the internal reviewer reports thus far.

Review of effectiveness

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

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

SIR THOMAS RICH'S SCHOOL

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the finance, audit, risk management and health & safety committee and a plan to ensure continuous improvement of the system is in place.

Approved by order of the board of trustees on 03 December 2018 and signed on its behalf by:



R A Ogle
Chair



M S R Morgan
Headmaster and Accounting Officer

SIR THOMAS RICH'S SCHOOL

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2018

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

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

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



M S R Morgan
Accounting Officer

03 December 2018

SIR THOMAS RICH'S SCHOOL

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2018

The trustees (who are also the directors of Sir Thomas Rich's School for the purposes of company law) are responsible for preparing the trustees' report and the accounts in accordance with the Annual Accounts Direction issued by the Education & 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 accounts for each financial year. Under company law the trustees must not approve the accounts 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 accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts 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 accounts 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 that grants received from 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 accounts may differ from legislation in other jurisdictions.

Approved by order of the members of the board of trustees on 03 December 2018 and signed on its behalf by:


R A Ogle
Chair

SIR THOMAS RICH'S SCHOOL

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SIR THOMAS RICH'S SCHOOL

FOR THE YEAR ENDED 31 AUGUST 2018

Opinion

We have audited the accounts of Sir Thomas Rich's School for the year ended 31 August 2018 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the accounts, 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, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2018 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018.

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 accounts' section of our report. We are independent of the academy trust in accordance with the ethical requirements that are relevant to our audit of the accounts in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

The other information comprises the information included in the annual report, other than the accounts and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the accounts 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 accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts 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 accounts 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.

SIR THOMAS RICH'S SCHOOL

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SIR THOMAS RICH'S SCHOOL (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the trustees' report including the incorporated strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the accounts 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.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees are responsible for the preparation of the accounts 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 accounts that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the accounts

Our objectives are to obtain reasonable assurance about whether the accounts 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 accounts.

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

SIR THOMAS RICH'S SCHOOL

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SIR THOMAS RICH'S SCHOOL (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Use of our report

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



Nicola Smith (Senior Statutory Auditor)
for and on behalf of Baldwins Audit Services

3 December 2018

Statutory Auditor

Pillar House
113/115 Bath Road
Cheltenham
Gloucestershire
GL53 7LS

SIR THOMAS RICH'S SCHOOL

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO SIR THOMAS RICH'S SCHOOL AND THE EDUCATION & SKILLS FUNDING AGENCY

FOR THE YEAR ENDED 31 AUGUST 2018

In accordance with the terms of our engagement letter dated 15 November 2017 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Sir Thomas Rich's School during the period 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Sir Thomas Rich's School's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Sir Thomas Rich's School's funding agreement with the Secretary of State for Education dated 1 October 2010 and the Academies Financial Handbook, extant from 1 September 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2017 to 2018 issued by 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:

- specific testing of a sample of items of income and expenditure to ensure appropriately applied for the purposes intended;
- specific testing of a sample of system controls relevant to the above items;
- a general review of relevant correspondence with the ESFA regarding academy trust governance matters during the year; and
- a general review and discussion of the academy trust's internal processes for establishing and maintaining systems of control and documentation regarding these matters.

SIR THOMAS RICH'S SCHOOL

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO SIR THOMAS RICH'S SCHOOL AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Conclusion

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



Reporting Accountant
Baldwins Audit Services

Dated: 03 December 2018

SIR THOMAS RICH'S SCHOOL

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2018

	Notes	Unrestricted Funds £	Restricted funds: General Fixed asset £ £		Total 2018 £	Total 2017 £
Income and endowments from:						
Donations and capital grants	5	131,564	6,540	472,631	610,735	269,722
Charitable activities:						
- Funding for educational operations	6	18,717	4,795,964	-	4,814,681	5,009,234
- Funding for teaching schools	26	-	57,650	-	57,650	66,000
Other trading activities	7	139,617	-	-	139,617	141,922
Investments	8	715	-	-	715	733
Total		<u>290,613</u>	<u>4,860,154</u>	<u>472,631</u>	<u>5,623,398</u>	<u>5,487,611</u>
Expenditure on:						
Raising funds	9	90,333	-	-	90,333	93,624
Charitable activities:						
- Educational operations	10	-	4,761,082	622,908	5,383,990	5,386,487
- Teaching Schools	26	-	38,649	-	38,649	65,830
Total	9	<u>90,333</u>	<u>4,799,731</u>	<u>622,908</u>	<u>5,512,972</u>	<u>5,545,941</u>
Net income/(expenditure)		200,280	60,423	(150,277)	110,426	(58,330)
Transfers between funds	18	-	(120,492)	120,492	-	-
Other recognised gains/(losses)						
Actuarial gains on defined benefit pension schemes	20	-	217,000	-	217,000	153,000
Net movement in funds		200,280	156,931	(29,785)	327,426	94,670
Reconciliation of funds						
Total funds brought forward		479,472	(322,231)	20,236,202	20,393,443	20,298,773
Total funds carried forward		<u>679,752</u>	<u>(165,300)</u>	<u>20,206,417</u>	<u>20,720,869</u>	<u>20,393,443</u>

SIR THOMAS RICH'S SCHOOL

BALANCE SHEET

AS AT 31 AUGUST 2018

	Notes	2018		2017	
		£	£	£	£
Fixed assets					
Tangible assets	14		19,803,232		20,197,819
Current assets					
Debtors	15	245,868		111,514	
Cash at bank and in hand		1,996,083		1,487,357	
		<u>2,241,951</u>		<u>1,598,871</u>	
Current liabilities					
Creditors: amounts falling due within one year	16	(161,314)		(122,247)	
Net current assets			<u>2,080,637</u>		<u>1,476,624</u>
Net assets excluding pension liability			<u>21,883,869</u>		<u>21,674,443</u>
Defined benefit pension scheme liability	20	(1,163,000)		(1,281,000)	
Net assets			<u><u>20,720,869</u></u>		<u><u>20,393,443</u></u>
Funds of the academy trust:					
Restricted funds	18				
- Fixed asset funds			20,206,417		20,236,202
- Restricted income funds			997,700		958,769
- Pension reserve			(1,163,000)		(1,281,000)
Total restricted funds			<u>20,041,117</u>		<u>19,913,971</u>
Unrestricted income funds	18		<u>679,752</u>		<u>479,472</u>
Total funds			<u><u>20,720,869</u></u>		<u><u>20,393,443</u></u>

The accounts on pages 24 to 48 were approved by the trustees and authorised for issue on 03 December 2018 and are signed on their behalf by:


R A Ogle
Chair

Company Number 07331954

SIR THOMAS RICH'S SCHOOL

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2018

	Notes	2018 £	£	2017 £	£
Cash flows from operating activities					
Net cash provided by operating activities	21		341,240		352,553
Cash flows from investing activities					
Dividends, interest and rents from investments		715		733	
Capital grants from DfE Group		329,592		22,266	
Capital funding received from sponsors and others		65,500		25,000	
Purchase of tangible fixed assets		(228,321)		(106,708)	
Net cash provided by/(used in) investing activities			167,486		(58,709)
Net increase in cash and cash equivalents in the reporting period			508,726		293,844
Cash and cash equivalents at beginning of the year			1,487,357		1,193,513
Cash and cash equivalents at end of the year			1,996,083		1,487,357

SIR THOMAS RICH'S SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

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

1.1 Basis of preparation

The accounts of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Sir Thomas Rich's School meets the definition of a public benefit entity under FRS 102.

1.2 Going concern

The trustees assess whether the use of going concern is appropriate, ie whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the accounts and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern. Thus they continue to adopt the going concern basis of accounting in preparing the accounts.

1.3 Income

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

Grants

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

General Annual Grant is recognised in full in the statement of financial activities in the period 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.

Sponsorship income

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the statement of financial activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

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.

SIR THOMAS RICH'S SCHOOL

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

1 Accounting policies

(Continued)

Other income

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

Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

Donated fixed assets

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

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and 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 are 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.

1.5 Tangible fixed assets and depreciation

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding that require 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.

SIR THOMAS RICH'S SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

(Continued)

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

Long leasehold land, buildings & improvements	2-5%
Computer equipment	33%
Fixtures & fittings	15-20%
Motor vehicles	25%

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

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

1.6 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 of services it must provide.

1.7 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.

1.8 Leased assets

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

1.9 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. Prepayments are not financial instruments.

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

SIR THOMAS RICH'S SCHOOL

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

1 Accounting policies

(Continued)

Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. 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.

1.10 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.

1.11 Pensions benefits

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes 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 projected unit method. The TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

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

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

1.12 Fund accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the academy trust at the discretion of the trustees.

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

SIR THOMAS RICH'S SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

(Continued)

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Education and Skills Funding Agency, Department for Education, private sponsors and school fund account.

2 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 20, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

SIR THOMAS RICH'S SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

3 Comparative year information

Year ended 31 August 2017	Unrestricted Funds £	Restricted funds:		Total 2017 £
		General £	Fixed asset £	
Income and endowments from:				
Donations and capital grants	179,058	43,398	47,266	269,722
Charitable activities:				
- Funding for educational operations	68,375	4,940,859	-	5,009,234
- Funding for teaching schools	-	66,000	-	66,000
Other trading activities	141,922	-	-	141,922
Investments	733	-	-	733
Total income and endowments	390,088	5,050,257	47,266	5,487,611
Expenditure on:				
Raising funds	93,624	-	-	93,624
Charitable activities:				
- Educational operations	53,101	4,693,201	640,185	5,386,487
- Teaching Schools	-	65,830	-	65,830
Total expenditure	146,725	4,759,031	640,185	5,545,941
Net income/(expenditure)	243,363	291,226	(592,919)	(58,330)
Transfers between funds	(6,854)	(15,924)	22,778	-
Other recognised gains and losses				
Actuarial gains on defined benefit pension schemes	-	153,000	-	153,000
Net movement in funds	236,509	428,302	(570,141)	94,670

4 General Annual Grant (GAG)

Under the funding agreement with the Secretary of State, the academy trust was subject to limits at 31 August 2018 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes.

The academy trust has not exceeded these limits during the year ended 31 August 2018.

SIR THOMAS RICH'S SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

5 Donations and capital grants	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
Capital grants	-	433,631	433,631	22,266
Other donations	131,564	45,540	177,104	247,456
	<u>131,564</u>	<u>479,171</u>	<u>610,735</u>	<u>269,722</u>
6 Funding for the academy trust's educational operations	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
DfE / ESFA grants				
General annual grant (GAG)	-	4,363,327	4,363,327	4,358,973
Other DfE group grants	-	57,604	57,604	47,406
National College grants	-	56,000	56,000	66,000
	<u>-</u>	<u>4,476,931</u>	<u>4,476,931</u>	<u>4,472,379</u>
Other government grants				
Local authority grants	-	-	-	3,472
	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,472</u>
Other funding				
School fund income	-	323,007	323,007	489,985
Teaching Schools (excluding DfE grants)	-	1,650	1,650	-
Other incoming resources	18,717	52,026	70,743	109,398
	<u>18,717</u>	<u>376,683</u>	<u>395,400</u>	<u>599,383</u>
	<u>18,717</u>	<u>4,853,614</u>	<u>4,872,331</u>	<u>5,075,234</u>
Total funding	<u>18,717</u>	<u>4,853,614</u>	<u>4,872,331</u>	<u>5,075,234</u>
7 Other trading activities	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
Hire of facilities and services	139,617	-	139,617	141,922
	<u>139,617</u>	<u>-</u>	<u>139,617</u>	<u>141,922</u>

SIR THOMAS RICH'S SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

8	Investment income	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £	
	Short term deposits	715	-	715	733	
<hr/>						
9	Expenditure	Staff costs £	Non Pay Expenditure		Total 2018 £	Total 2017 £
			Premises £	Other £		
	Expenditure on raising funds					
	- Direct costs	60,207	-	-	60,207	56,028
	- Allocated support costs	-	27,122	3,004	30,126	37,596
	Academy's educational operations					
	- Direct costs	3,116,842	-	646,369	3,763,211	3,870,788
	- Allocated support costs	517,384	889,633	213,762	1,620,779	1,515,699
	Teaching Schools					
	- Direct costs	30,261	-	1,913	32,174	57,235
	- Allocated support costs	5,619	-	856	6,475	8,595
		<u>3,730,313</u>	<u>916,755</u>	<u>865,904</u>	<u>5,512,972</u>	<u>5,545,941</u>
<hr/>						
	Net income/(expenditure) for the year includes:			2018	2017	
				£	£	
	Fees payable to auditor for:					
	- Audit			8,935	9,450	
	- Other services			6,700	6,700	
	Operating lease rentals			8,783	13,147	
	Depreciation of tangible fixed assets			622,908	640,185	
	Net interest on defined benefit pension liability			33,000	28,000	
				<u>690,326</u>	<u>717,482</u>	
<hr/>						
10	Charitable activities			2018	2017	
	All from restricted funds:			£	£	
	Direct costs					
	Educational operations			3,763,211	3,870,788	
	Teaching Schools			32,174	57,235	
	Support costs					
	Educational operations			1,620,779	1,515,699	
	Teaching Schools			6,475	8,595	
				<u>5,422,639</u>	<u>5,452,317</u>	

SIR THOMAS RICH'S SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

10 Charitable activities

(Continued)

	Teaching School	Educational operations	Total 2018	Total 2017
	£	£	£	£
Analysis of support costs				
Support staff costs	5,619	494,214	499,833	420,445
Depreciation	-	622,908	622,908	640,185
Technology costs	-	6,979	6,979	9,744
Premises costs	-	275,508	275,508	241,591
Other support costs	561	182,647	183,208	196,166
Governance costs	295	38,523	38,818	16,163
	<u>6,475</u>	<u>1,620,779</u>	<u>1,627,254</u>	<u>1,524,294</u>

During the year ended 31 August 2017 the academy trust incurred total governance costs of £37,852 included within direct costs of educational operations in the table above.

11 Staff

Staff costs

Staff costs during the year were:

	2018 £	2017 £
Wages and salaries	2,863,585	2,830,349
Social security costs	273,751	278,673
Pension costs	592,977	522,679
Total staff expenditure	<u>3,730,313</u>	<u>3,631,701</u>

Staff numbers

The average number of persons employed by the academy trust during the year was as follows:

	2018 Number	2017 Number
Teachers	69	59
Administration and support	117	90
Management	5	5
	<u>191</u>	<u>154</u>

SIR THOMAS RICH'S SCHOOL

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

11 Staff

(Continued)

Higher paid staff

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

	2018 Number	2017 Number
In the band £60,001 - £70,000	1	1
In the band £80,001 - £90,000	1	1
	<u> </u>	<u> </u>

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £498,814 (2017: £467,856).

12 Trustees' remuneration and expenses

One or more of the trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The headmaster and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of headmaster and staff members under their contracts of employment, and not in respect of their services as trustees.

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

M S R Morgan (Headmaster and Accounting Officer):

- Remuneration £80,000 - £85,000 (2017: £80,000 - £85,000)
- Employer's pension contributions £10,000 - £15,000 (2017: £10,000 - £15,000)

I M Birchall (staff):

- Remuneration £25,000 - £30,000 (2017: £25,000 - £30,000)
- Employer's pension contributions £5,000 - £10,000 (2017: £5,000 - £10,000)

M T Lynch (staff):

- Remuneration £45,000 - £50,000 (2017: £30,000 - £35,000)
- Employer's pension contributions £5,000 - £10,000 (2017: £5,000 - £10,000)

During the year, no trustees received any reimbursement of expenses (2017: £Nil).

Other related party transactions involving the trustees are set out within the related parties note.

13 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 2018 was £251 (2017: £216). The cost of this insurance is included in the total insurance cost.

SIR THOMAS RICH'S SCHOOL

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

14 Tangible fixed assets

	Long leasehold land, buildings & improvements	Computer equipment	Fixtures & fittings	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 September 2017	23,354,962	237,486	205,797	54,700	23,852,945
Additions	120,057	61,441	46,823	-	228,321
At 31 August 2018	23,475,019	298,927	252,620	54,700	24,081,266
Depreciation					
At 1 September 2017	3,246,534	205,331	148,561	54,700	3,655,126
Charge for the year	550,778	40,774	31,356	-	622,908
At 31 August 2018	3,797,312	246,105	179,917	54,700	4,278,034
Net book value					
At 31 August 2018	19,677,707	52,822	72,703	-	19,803,232
At 31 August 2017	20,108,428	32,155	57,236	-	20,197,819

The academy leases land and buildings from Gloucestershire County Council. On conversion the trustees agreed to base their valuation of land and buildings on insurance valuation. This was chosen in favour of having a formal valuation done as the cost of a formal valuation was considered to be onerous compared with the additional benefit derived by the users of the accounts.

Due to the academy buildings being deemed specialist in nature and therefore not traded in an open market, insurance valuation was deemed to be a reasonable estimate of depreciated replacement cost of recognition purposes.

15 Debtors	2018	2017
	£	£
Trade debtors	7,554	-
Other debtors	57,659	48,217
Prepayments and accrued income	180,655	63,297
	<u>245,868</u>	<u>111,514</u>
16 Creditors: amounts falling due within one year	2018	2017
	£	£
Trade creditors	12,492	27,850
Accruals and deferred income	148,822	94,397
	<u>161,314</u>	<u>122,247</u>

SIR THOMAS RICH'S SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

17	Deferred income	2018 £	2017 £
	Deferred income is included within:		
	Creditors due within one year	105,904	59,215
		<u> </u>	<u> </u>
	Deferred income at 1 September 2017	59,215	135,187
	Released from previous years	(59,215)	(135,187)
	Resources deferred in the year	105,904	59,215
		<u> </u>	<u> </u>
	Deferred income at 31 August 2018	<u>105,904</u>	<u>59,215</u>

At the balance sheet date the academy trust was holding funds received in advance in relation to school funds (2017: for School funds and devolved formula capital funding).

SIR THOMAS RICH'S SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

18 Funds

	Balance at 1 September 2017 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2018 £
Restricted general funds					
General Annual Grant (GAG)	408,407	4,363,327	(4,271,367)	(98,585)	401,782
Other DfE / ESFA grants	53,784	57,604	(41,240)	-	70,148
Other government grants	9,509	-	-	-	9,509
Teaching Schools	170	57,650	(38,649)	(19,171)	-
School fund	229,192	323,007	(291,515)	-	260,684
Other restricted funds	257,707	58,566	(57,960)	(2,736)	255,577
Pension reserve	(1,281,000)	-	(99,000)	217,000	(1,163,000)
	<u>(322,231)</u>	<u>4,860,154</u>	<u>(4,799,731)</u>	<u>96,508</u>	<u>(165,300)</u>
Restricted fixed asset funds					
Predecessor school surplus	130,989	-	(3,023)	-	127,966
DfE group capital grants	4,275,266	359,131	(185,325)	-	4,449,072
Capital expenditure from GAG	8,326	-	(29,871)	98,585	77,040
Other grants and donations	334,644	113,500	(43,615)	21,907	426,436
Capital expenditure from unrestricted funds	8,953	-	(1,831)	-	7,122
Donations - capital	15,478,024	-	(359,243)	-	15,118,781
	<u>20,236,202</u>	<u>472,631</u>	<u>(622,908)</u>	<u>120,492</u>	<u>20,206,417</u>
Total restricted funds	<u>19,913,971</u>	<u>5,332,785</u>	<u>(5,422,639)</u>	<u>217,000</u>	<u>20,041,117</u>
Unrestricted funds					
General funds	<u>479,472</u>	<u>290,613</u>	<u>(90,333)</u>	<u>-</u>	<u>679,752</u>
Total funds	<u>20,393,443</u>	<u>5,623,398</u>	<u>(5,512,972)</u>	<u>217,000</u>	<u>20,720,869</u>

SIR THOMAS RICH'S SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

18 Funds

(Continued)

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

The restricted general fund includes GAG and other grants receivable from the ESFA towards the academy trust's educational activities. School funds held in respect of educational visits and events are also included in the restricted general fund.

The restricted fixed asset fund includes amounts receivable from the ESFA in respect of tangible fixed assets held for academy trust use.

The Pension Reserve relates to the academy trust's share of the deficit of the Local Government Pension Scheme overseen by the Local Authority.

Transfers between the GAG fund, School funds and the restricted fixed asset fund relate to asset purchases from these funds.

Under the funding agreement with the Secretary of State, the academy trust was subject to a limit on the amount of GAG that it could carry forward at 31 August 2018. Note 4 discloses whether the limit was exceeded.

SIR THOMAS RICH'S SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

18 Funds

(Continued)

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

	Balance at 1 September 2016 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2017 £
Restricted general funds					
General Annual Grant (GAG)	212,942	4,358,974	(4,147,585)	(15,924)	408,407
Other DfE / ESFA grants	36,506	47,405	(30,127)	-	53,784
Other government grants	6,037	3,472	-	-	9,509
Teaching Schools	-	66,000	(65,830)	-	170
School fund	191,229	489,985	(452,022)	-	229,192
Other income	182,753	84,421	(9,467)	-	257,707
Pension reserve	(1,380,000)	-	(54,000)	153,000	(1,281,000)
	<u>(750,533)</u>	<u>5,050,257</u>	<u>(4,759,031)</u>	<u>137,076</u>	<u>(322,231)</u>
Restricted fixed asset funds					
Predecessor school surplus	134,012	-	(3,023)	-	130,989
DfE group capital grants	4,431,116	22,266	(187,874)	9,758	4,275,266
Capital expenditure from GAG	30,609	-	(28,449)	6,166	8,326
Other grants and donations	366,702	25,000	(57,058)	-	334,644
Capital expenditure from unrestricted funds	6,362	-	(4,263)	6,854	8,953
Donations - capital	15,837,542	-	(359,518)	-	15,478,024
	<u>20,806,343</u>	<u>47,266</u>	<u>(640,185)</u>	<u>22,778</u>	<u>20,236,202</u>
Total restricted funds	<u>20,055,810</u>	<u>5,097,523</u>	<u>(5,399,216)</u>	<u>159,854</u>	<u>19,913,971</u>
Unrestricted funds					
General funds	<u>242,963</u>	<u>390,088</u>	<u>(146,725)</u>	<u>(6,854)</u>	<u>479,472</u>
Total funds	<u>20,298,773</u>	<u>5,487,611</u>	<u>(5,545,941)</u>	<u>153,000</u>	<u>20,393,443</u>

SIR THOMAS RICH'S SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

18 Funds

(Continued)

A current year 12 months and prior year 12 months combined position is as follows:

	Balance at 1 September 2016 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2018 £
Restricted general funds					
General Annual Grant (GAG)	212,942	8,722,301	(8,418,952)	(114,509)	401,782
Other DfE / ESFA grants	36,506	105,009	(71,367)	-	70,148
Other government grants	6,037	3,472	-	-	9,509
Teaching Schools	-	123,650	(104,479)	(19,171)	-
School fund	191,229	812,992	(743,537)	-	260,684
Other income	182,753	84,421	(9,467)	-	257,707
Other restricted funds	-	58,566	(57,960)	(2,736)	(2,130)
Pension reserve	(1,380,000)	-	(153,000)	370,000	(1,163,000)
	<u>(750,533)</u>	<u>9,910,411</u>	<u>(9,558,762)</u>	<u>233,584</u>	<u>(165,300)</u>
Restricted fixed asset funds					
Predecessor school surplus	134,012	-	(6,046)	-	127,966
DfE group capital grants	4,431,116	381,397	(373,199)	9,758	4,449,072
Capital expenditure from GAG	30,609	-	(58,320)	104,751	77,040
Other grants and donations	366,702	138,500	(100,673)	21,907	426,436
Capital expenditure from unrestricted funds	6,362	-	(6,094)	6,854	7,122
Donations - capital	15,837,542	-	(718,761)	-	15,118,781
	<u>20,806,343</u>	<u>519,897</u>	<u>(1,263,093)</u>	<u>143,270</u>	<u>20,206,417</u>
Total restricted funds	<u>20,055,810</u>	<u>10,430,308</u>	<u>(10,821,855)</u>	<u>376,854</u>	<u>20,041,117</u>
Unrestricted funds					
General funds	<u>242,963</u>	<u>680,701</u>	<u>(237,058)</u>	<u>(6,854)</u>	<u>679,752</u>
Total funds	<u>20,298,773</u>	<u>11,111,009</u>	<u>(11,058,913)</u>	<u>370,000</u>	<u>20,720,869</u>

SIR THOMAS RICH'S SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

19 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2018 are represented by:				
Tangible fixed assets	-	-	19,803,232	19,803,232
Current assets	679,752	1,142,198	420,001	2,241,951
Creditors falling due within one year	-	(144,498)	(16,816)	(161,314)
Defined benefit pension liability	-	(1,163,000)	-	(1,163,000)
Total net assets	679,752	(165,300)	20,206,417	20,720,869

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2017 are represented by:				
Tangible fixed assets	-	-	20,197,819	20,197,819
Current assets	479,472	1,050,783	68,616	1,598,871
Creditors falling due within one year	-	(92,014)	(30,233)	(122,247)
Defined benefit pension liability	-	(1,281,000)	-	(1,281,000)
Total net assets	479,472	(322,231)	20,236,202	20,393,443

20 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. Both are multi-employer defined benefit schemes.

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

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

Teachers' Pension Scheme

Introduction

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

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

SIR THOMAS RICH'S SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

20 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)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%

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

The employer's pension costs paid to the TPS in the period amounted to £366,235 (2017: £357,511).

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

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

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 30.7% for employers and 5 - 12% 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.

Total contributions made	2018 £	2017 £
Employer's contributions	160,000	143,000
Employees' contributions	33,000	28,000
Total contributions	<u>193,000</u>	<u>171,000</u>

SIR THOMAS RICH'S SCHOOL

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

20 Pension and similar obligations	(Continued)	
Principal actuarial assumptions	2018	2017
	%	%
Rate of increase in salaries	2.7	2.7
Rate of increase for pensions in payment/inflation	2.4	2.4
Discount rate for scheme liabilities	2.8	2.5
Inflation assumption (CPI)	2.4	2.4
Commutation of pensions to lump sums pre-April 2008	35	35
Commutation of pensions to lump sums post-April 2008	68	68

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

	2018	2017
	Years	Years
Retiring today		
- Males	22.4	22.4
- Females	24.6	24.6
Retiring in 20 years		
- Males	24.0	24.0
- Females	26.4	26.4

Scheme liabilities would have been affected by changes in assumptions as follows:

	2018	2017
	£	£
Discount rate + 0.1%	(62,000)	(58,000)
Discount rate - 0.1%	62,000	58,000
Mortality assumption + 1 year	100,000	96,000
Mortality assumption - 1 year	(100,000)	(96,000)
CPI rate + 0.1%	54,000	49,000
CPI rate - 0.1%	(54,000)	(49,000)

The academy trust's share of the assets in the scheme	2018	2017
	Fair value	Fair value
	£	£
Equities	928,000	809,000
Bonds	282,000	213,000
Cash	27,000	22,000
Property	108,000	79,000
Total market value of assets	1,345,000	1,123,000

The actual return on scheme assets was £65,000 (2017: £106,000).

SIR THOMAS RICH'S SCHOOL

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

		(Continued)	
20	Pension and similar obligations	2018	2017
		£	£
Amount recognised in the Statement of Financial Activities			
	Current service cost	226,000	169,000
	Interest income	(30,000)	(19,000)
	Interest cost	63,000	47,000
	Total operating charge	<u>259,000</u>	<u>197,000</u>
Changes in the present value of defined benefit obligations		2018	2017
		£	£
	At 1 September 2017	2,404,000	2,260,000
	Current service cost	226,000	169,000
	Interest cost	63,000	47,000
	Employee contributions	33,000	28,000
	Actuarial gain	(182,000)	(66,000)
	Benefits paid	(36,000)	(34,000)
	At 31 August 2018	<u>2,508,000</u>	<u>2,404,000</u>
Changes in the fair value of the academy trust's share of scheme assets		2018	2017
		£	£
	At 1 September 2017	1,123,000	880,000
	Interest income	30,000	19,000
	Actuarial gain	35,000	87,000
	Employer contributions	160,000	143,000
	Employee contributions	33,000	28,000
	Benefits paid	(36,000)	(34,000)
	At 31 August 2018	<u>1,345,000</u>	<u>1,123,000</u>

SIR THOMAS RICH'S SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

21 Reconciliation of net income/(expenditure) to net cash flow from operating activities	2018	2017
	£	£
Net income/(expenditure) for the reporting period (as per the Statement of Financial Activities)	110,426	(58,330)
Adjusted for:		
Capital grants from DfE/ESFA and other capital income	(472,631)	(47,266)
Investment income receivable	(715)	(733)
Defined benefit pension costs less contributions payable	66,000	26,000
Defined benefit pension net finance cost	33,000	28,000
Depreciation of tangible fixed assets	622,908	640,185
(Increase)/decrease in debtors	(70,232)	39,922
Increase/(decrease) in creditors	52,484	(275,225)
Net cash provided by operating activities	341,240	352,553

22 Capital commitments	2018	2017
	£	£
Expenditure contracted for but not provided in the accounts	26,250	-

23 Commitments under operating leases

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

	2018	2017
	£	£
Amounts due within one year	7,362	3,145
Amounts due in two and five years	16,421	-
	23,783	3,145

24 Related party transactions

No related party transactions took place in the period of account (2017: None) other than certain trustees' remuneration and expenses already disclosed in note 12.

25 Members' liability

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

SIR THOMAS RICH'S SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

26 Teaching Schools trading account	2018		2017	
	£	£	£	£
Direct income				
Government grants		56,000		66,000
Other income		1,650		-
		<u>57,650</u>		<u>66,000</u>
		<u>57,650</u>		<u>66,000</u>
Direct costs				
Direct staff costs	30,261		57,235	
Technology costs	60		-	
Educational supplies and services	984		-	
Educational consultancy	869		-	
	<u>32,174</u>		<u>57,235</u>	
	<u>32,174</u>		<u>57,235</u>	
Other costs				
Support staff costs	5,619		8,017	
Security and transport	62		357	
Other support costs	499		221	
Share of governance costs	295		-	
	<u>6,475</u>		<u>8,595</u>	
	<u>6,475</u>		<u>8,595</u>	
Total expenditure		(38,649)		(65,830)
Transfers between funds excluding depreciation		(19,171)		-
		<u>(170)</u>		<u>170</u>
Surplus/(deficit) from all sources		<u>(170)</u>		<u>170</u>
Teaching Schools balances at 1 September 2017		170		-
		<u>-</u>		<u>170</u>
Teaching Schools balances at 31 August 2018		<u>-</u>		<u>170</u>