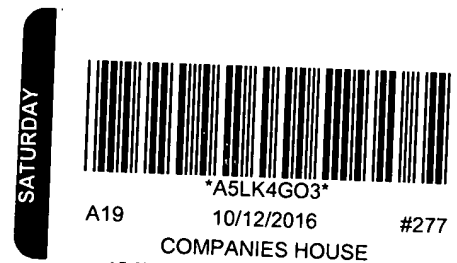


**Sussex Learning Trust**  
**(A Company Limited by Guarantee)**

**Annual Report and Financial Statements**  
**Year ended 31 August 2016**



**Company Registration Number:**  
**07705100 (England and Wales)**

**Sussex Learning Trust**  
**Annual report and financial statements for the year ended 31 August 2016**

<b>Contents</b>	<b>Page</b>
Reference and Administrative Details	1
Directors' Report	3
Governance Statement	20
Statement of Regularity, Propriety and Compliance	25
Statement of Directors' Responsibilities	26
Independent Auditor's Report	27
Independent Reporting Accountant's Assurance Report on Regularity	29
Statement of Financial Activities incorporating Income & Expenditure Account	31
Balance Sheet	33
Cash Flow Statement	34
Notes to the Financial Statements, incorporating:	
Statement of Accounting Policies	35
Other Notes to the Financial Statements	39

**Sussex Learning Trust**  
**Annual report and financial statements for the year ended 31 August 2016**

**Reference and Administrative details**

**Members**

S Carter	H Young
R Tapping	

**Trustees / Directors registered at Companies House**

J Ash-Edwards (Chairman)	J Packham
P Bradbury	J Pearman
M Caidan	R Tapping
E Gunter	P Todd
J Morris	S Watt

<b>Headteacher, CEO &amp; Accounting Officer</b>	J Morris
--	----------

<b>Company Secretary</b>	J Howard
--------------------------	----------

**Senior Management Team – Secondary Academy**

Head of School (Lower)	P Chisholm
Head of School (Upper)	R Stoneley
Assistant Headteacher	R Atwell
Assistant Headteacher	K Fitzgerald
Assistant Headteacher	M Lowney
Assistant Headteacher	N Regan
Assistant Headteacher	N Simmons
Business & Finance Director & Assistant CEO	C Granlund

**Senior Management Team – Primary Academy**

Headteacher WPPA & Assistant CEO	S Davis
Deputy Headteacher	E Walling
Assistant Headteacher	S Gardner

**Sussex Learning Trust**  
**Annual report and financial statements for the year ended 31 August 2016**

**Reference and Administrative details (continued)**

<b>Principal and Registered Office</b>	Broad Street Cuckfield Haywards Heath West Sussex RH17 5DP
<b>Company Registration Number</b>	07705100 (England and Wales)
<b>Independent Auditor</b>	Crowe Clark Whitehill LLP 10 Palace Avenue Maidstone, Kent, ME15 6NF
<b>Bankers</b>	HSBC Bank Plc 38-40 South Road Haywards Heath West Sussex RH16 4LU
<b>Solicitors</b>	Browne Jacobson LLP 15th Floor 6 Bevis Marks London EC3A 7BA

## **Sussex Learning Trust**

### **Annual report and financial statements for the year ended 31 August 2016**

#### **Directors report**

The directors present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2016.

The trust operates one primary and one secondary academy in Mid Sussex. The pupil capacity and number of students on roll as per the January 2016 census is detailed in the table below.

<b>Academy</b>	<b>Pupil capacity</b>	<b>Number on roll (Jan 2016)</b>
Warden Park School	1500	1486
Warden Park Primary Academy	322	298

#### **Structure, Governance and Management**

##### Constitution

Sussex Learning Trust is a company limited by guarantee and an exempt charity. It was established on 14 July 2011. Warden Park Secondary Academy converted to Academy status on 1 September 2011 and Heyworth Primary School joined the Academy Trust on 1 January 2012 changing its name on conversion to Warden Park Primary Academy.

The Charitable Company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust.

The three directors, J Ash Edwards, P Bradbury and S Watt served during the year as trustees for the charitable activities of Sussex Learning Trust Limited and as the directors of the Charitable Company for the purposes of company law. On 26 September 2016, the Trustees and Members approved new articles of association needed to facilitate a governance restructure. The new governance structure is shown on page 1 of this report. The Charitable Company is known as Sussex Learning Trust (SLT). The governors assist both the senior management team and the trustees in the effective management of the school through their involvement both as part of the main board and sub-committees of the board as outlined in the Governance Statement. Trustees are elected from the governing body. Details of the directors who served throughout the year except as noted are included in the Governance Statement.

##### 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.

##### Principal Activities

The principal activities of the Academy Trust are to:

- advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing schools offering a broad and balanced curriculum.
- promote for the benefit of the inhabitants of Haywards Heath and the surrounding area the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of said inhabitants.

## **Sussex Learning Trust**

### **Annual report and financial statements for the year ended 31 August 2016**

#### **Directors report (continued)**

##### Method of Recruitment and Appointment or Election of Directors

Any vacancies for Parent Directors are advertised to the parents and carers of all children attending the appropriate academy. The Board identifies any particular skills that may be of benefit to the Academy Trust and these are included in the call for nominations. Elections are held when the number of nominations exceeds the number of vacancies.

Any vacancies for Staff Directors are advertised to the staff of the appropriate academy. One Staff Director post is reserved for a member of the support staff. Elections are held when the number of nominations exceeds the number of vacancies.

Suitable candidates for the Community Director posts are selected based on eligibility, personal competence and professional skills, which can benefit the Academy, as well as local availability. The Board currently appoints one Community Director able to liaise with West Sussex County Council.

##### Policies and Procedures Adopted for the Induction and Training of Directors

New Directors are inducted into the workings of the Academy Trust at briefing sessions held with the Chairman and Chief Executive Officer. These sessions cover both educational and business matters. Directors are issued with appropriate background material and are subject to a Disclosure and Barring Service (DBS) check. Directors are encouraged to attend both internal and external training sessions organised for the education sector. The Academy Trust subscribes to the Specialist Schools and Academies Trust and the Governor E-Learning (GEL) programme to facilitate this process.

##### Organisational Structure

The Board of Directors constituted under the Memorandum and Articles of Association govern both academies in the Academy Trust (This was a consequence of the need to provide stable governance for the primary academy at a time when the Local Authority had disbanded its former Governing Body. Other schools joining the Academy Trust would normally be expected to retain independent governance within the agreed Academy Trust framework.)

The Board is responsible for ensuring that high standards of corporate governance are maintained. The full Board of Directors meets formally at least six times during the year. Much of the Academy Trust's business is delegated through the following sub-committees.

Secondary Standards Committee (meets 5 times per year). Chair: P Bradbury

- Responsible for educational outcomes, attendance and curriculum at the Secondary Academy.

Resources Committee (meets 6 times per year). Chair: S Watt

- Responsible for staff, premises, resources, finance, business activity, internal & external audit and compliance on a trust wide basis.

Primary Standards Committee (meets 4 times per year). Chair: J Ash-Edwards

- Responsible for educational outcomes, attendance, curriculum and staff organisation at the Primary Academy.

Pastoral & Safeguarding Committee (meets 4 times per year). Chair: R Tapping

- Responsible for reviewing and monitoring all aspects of safeguarding students and staff at both academies including Child Protection policies and practice.

## **Sussex Learning Trust**

### **Annual report and financial statements for the year ended 31 August 2016**

#### **Directors report (continued)**

Staff and Student Discipline Committee (meets as necessary)

- To consider matters appropriate to student and staff discipline such as student exclusions.
- This committee is made up of any three directors based on their availability to meet the time restrictions involved in staff or student discipline matters.

The terms of references for each of these sub-committees have been written and have been accepted by the Board.

In addition to the CEO, senior staff members attend these sub-committees as appropriate but do not have voting rights.

The CEO is appointed by the Directors to manage the day-to-day operations of the Academy Trust in consultation with the Head Teacher of the Primary Academy. In order to facilitate effective operations, the CEO and Business and Finance Director have delegated authority within the terms approved by the Directors for operational matters including educational, finance and employment matters.

The pay and remuneration of key management personnel is set in accordance with the Academy Trust's appraisal and pay policy. The salary range for all staff paid on the leadership spine will take into consideration the provisions of the STPCD together with any broader responsibilities that may be attached to the role. The CEO is responsible for the appraisal and pay awards for key management personnel subject to Trustee review and approval.

#### Related Parties and other Connected Charities and Organisations

The Academy Trust continued to have several successful partnerships with a number of local primary schools where it provided support for French. Support for ICT and Maths has also been made available to some of these schools.

The Academy Trust has also worked successfully with other schools through the Haywards Heath schools' locality network. During 2015/16, the Academy Trust continued to play an active role in the Bentswood Community Partnership (BCP).

These partnerships have enabled the Academy Trust to not only support education for other schools in the Haywards Heath area, but have also brought benefits to the education of the young people at our academies. For example, students at the secondary academy have had many opportunities to develop their leadership and team-building skills through their work with pupils in the primary schools.

During 2015-16, the CEO of the Trust was appointed a National Leader of Education and the WPSA has become a National Support School. This has brought a wide range of CPD opportunities for the CEO and potentially wider staff. The work of an NLE challenges the holder to find ways to support school improvement elsewhere but naturally encourages and stimulates initiatives that benefit the host school. The designation also attracts other schools to consider joining the Trust which naturally brings cost saving and other educational collaborative benefits.

**Sussex Learning Trust**  
**Annual report and financial statements for the year ended 31 August 2016**

**Directors report (continued)**

Objects and Aims

Our mission is summarised by our maxims:

***'The Best from All' and 'Reach for the stars'***

We aim to:

- Provide a happy, safe, secure, healthy, stimulating, well-resourced and caring learning environment for the whole community.
- Meet the needs of all learners including students, adult learners and staff as part of our commitment to inclusion and equal opportunity.
- Challenge all learners to: have high expectations; to broaden their horizons; embrace change; adopt a dynamic approach to their future life plans; achieve the highest standards and celebrate their success.
- Offer a broad, balanced and differentiated curriculum relevant to the needs of our economy in which we celebrate cultural diversity and promote: creativity; a love of learning; independence; confidence; the flexibility needed for a rapidly changing world; international understanding and excellent communication skills.
- Encourage all teachers and support staff to attain the highest standards of teaching and support through high quality professional development and rigorous self-evaluation.
- Promote learners' self-confidence, self-respect, self-esteem, self-discipline and self-motivation in the context of encouraging them to develop their skills and valuing their achievements.
- Develop an awareness of others, in all members of the academy community, this leads to excellent interpersonal relationships and the ability to form friendships appropriately.
- Maintain strong partnerships with families, other schools, colleges and universities in Britain and overseas, local businesses and community organisations to promote excellence and progression in learning.
- Encourage and expect high standards of behaviour based on personal responsibility, good manners and courtesy, mutual respect and the peaceful resolution of conflict.
- Involve learners, families and staff in making a positive contribution to the school and wider community by: encouraging active citizenship; promoting sustainable development and supporting other people locally and overseas who may need our help.



**Sussex Learning Trust**  
**Annual report and financial statements for the year ended 31 August 2016**

**Directors report (continued)**

Objects and Aims (continued)

In order to realise these aims, Directors and staff of the Academy Trust seek to:

- Promote excellence by working in close partnership with families to fulfil the potential of every learner to do their best as individuals and as members of teams.
- Foster the habits that will enable our students to enjoy learning for life.
- Encourage our students to respect themselves, other students, their families and their teachers within a safe, secure and caring environment.
- With the crucial support of families, develop healthy and hard-working young citizens with an international outlook who will play an active, responsible, creative and positive role in the academy and wider community.

Objectives, Strategies and Activities

Below is a summary of the Academy Trust's main priorities for 2015-16.

- Within 2 years both academies will be deemed 'outstanding' because of student achievement, behaviour & safety, leadership & management and teaching
- More schools will have joined to widen the impact and importance of the Trust locally and nationally
- We will be understood as a local Trust operating for the benefit of all children in the area
- We will be at the heart of collaboration within mid-Sussex and West Sussex schools helping to shape and deliver improvements for the children of the area
- The Quality of Teaching will be at least good or better
  - 55% 'outstanding'
  - Development of 'growth mindset' thinking across the schools
  - Flexible differentiation is standard
  - Questioning skills increase independence
  - Pupils involved with their own progress tracking
  - CPD for the teachers led by the teachers
- Attainment & Inclusion – for those children at risk of exclusion
  - Improve impact of interventions
  - Children will make at least expected progress
  - The trend will revert to continuing a 'closing of the gap' in attainment between PP pupils and non-PP pupils
- Attendance & behaviour for learning
  - 95.25% + attendance each term
  - Reduction of pupils with less than 85% attendance
  - Improved punctuality
  - Increase student voice and its impact
- Curriculum & Assessment
  - Curriculum meets the needs of our demographic and national expectations
  - We will establish new methods of assessment post NC levels
  - Encourage parents to become more involved in learning

## **Sussex Learning Trust**

### **Annual report and financial statements for the year ended 31 August 2016**

#### **Directors report (continued)**

##### Objectives, Strategies and Activities

- Progress
  - Students are set targets that will ensure they exceed national expectations
  - All students will make at least good progress from early years to KS 2 (primary) and KS2 to KS4 (secondary)
- Achievement
  - Students are supported to achieve their full potential in all subjects
  - Opportunities are provided to students to support and enhance their learning
- Learning
  - Students learning experiences are engaging and enhanced by ICT
  - Parents and students engage with learning in and out of school
  - All programmes of study will be differentiated and will excite and engage all learners
  - Technology will be used to enhance learning and promote independence and e-confidence
- Facilities
  - Deliver an all-weather pitch at the secondary academy for curriculum and leisure purposes of the students and the wider community
  - Work with WSCC on the expansion of Warden Park Primary to deliver high quality learning environment

##### Public Benefit

The Directors confirm that they have complied with their duty in Section 4 of the Charities Act 2006 to have due regard to public benefit guidance published by the Charity Commission for England & Wales. Directors have referred to the guidance in the Charities Commission's general guidance on public benefit when reviewing the Academy Trust's objectives and aims and in planning future activities for the year. Directors consider that the Academy Trust's aims are demonstrably to benefit the public, as the academies within the Trust meet the educational needs of young people living in the areas appropriately designated by the Local Authority and the needs of other young people who meet the agreed admission criteria should further places be available.

The Academy Trust includes a primary academy formerly in an OFSTED special measures category and engages in activities to support this academy and its wider community which is one of the most economically challenged neighbourhoods in the Mid-Sussex area.

Furthermore, the Academy Trust supports the teaching of French in a number of other local primary schools.

The Academy Trust has strengthened its links with other local schools through the Haywards Heath schools' locality network.

## **Sussex Learning Trust**

### **Annual report and financial statements for the year ended 31 August 2016**

#### **Directors report (continued)**

##### **Strategic report**

##### Achievements and performance for the year ended 31 August 2016

##### Governance and consolidating the Academy Trust

- Trust values and aims are thoroughly embedded. As other schools approach us to enquire about joining the Trust we are able to continually reassess our values and aspirations and ensure we remain compliant with all legislation and policy.
- Warden Park Primary Academy is well established in its community and making significant improvements to the outcomes and opportunities for its pupils. In 2015 the school received its first overall 'good' from OFSTED. This was a significant step for the school, community and the Trust and the Academy is making rapid progress towards an 'outstanding' judgement at the next inspection.
- Academy freedoms have been exercised with respect to setting and reviewing our admissions policies.
- The policy review process is up-to-date ensuring stakeholders are continually reviewing policy & practice reflects the needs of our students and the educational and safe-guarding 'landscape'. The Trustees are working on ensuring our policies are 'future proof' as it appears the Trust will expand in the near future.
- Although the changes were not made until the following financial year, it was agreed that the governance structures of the Trust would be re-configured in accordance with the latest DfE requirements. Following the changes, there are 5 members, 11 Trustees and individual Local Governing Bodies for each academy.
- The Trustees and Governors are content that safeguarding arrangements are exemplary, including the duties to address radicalisation and terrorism.

##### Community

- The Trust continues to take a role in the Bentswood Community Association and WPPA continues to be widely used for community use.
- The CEO and Head of WPSA sits on the steering group for Haywards Heath Dementia Awareness campaign and there are excellent relationships with local support groups who run sessions or students surrounding deepening societal understanding into dementia.
- Partnerships with families at both academies are strong.
- Staff from the primary academy continue to play a significant role in supporting the collaborative work of the Haywards Heath group of primary schools. This has including hosting training activities for staff from other schools. Likewise the Secondary enjoys excellent links with many schools in West Sussex for shared CPD opportunities.

##### Admissions

- The secondary academy is at capacity and early indications for 2017 suggest we will continue to be significantly over-subscribed.
- Pupil numbers are well in advance of expectations at the primary academy. It is increasingly the school of choice within its community.

## **Sussex Learning Trust**

### **Annual report and financial statements for the year ended 31 August 2016**

#### **Directors report (continued)**

##### Standards of teaching and learning

- There have been marked improvements in achievement and attainment at the primary academy. The 'good' from OFSTED in the Summer Term 2015 was the first the school had received in decades. Leaders have taken the right actions so that teaching has improved significantly and many pupils are making rapid progress.
- At the secondary academy, attainment has improved in some significant areas with the proportion of students qualifying for the English Baccalaureate at a record high of 53% (second highest in West Sussex). Grades A\*-C for English rose to 89% whilst Maths attainment remained high at 85% A\*-C. The percentage of students achieving A\*-C in English AND maths was 82% (Highest in West Sussex) The 'old' headline figure of percentage of students achieving 5 A\*-C including English and Maths rose by 4% to 78%, this has risen by 14% in the last 3 years.
- Sporting and artistic achievements are outstanding at the secondary academy. A huge improvement to already good facilities is a full size 3G all weather pitch which is available to use from Autumn 2016. Through collaboration with West Sussex County Council, the Trust is rapidly improving sporting opportunities for our primary academy through the provision of an all-weather multi-use games area. An extensive programme of enrichment activities is in place in both academies and is proving popular with learners.

##### Financial health

The financial health of the Trust remains sound particularly given the context of the national educational funding environment and the factors specific to the Trust outlined below.

- **Reserves**  
The Trust started the year with a strong reserves position. A portion of the reserve has been utilised to boost attainment and maintain reputation in response to educational demand-led pressures. Given the national funding position and the challenges of the increasing staff cost base, it will be necessary for those reserves to be used very carefully whilst awaiting the outcome of the Fairer Funding review which has now been delayed to 2018.
- **Expansion of Warden Park Primary academy**  
The significant improvements in the performance of Warden Park Primary academy since conversion have resulted in a very positive impact on pupil numbers with increases in reception numbers and in year admissions. An increase in Pupil Admission Numbers (PAN) has been agreed in conjunction with WSCC. The EFA per pupil funding allocation is provided on a lagged basis using census data from the previous academic year. Some growth funding has been provided by WSCC during 2015-16 but this has not fully compensated for the shortfall in EFA funding that Warden Park Primary Academy has suffered as a result of the rapid growth in pupil numbers. Consequently it has been necessary for the Trust to support the Primary Academy during 2015-16.

Based on current projections, it is anticipated that the issue of lagged funding will continue to be a challenge for 2016-17. In the medium term, the increase in the Warden Park Primary Academy PAN will re-enforce the financial stability of the Primary Academy and contribute to the financial health of the Trust.

£2.1m has been committed by WSCC to facilitate the transformation of the Primary Academy into a two form entry academy. This significant project will be completed by Spring 2017.

## **Sussex Learning Trust**

### **Annual report and financial statements for the year ended 31 August 2016**

#### **Directors report (continued)**

##### Achievements and performance for the year ended 31 August 2016 (continued)

- Best use of resources and maximising income  
The Trust has continued to focus on ensuring value for money in all activities undertaken by maximising income and controlling costs as outlined in the Value for Money section of the Governance report.

##### Pupil Premium

Our use of Pupil Premium across the Academy Trust is consistent with the Department for Education's aim to eliminate barriers to learning and achievement based on home circumstances.

The Trust has fully engaged with the principles of Pupil Premium funding and has embedded those principles in planning and monitoring of attainment to ensure that these funds have the desired impact. Our Inclusion Manager is our 'Pupil Premium Champion' who structures and secures personalised intervention plans for students.

During the academic year 2015/16, Pupil Premium funding was used to ensure that young people:

- Had access to the resources they needed for learning both at home and at school, including a subsidised iPad
- Benefitted from a raft of intervention strategies, i.e. smaller class sizes in core subjects where progress was a concern, personal or small group tuition in English and / or maths in cases where they were underachieving
- Received enhanced emotional and pastoral support including mentoring

Full details of Pupil Premium grant expenditure, impact of the strategy and the strategy for 2016-17 can be found on the Trust website.

#### **Key Performance Indicators**

##### Primary

This is a school which continues to improve. Leaders have taken the right actions so that teaching has improved significantly and many pupils are making rapid progress. Pupils get off to a much better start than they did in the past. The quality of provision is ensuring pupils are much better prepared for the next steps in their education. Teachers are committed to continuing the school's improvement journey. The school is good at identifying gaps in pupils' knowledge and skills and providing additional support or, in the early years, direct teaching to fill these gaps.

Inspection evidence shows that pupils are being challenged in most lessons, with work in books showing good progress over time. More pupils are now reaching attainment levels, particularly in reading and mathematics in Key Stage 1. The most able pupils are challenged across the curriculum to think more deeply and produce a high standard of work.

While there remains a legacy of underachievement, particularly in the Y6 outcomes, the progress which pupils are making throughout the school is good or better.

Pupils from different ethnic groups, and boys and girls, make similar progress to each other throughout the school. Where the performance of a particular group dips, or a group outperforms their peers, this only appears in one year group and no overall pattern exists to suggest any group is performing significantly differently to others. Pupils with special educational needs make good progress because they are usually well supported in class through the additional help and support they receive. Additional reading and phonics sessions are proving particularly useful in helping these pupils become competent readers and writers.

## Sussex Learning Trust

### Annual report and financial statements for the year ended 31 August 2016

#### Directors report (continued)

##### Key Performance Indicators (continued)

Pupil premium funding is being used effectively to accelerate the progress of eligible pupils. This improvement is noticeable across the school, with these pupils making very convincing progress.

##### Quantifying Improvements

###### Key Stage 2

- Pupils make consistently strong progress in reading and maths, developing secure knowledge, understanding and skills, considering their different starting points.
- In reading and maths, for pupils who have special educational needs and/or disabilities, progress is above average.
- Gaps are closing overall, but some pupil progress is uneven over time.
- The school meets the floor standard for progress as the school achieves sufficient progress scores in all three subjects (at least -5 in English reading and -5 in mathematics and -7 in English writing).
- There is a continuing legacy of underachievement evident in 2016 Key Stage 2 data. This means that, despite the accelerated progress made by many children, the cohort in Y6 left with some remaining underachievement.
- Attainment in reading was above 2016 national figures, in maths was broadly in line and attainment in writing was well below national figures (but mirroring a poor picture of writing attainment in West Sussex). The increased expectations of Y6 writers, particularly in regards of spelling, punctuation and grammar impacted negatively on the standards of attainment and progress in writing.
- Progress in reading and maths was above national figures.
- The combined reading, writing and maths attainment was as predicted but is low. This data is in line with other sponsored academies nationally and with other schools in the same IMD and IDACI groups. This is a particularly low-attaining cohort, with attainment at KS1 being significantly below national average.

Attainment	Reading	Writing	Maths	Reading, Writing & Maths
	EXS	EXS	EXS	EXS
2016	71.5%	51.3%	64.1%	41%

###### Key Stage 1

- Pupils make consistently strong progress, developing secure knowledge, understanding and skills, considering their different starting points.
- The progress of disadvantaged pupils and pupils who have special educational needs and/or disabilities currently on roll is close to or is improving towards that of other pupils with the same starting points.
- In reading, writing and maths, the progress from different starting points of the very large majority of disadvantaged pupils is similar to or improving in relation to other pupils nationally.
- In terms of RWM combined attainment, the progress of disadvantaged pupils is above average, as the gap between disadvantaged pupils and national other (10% - 50%/60%) is smaller than the national gap (14% - 44%/60%).
- The attainment of almost all groups of pupils is broadly in line with national averages, if below these, it is improving rapidly.

Attainment	Reading	Writing	Maths	Reading, Writing & Maths
	EXS	EXS	EXS	EXS
2016	63.4%	58.5%	65.9%	53.7%

**Sussex Learning Trust**  
**Annual report and financial statements for the year ended 31 August 2016**

**Directors report (continued)**

**Key Performance Indicators (continued)**

**Y1 Phonics Check**

- In terms of the teaching of phonics, pupils are well prepared for the next stage of their education.
- A very large majority of pupils in Year 1 achieve the expected standard in the national phonics check.

**Early Years**

- Children make at least typical progress and most children make progress that is better than this from their starting points. This includes children who have special educational needs and/or disabilities, disadvantaged children and the most able. Children develop the key skills needed to make a positive start to the next stage of their education.
- Where children's starting points are below those of other children of their age, assessment shows they are catching up quickly.

The Early Years provision is much stronger than it has been in the past and, as a result, children are better prepared for Key Stage 1. The proportion of pupils achieving a good level of development (GLD) has increased by 46% since 2014 to 60%. Children make very good progress during the Reception year from very low starting points on entry to school.

The Early Years Leader has high expectations and their work to improve the setting and the quality of teaching has been impressive. Adults have high expectations of children, both when they are learning through play and when they are taking part in adult-led activities. Adults are tireless in their support of children's social skills, and support children as they play by encouraging them in their talking and decision making. Adult-led sessions are focused on developing important academic skills, and more formal classroom activities are pitched well so children enjoy learning and understand the way they need to behave in the classroom

**Secondary**

2016 headline examination results demonstrated a 4% increase on 2015 and 14% since 2013.

**Quantifying Improvements**

% 5 A\*-C including English & Maths

- 2013 64%
- 2014 68%
- 2015 74%
- 2016 78%

% of students achieving A\*-C in English and maths 82% (highest in West Sussex)

% of students achieving Ebacc 53% (second highest in West Sussex)

**Sussex Learning Trust**  
**Annual report and financial statements for the year ended 31 August 2016**

**Directors report (continued)**

**Key Performance Indicators (continued)**

**Progress 8 - score of +0.14**

Progress 8 (P8) scores measure the academic progress a student makes in their 'best 8' subjects which have to include core subjects such as English, Maths and Science. When a student makes expected progress their P8 score will be 0, with the range effectively spanning -0.8 to just over 1. It is a relative score, i.e. it reflects student progress across the country. Therefore, 0.14 is a positive score for the school and means that our students made more than expected progress.

**Attainment 8 B-**

Attainment 8 (A8) measures the average GCSE point score across a student's 'best' 8 GCSE results. These have to include core subjects. Our A8 score of 56.54 (equating to a B-) is significantly above the national score of 49.34.

**Levels of progress**

English

- 2014 60% made expected progress; 30% made more than expected progress
- 2015 80% made expected progress; 43% made more than expected progress
- 2016 90% made expected progress; 50% made more than expected progress

Maths

- 2014 82% made expected progress; 42% made more than expected progress
- 2015 81% made expected progress; 44% made more than expected progress
- 2016 83% made expected progress; 45% made more than expected progress

Attendance

- 2014 – 94.66%
- 2015 – 95.18%
- 2016 – 95.45%

Going Concern

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



## **Sussex Learning Trust**

### **Annual report and financial statements for the year ended 31 August 2016**

#### **Directors report (continued)**

##### Reserves Policy

Directors have approved a plan to work towards holding a reserve of £300,000 at the end of 2016/17. This level of reserve will allow the Trust to undertake some development activity, manage funding uncertainty and provide some security against unexpected issues or events. At 31 August 2016, the Restricted General Fund had a deficit balance of £2,787,000 (2015: £1,362,000). The deficit has arisen as a result of recording the liability in respect of the Local Government Pension Scheme deficit of £2,613,000 (2015: £1,415,000) and the underfunding particularly in respect of WPPA. For its own purposes, the Academy Trust excludes the FRS102 Section 28 calculated liability when calculating free reserves but has given careful consideration to the cash flow implications that may arise from the accounting disclosure in terms of increased contributions.

The Academy Trust has £689,000 in the Unrestricted General Fund as at 31 August 2016. This reserve has been generated over a number of years through academy commercial activity such as catering and letting and from fundraising activities. This fund is freely available for its general purposes and has been held as an accumulating fund for major capital projects to enhance teaching and learning facilities in accordance with the Academy Development Plan as well as supporting core activities in the current funding environment.

##### Investment Policy

In the year ended 31 August 2016, higher interest deposit accounts have been used to achieve a more favourable return on funds where appropriate.

##### Risk Management

The Directors have assessed the major risks to which the Academy Trust may be exposed, in particular those relating to pupil numbers, educational outcomes, the development of our facilities and finance. Directors have implemented a number of systems to assess and mitigate the risks that the Academy Trust faces in relation to all the areas mentioned above.

As part of a long term strategic approach to risk management; the Directors have developed and will maintain a risk register identifying the major areas of risk to which the Academy Trust and its member academies are exposed. The register identifies actions and procedures to mitigate those risks. This register is being developed and monitored by the CEO, Business and Finance Director, Head of Finance and by Directors of the Board via the Resources and Standards committees. The principal risks facing the Academy Trust at a strategic level are outlined below in the principal risks and uncertainties section; those facing the Academy at an operational level are addressed by its systems and by internal financial and other controls; for further details see the Governance Statement below.

## Sussex Learning Trust

### Annual report and financial statements for the year ended 31 August 2016

#### Directors report (continued)

##### Principal risks and uncertainties

The risks below are risks faced by independent Academy Trusts and are not specific to Sussex Learning Trust.

##### External

- Changes in Government policy with respect to academies.
- Reductions in Government spending (such reductions would be likely to apply in a similar way to all schools).
- Demographic changes affecting the number of children requiring educational provision in the Mid-Sussex area.
- Neighbouring schools increasing their roll.
- More academies opening in Mid-Sussex with better facilities - possibly sponsored by large organisations.

##### Legal

- Operating outside the Academy Trust's charitable objects.
- Health and safety infringements.
- Falling foul of employment law.

##### Governance

- Directors acting in their own interests and not in the interests of the Academy Trust.
- The Board as a whole lacking the skill set required to run the Academy Trust successfully.
- Management information being insufficiently robust for effective decision making.
- Failure to respond to changes in external compliance requirements.

The Directors have identified the following potential risks and uncertainties as applying specifically to the Sussex Learning Trust:

- **Falling rolls.** This is seen to be highly unlikely. Response to the conversion to academy status has showed no diminution in student and parental enthusiasm at the Secondary Academy and a marked increase in local support for the Primary Academy. In September 2016, the Secondary Academy continued to demonstrate a highly successful recruitment programme to year 7 and was significantly oversubscribed. Interest is strong for September 2017 admissions. The Secondary Academy's increased control over its admissions is leading to efficiencies and optimisation of its roll. Numbers in the Primary Academy are increasing ahead of expectations.

The popularity of a school reflects the success, or otherwise, of its students. 2016 saw the Academy students attaining the highest percentage of 'basics', i.e. A\*-C in English and Maths at 82%. This was the highest attainment in West Sussex. Almost as impressive was the Ebacc score of 53% which was the second highest ranking in County. Progress was positive at a P8 score of 0.14. 90% of students made expected levels of progress in English whilst 50% made better than expected progress. In Maths the corresponding outcomes were 85%/45%. 2016 outcomes were very positive for the Academy. The Primary Academy has made further good progress in the achievement of pupils, particularly in the Early Years and Key Stage 2. These outcomes are seen to be secure for the future and likely to improve further.

- **Branding/reputation.** Our reputation remains strong as evidenced by high and increasing levels of interest and applications at both academies.

## Sussex Learning Trust

### Annual report and financial statements for the year ended 31 August 2016

#### Directors report (continued)

##### Principal risks and uncertainties (continued)

- **Decrease in income affecting provision.** Given the UK public sector economic outlook, political and policy uncertainty, changes in NI and pension contribution rates and changes in formula funding, there is considerable uncertainty over funding levels in the near future. The budget strategy for 2016/17 provides for some contingency against unwelcome future developments but this remains a key area of risk and focus for management and board of directors
- **Lagged funding.** As outlined in the financial health section above, lagged funding represents a significant risk and challenge to the Primary Academy.

##### **Financial risks**

- **Bank balances and investments.** There is no significant risk other than a financial institution ceasing to trade. The Academy is therefore seeking a prudent spread for future investment over a number of very reliable and / or government-backed institutions.
- **Bad debts.** There are no material debtors which are not government backed institutions.
- **Credit rating.** The Academy Trust's credit rating is not in jeopardy and there has been no need as yet for advanced credit facilities since conversion.
- **Cashflow.** If the funding position does not improve, there will be increasing pressure on academy cashflow in future years which will require careful management.

Effective risk management involves three types of action:

##### **Transferring the risk**

Insurance is a means of transferring those risks the Academy decides not to accept. It limits the Trust's exposure to risk but it is not a substitute for active risk management. To the extent that the Trust manages its risks effectively, its insurance premiums will be lower, providing better value for money.

##### **Reducing the probability of risk**

The Academy will seek to identify the risks to Trust funds, property and people using their premises, collect them in a risk register and assess the potential frequency and severity of each risk, where possible based on careful analysis or recent experience. Action will be taken to prevent or reduce the probability of risk, particularly of those risks identified as high frequency and/or high severity.

##### **Limiting the impact of risk**

The Trust will continue to complete and review the risk register as a formal record of problems that could occur in the future which will impact on day to day operations.

Effective monitoring of Academy Trust operations by the Directors and leadership teams in each academy will contribute to mitigate risks. This monitoring includes an annual review of the Risk Register and adhoc reporting of newly identified risks.

The Academy Trust will continue to develop an Emergency / Critical Incident Procedure aimed at both protecting personal health and safety and minimising the disruption to normal operations that an unforeseen emergency would cause. Where necessary, the Academy Trust will continue to develop contingency plans for particular risks identified as high frequency and/or high severity.

The Academy Trust operates systems, including operational procedures and internal financial controls in order to minimise risk.

## **Sussex Learning Trust**

### **Annual report and financial statements for the year ended 31 August 2016**

#### **Directors report (continued)**

##### **Limiting the impact of risk (continued)**

The key controls used by the Academy Trust include:

- formal agendas for all Directors' meetings
- detailed terms of reference for all committees
- formal written policies that are subject to regular and systematic review
- strategic planning, budgeting and management accounting according to a rigorous agreed timetable
- clear authorisation and approval levels as well as clearly defined purchasing guidelines.

##### Plans for the future

The Academy Trust produces a detailed annual improvement plan. This is available on request.

Below is a summary of the Academy Trust's main priorities for the coming year.

1. Within 2 years both academies will be deemed 'outstanding' because of student achievement, behaviour & safety, leadership & management and teaching
2. More schools will have joined to widen the impact and importance of the Trust locally and nationally. We have bid to open a free school (primary) for 2019.
3. We will be understood as a local Trust operating for the benefit of all children in the area
4. We will be at the heart of collaboration within mid-Sussex and West Sussex schools helping to shape and deliver improvements for the children of the area
5. The Quality of Teaching will be at least good or better
  - a. 55% 'outstanding'
  - b. Development of 'growth mindset' thinking across the schools
  - c. Flexible differentiation is standard
  - d. Questioning skills increase independence
  - e. Pupils involved with their own progress tracking
  - f. CPD for the teachers led by the teachers
6. Attainment & Inclusion – for those children at risk of exclusion
  - a. Improve impact of interventions
  - b. Children will make at least expected progress
  - c. The trend will revert to continuing a 'closing of the gap' in attainment between PP pupils and non-PP pupils
7. Attendance & behaviour for learning
  - a. 95.25% + attendance each term
  - b. Reduction of pupils with less than 85% attendance
  - c. Improved punctuality
  - d. Increase student voice and its impact
8. Curriculum & Assessment
  - a. Curriculum meets the needs of our demographic and national expectations
  - b. We will embed the new methods of assessment post NC levels
  - c. Encourage parents to become more involved in learning
9. Progress
  - a. Students are set targets that will ensure they exceed national expectations
  - b. All students will make at least good progress from early years to KS 2 (primary) and KS2 to KS4 (secondary)
10. Achievement
  - a. Students are supported to achieve their full potential in all subjects
  - b. Opportunities are provided to students to support and enhance their learning

## **Sussex Learning Trust**

### **Annual report and financial statements for the year ended 31 August 2016**

#### **Directors report (continued)**

##### Plans for the future (continued)

###### 11. Learning

- a. Students learning experiences are engaging and enhanced by ICT
- b. Parents and students engage with learning in and out of school
- c. All programmes of study will be differentiated and will excite and engage all learners
- d. Technology will be used to enhance learning and promote independence and e-confidence

###### 12. Facilities

- a. Maximise the all-weather pitch at the secondary academy for curriculum and leisure purposes of the students and the wider community

The Directors wish to acknowledge the following:

- The leadership provided by the CEO, the Head Teacher of Warden Park Primary Academy and their senior leadership teams as Directors seek to develop and expand the Academy Trust
- The commitment of all of the staff, teaching and support, for the manner in which they have continued to deliver an increasingly effective learning and support environment for our learners
- The parent teachers associations for their continued enthusiasm and commitment to fund raising to provide additional opportunities and facilities for our learners
- The continued support of West Sussex County Council and Mid-Sussex District Council
- The strong support from pupils, families and the whole community

The Directors' thanks go to all, for their part in the continued success of the Academy Trust.

#### **Auditor**

In so far as the directors are aware:

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

This report, incorporating the strategic report, was approved by order of the members of the Board of Directors on 7 December 2016 and signed on its behalf by:



**J Ash-Edwards**

**Chair**

# **Sussex Learning Trust** **Annual report and financial statements for the year ended 31 August 2016**

## **Governance Statement**

### **Scope of Responsibility**

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

The Board has delegated the day-to-day responsibility to the CEO, 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 Sussex Learning Trust and the Secretary of State for Education. They are also responsible for reporting to the Board any material weaknesses or breakdowns in internal control.

### **Governance**

The information on governance included here supplement that described in the Directors' Report and in the Statement of Trustees' responsibilities. The board has formally met 8 times during the year. Attendance during the year at meetings of the board was as follows:

<b>Director</b>	<b>Meetings attended Out of a possible</b>	
B Andrew-Dawson	2	4
J Ash-Edwards (Chairman and Trustee)	8	8
A Boutrup (Resigned 31/3/16)	0	3
P Bradbury (Trustee)	7	8
M Caidan	8	8
S Carter	5	8
S Davis (Headteacher of Primary)	8	8
E Gunter	6	8
S Hamilton (Staff Director – support)	4	8
L Laybourn (Resigned 31/12/15)	0	4
A Lickorish (Staff Director – teaching WPSA appointed 23/10/15)	5	6
J Morris (Headteacher / CEO)	8	8
J Packham	7	8
J Pearman (Parent – WPPA appointed 28/1/16)	4	5
R Pretorius (Term ended 31/12/15)	1	3
R Tapping	5	8
P Todd	6	8
E Walling	8	8
S Watt	6	8
H Young	8	8

**Sussex Learning Trust**  
**Annual report and financial statements for the year ended 31 August 2016**

**Governance Statement (continued)**

The **Resources Committee** is a sub-committee of the main board. It is responsible for staff, premises, resources, finance and business activity. Attendance at meetings in the year was as follows:

<b>Director</b>	<b>Meetings Attended</b>	<b>Out of a possible</b>
M Caidan	6	6
S Davis	6	6
S Hamilton	6	6
J Morris	6	6
J Packham	5	6
P Todd	4	6
S Watt	5	6

The **Secondary Standards Committee** is a sub-committee of the main board. It is responsible for educational outcomes, attendance and curriculum at the Secondary Academy. Attendance at meetings in the year was as follows:

<b>Director</b>	<b>Meetings Attended</b>	<b>Out of a possible</b>
B Andrews-Dawson	2	3
J Ash-Edwards	4	5
P Bradbury	3	5
A Lickorish	3	3
P Todd	1	5
H Young	3	5

The **Primary Standards Committee** is a sub-committee of the main board. It is responsible for educational outcomes, attendance, curriculum and staff organisation at the Primary Academy. Attendance at meetings in the year was as follows:

<b>Director</b>	<b>Meetings Attended</b>	<b>Out of a possible</b>
J Ash-Edwards	4	4
P Bradbury	3	4
S Davis	4	4
E Gunter	4	4
J Morris	4	4
J Packham	3	4
J Pearman	2	2
R Pretorius	1	1

**Sussex Learning Trust**  
**Annual report and financial statements for the year ended 31 August 2016**

**Governance Statement (continued)**

**Governance (continued)**

The Pastoral and Safeguarding Committee is a sub-committee of the main board responsible for all aspects of safeguarding on a Trust-wide basis. Attendance at meetings in the year was as follows:

<b>Director</b>	<b>Meetings Attended</b>	<b>Out of a possible</b>
S Carter	1	4
S Davis	3	4
E Gunter	1	4
S Hamilton	3	4
J Morris	3	4
R Tapping	4	4

**Review of Value for Money**

As accounting officer the CEO 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 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:

- Performing a review of all software and licenses that the Trust uses to fully evaluate their operational impact and product capability. As a result of this exercise, we have been able to reduce the number of different software products that the Trust uses thus achieving both cost savings and better integration between applications.
- Performing detailed reviews of key contracts prior to renewal to ensure best value in both financial and non-financial terms. A specific example is the new insurance contract with Zurich which provides superior cover to that provided by RPA for a lower overall cost to the Trust than even the reduced cost of the RPA plus the cost of other cover that would be needed.
- Utilising benchmarking to ensure our suppliers continue to be competitive in both financial and service terms. This benchmarking is often performed with collaboration with other schools and academies in the locality. A specific example of this would be the West Sussex area schools and academies payroll provider benchmarking exercise. This exercise helped inform our decision to change payroll provider resulting in a considerably improved service with in-house time savings and no increase in cost to the Trust.



## **Sussex Learning Trust**

### **Annual report and financial statements for the year ended 31 August 2016**

#### **Governance Statement (continued)**

##### **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 Warden Park Academy Trust for the year ended 31 August 2016 and up to the date of approval of the annual report and financial statements.

##### **Capacity to Handle Risk**

The Board of Directors 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 Directors is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year ending 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board.

##### **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;
- regular reviews by the Resources Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties;
- identification and management of risks

The Board of Directors considered the need for a specific internal audit function and decided not to appoint an internal auditor but agreed that the FD of a local academy would perform peer review. The work programme included testing of payroll systems, testing of purchase systems and testing of key control accounts / reconciliations and did not identify any significant issues. On conclusion of the review, a report was presented to the Resources committee for their consideration and approval.

## **Sussex Learning Trust**

### **Annual report and financial statements for the year ended 31 August 2016**

#### **Governance Statement (continued)**

##### **Review of Effectiveness**

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

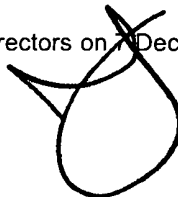
- the work of external consultants and peer reviewer;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control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

No material weaknesses have been identified through the above review. The Accounting Officer and management are committed to a process of continuous improvement and will continue to review and assess the system of internal control going forward in light of any changes to the Trust or developments in best practice.

Approved by order of the members of the Board of Directors on 7 December 2016 and signed on its behalf by:



J Ash-Edwards  
Chair



J Morris  
Accounting Officer

## **Sussex Learning Trust**

### **Annual report and financial statements for the year ended 31 August 2016**

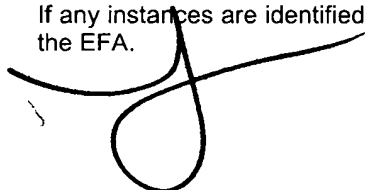
#### **Statement on Regularity, Propriety and Compliance**

As accounting officer of Sussex Learning Trust I have considered my responsibility to notify the academy trust board of directors and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

I confirm that I and the Academy Trust board of directors 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.

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 the EFA.

A handwritten signature in black ink, appearing to be 'J Morris', written over the text of the statement.

**J Morris**  
Accounting officer

7 December 2016

## **Sussex Learning Trust**

### **Annual report and financial statements for the year ended 31 August 2016**

#### **Statement of directors' responsibilities**

The directors (who act as trustees for charitable activities of Sussex Learning Trust Limited and are also the directors of the Charitable Company for the purposes of company law) are responsible for preparing the directors' report and the financial statements in accordance with the Annual Accounts Requirements issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

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

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

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

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

Approved by order of the Board of Directors on 7 December 2016 and signed on its behalf by:



**J Ash-Edwards**

**Chair**

## **Sussex Learning Trust**

### **Annual report and financial statements for the year ended 31 August 2016**

#### **Independent Auditor's Report to the Members of Sussex Learning Trust Limited**

We have audited the financial statements of Sussex Learning Trust Limited for the year ended 31 August 2016 which comprise the Statement of Financial Activities incorporating the Summary Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement and the related notes numbered 1 to 27.

The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Annual Accounts Direction 2016 issued by the Education Funding Agency.

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

#### **Respective responsibilities of governors and auditor**

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

#### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

## **Sussex Learning Trust**

### **Annual report and financial statements for the year ended 31 August 2016**

#### **Independent Auditor's Report to the Members of Sussex Learning Trust Limited (continued)**

##### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including the Annual Accounts Direction 2016 issued by the Education Funding Agency;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2015 to 2016 issued by the EFA.

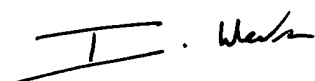
##### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

##### **Matters on which we are required to report by exception**

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

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



Ian Weekes

Senior Statutory Auditor

For and on behalf of

**Crowe Clark Whitehill LLP**

Statutory Auditor

10 Palace Avenue

Maidstone

ME15 6NF

7 December 2016

## **Sussex Learning Trust**

### **Annual report and financial statements for the year ended 31 August 2016**

#### **Independent Auditor's Report on Regularity to the Directors of Sussex Learning Trust Limited and the Education Funding Agency**

In accordance with the terms of our engagement letter dated 25 August 2013 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by the academy trust during the period 1 September 2015 to 31 August 2016 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

#### **Respective responsibilities of the Sussex Learning Trust's accounting officer and reporting accountant**

The accounting officer is responsible, under the requirements of Sussex Learning Trust's funding agreement with the Secretary of State for Education dated 1 September 2011 and the Academies Financial Handbook, extant from 1 September 2014, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

#### **Approach**

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

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

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

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the academy trust's income and expenditure. The work undertaken to draw to our conclusion includes a review of the design and implementation of the Academy's internal controls and review processes on regularity, supported by detailed tests on samples of costs incurred by the academy and specific transactions identified from our review.

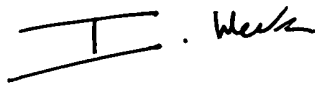
**Sussex Learning Trust**

**Annual report and financial statements for the year ended 31 August 2016**

**Independent Reporting Accountant's Assurance Report on Regularity to Sussex Learning Trust and the Education Funding Agency (continued)**

**Conclusion**

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



Ian Weekes  
Senior Statutory Auditor

For and on behalf of

**Crowe Clark Whitehill LLP**

Statutory Auditor

10 Palace Avenue

Maidstone

ME15 6NF

7 December 2016



# Sussex Learning Trust

## Annual report and financial statements for the year ended 31 August 2016

### Statement of Financial Activities for the year ended 31 August 2016

(including Income and Expenditure Account and Statement of Total Recognised Gains and losses)

		Unrestricted	Restricted	Restricted	Total	Total
		Funds	General	Fixed	2016	2015
	Note	£000	Funds	Asset	£000	£000
		£000	£000	Funds		
		£000	£000	£000		
<b>Income and endowments from:</b>						
Donations and capital grants	4	340	170	65	575	353
<i>Charitable activities:</i>						
Funding for the Academy's educational operations	7	438	8,371	-	8,809	8,817
Other trading activities	5	60	-	-	60	47
Investments	6	-	-	-	-	1
<b>Total incoming resources</b>		<b>838</b>	<b>8,541</b>	<b>65</b>	<b>9,444</b>	<b>9,218</b>
<b>Expenditure on:</b>						
Raising funds		48			48	48
<i>Charitable activities:</i>						
Academy's educational operations	9	336	8,918	441	9,695	9,471
<b>Total resources expended</b>	8	<b>384</b>	<b>8,918</b>	<b>441</b>	<b>9,743</b>	<b>9,519</b>
<b>Net incoming resources before transfers</b>		<b>454</b>	<b>(377)</b>	<b>(376)</b>	<b>(299)</b>	<b>(301)</b>
<b>Transfers</b>						
Gross transfers between funds	19	(121)	-	121	-	-
<b>Net income/(expenditure) for the year</b>		<b>333</b>	<b>(377)</b>	<b>(255)</b>	<b>(299)</b>	<b>(301)</b>
<b>Other recognised gains and losses</b>						
Actuarial gains / (losses) on defined benefit pension schemes	29	-	(1,048)	-	(1,048)	(68)
<b>Net movement in funds</b>		<b>333</b>	<b>(1,425)</b>	<b>(255)</b>	<b>(1,347)</b>	<b>(369)</b>

**Sussex Learning Trust****Annual report and financial statements for the year ended 31 August 2016****Statement of Financial Activities for the year ended 31 August 2016****(including Income and Expenditure Account and Statement of Total Recognised Gains and losses) (continued)**

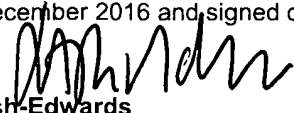
	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total 2016 £000
<b>Reconciliation of funds</b>				
Total funds brought forward at 1 September 2015	356	(1,362)	27,451	26,445
<b>Total funds carried forward at 31 August 2016</b>	<b>689</b>	<b>(2,787)</b>	<b>27,196</b>	<b>25,098</b>

**Sussex Learning Trust**  
**Annual report and financial statements for the year ended 31 August 2016**

**Balance sheet as at 31 August 2016**

	Notes	2016 £000	2016 £000	2015 £000	2015 £000
<b>Fixed assets</b>					
Tangible assets	13		27,185		27,451
<b>Total fixed assets</b>			<b>27,185</b>		<b>27,451</b>
<b>Current assets</b>					
Stock	14	6		5	
Debtors	15	309		396	
Cash at bank and in hand		1,054		667	
<b>Total current assets</b>		<b>1,369</b>		<b>1,068</b>	
<b>Liabilities:</b>					
<b>Creditors:</b> Amounts falling due within one year	16	(665)		(606)	
<b>Net current assets</b>		<b>704</b>		<b>462</b>	
<b>Total assets less current liabilities</b>			<b>27,889</b>		<b>27,913</b>
<b>Creditors:</b> Amounts falling due after one year	17	(178)		(53)	
<b>Net assets excluding pension liability</b>			<b>27,711</b>		<b>27,860</b>
Pension scheme liability			(2,613)		(1,415)
<b>Net assets including pension liability</b>			<b>25,098</b>		<b>26,445</b>
<b>Funds of the academy:</b>					
<b>Restricted income funds</b>					
. Fixed asset fund(s)	19		27,196		27,451
. General fund(s)	19		(174)		53
. Pension reserve	19		(2,613)		(1,415)
<b>Total restricted funds</b>			<b>24,409</b>		<b>26,089</b>
<b>Unrestricted funds</b>					
. General fund(s)	19		689		356
<b>Total unrestricted funds</b>			<b>689</b>		<b>356</b>
<b>Total Funds</b>			<b>25,098</b>		<b>26,445</b>

The financial statements on pages 31 to 53 were approved by the Board of Directors and authorised for issue on 7 December 2016 and signed on their behalf by:

  
**J Ash-Edwards**  
**Chair**

**Sussex Learning Trust****Annual report and financial statements for the year ended 31 August 2016****Cash flow statement for the year ended 31 August 2016**

		<b>2016 £000</b>	<b>2015 £000</b>
<b>Net cash inflow from operating activities</b>	22	<b>497</b>	<b>15</b>
Returns on investments and servicing of finance	23	-	1
Capital expenditure	24	(110)	(146)
<b>Increase / (decrease) in cash in the year</b>	25	<b>387</b>	<b>(130)</b>
<b>Reconciliation of net cash flow to movement in net funds</b>			
Net funds at 1 September		667	797
<b>Net funds at 31 August</b>		<b>1,054</b>	<b>667</b>

**Sussex Learning Trust**  
**Annual report and financial statements for the year ended 31 August 2016**

**Notes to the Financial statements**

**1. Company information**

Sussex Learning Trust is company limited by guarantee incorporated in England and Wales (company registration number 07705100). The principal activity is that of provision of primary and secondary school education.

Its registered address is at:-

Broad Street  
Cuckfield  
Haywards Heath  
West Sussex  
RH17 5DP

**2. Accounting Policies**

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

**Basis of Preparation**

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

Sussex Learning Trust meets the definition of a public benefit entity under FRS 102.

**First time adoption of FRS 102**

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

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

Reconciliations to previous UK GAAP for the comparative figures are included in note 31.

**Going Concern**

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

**Sussex Learning Trust**  
**Annual report and financial statements for the year ended 31 August 2016**

**Notes to the Financial statements (continued)**

**Incoming Resources**

All incoming resources are recognised when the Academy Trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

- **Grants receivable**

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

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted fund.

Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

- **Donations**

Donations are recognised on a receivable basis where there is certainty of receipt and the amount can be reliably measured.

- **Other income**

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

- **Donated Services and gifts in kind**

The value of donated services and gifts in kind provided to the Academy Trust are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the Academy Trust can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with Academy Trust's policies.

**Resources Expended**

All expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

- **Costs of generating funds**

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

- **Charitable activities**

These are costs incurred on the Academy Trust's educational operations.

**Sussex Learning Trust**  
**Annual report and financial statements for the year ended 31 August 2016**

**Notes to the Financial statements (continued)**

**2. Accounting Policies (continued)**

**Resources Expended (continued)**

- **Governance Costs**

These include the costs attributable to the Academy Trust's compliance with constitutional and statutory requirements, including audit, strategic management and Governor's meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

**Tangible Fixed Assets**

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy Trust's depreciation policy.

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

Long leasehold buildings	125 years
Leasehold improvements	20 years
Fixtures, fittings and equipment	5 – 10 years
ICT equipment	4 years
Motor Vehicles	5 years

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

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

**Leased Assets**

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

**Stock**

Catering stocks are valued at the lower of cost or net realisable value.

**Taxation**

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

## **Sussex Learning Trust**

### **Annual report and financial statements for the year ended 31 August 2016**

#### **Notes to the Financial statements (continued)**

##### **2. Accounting Policies (continued)**

###### **Pensions Benefits**

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes, are contracted out of the State Earnings-Related Pension Scheme ('SERPS'), 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 quinquennial valuations using a prospective benefit method. As stated in Note 26, the TPS is a multi-employer scheme and the Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the Academy Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit 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 gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

###### **Fund Accounting**

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

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

Restricted general funds comprise all other restricted funds received and include grants from the Education Funding Agency and Department for Education.

It is the Academy Trust's policy to transfer any amounts in the Unrestricted Fund that have been spent on capitalised fixed assets to the Restricted Fixed Asset Fund. This policy has been formally approved, minuted and adopted by the Governing Body.

###### **Critical accounting estimates and areas of judgement**

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



**Sussex Learning Trust**  
**Annual report and financial statements for the year ended 31 August 2016**

**Notes to the Financial statements (continued)**

**2. Accounting Policies (continued)**

**Critical accounting estimates and assumptions:**

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

i) Pension scheme: The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 29, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

ii) Tangible fixed assets: the trustees annually assess both the residual value of these assets and the expected useful life of such assets based on experience

**3. General Annual Grant (GAG)**

Under the funding agreement with the Secretary of State the academy trust was subject to limits at 31 August 2015 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 2016.

**4. Donations and capital grants**

	<b>Unrestricted Funds £000</b>	<b>Restricted Funds £000</b>	<b>2016 Total £000</b>	<b>2015 Total £000</b>
Capital grants	-	65	65	36
Other Donations	340	170	510	317
	<b>340</b>	<b>235</b>	<b>575</b>	<b>353</b>

**5. Other trading activities**

	<b>Unrestricted Funds £000</b>	<b>Restricted Funds £000</b>	<b>2016 Total £000</b>	<b>2015 Total £000</b>
Hire of Facilities	60	-	60	47
	<b>60</b>	<b>-</b>	<b>60</b>	<b>47</b>

# Sussex Learning Trust

## Annual report and financial statements for the year ended 31 August 2016

### Notes to the Financial statements (continued)

			2016 Total £000	2015 Total £000
<b>6. Investment income</b>				
Bank interest			-	1
<b>7. Funding for Academy's educational operations</b>				
	<b>Unrestricted Funds £000</b>	<b>Restricted Funds £000</b>	<b>Total 2016 £000</b>	<b>Total 2015 £000</b>
<b>DfE / EFA revenue grants</b>				
. General Annual Grant (GAG)	-	7,739	7,739	7,720
. Other DfE / EFA grants	-	465	465	418
	-	8,204	8,204	8,138
<b>Other Government grants</b>				
. Local authority grants	-	167	167	167
. Local authority capital grant	-	-	-	100
	-	167	167	267
Other income from the academy trust's educational operations	438	-	438	412
	<b>438</b>	<b>8,371</b>	<b>8,809</b>	<b>8,817</b>

### 8. Resources Expended

	<b>Staff Costs 2016 £000</b>	<b>Premises 2016 £000</b>	<b>Non Pay Expenditure 2016 £000</b>	<b>Total 2016 £000</b>	<b>Total 2015 £000</b>
Expenditure on raising funds	48	-	-	48	48
Academy's educational operations					
. Direct costs	6,172	370	727	7,269	7,093
. Allocated support costs	1,228	71	1,127	2,426	2,378
	<b>7,448</b>	<b>441</b>	<b>1,854</b>	<b>9,743</b>	<b>9,519</b>

### Net Incoming/outgoing resources for the year include:

	2016 £000	2015 £000
Operating leases	111	92
Fees payable to auditor – Statutory audit	10	10
- other services	1	3
Profit/(loss) on disposal of fixed assets		-

**Sussex Learning Trust**  
**Annual report and financial statements for the year ended 31 August 2016**

**Notes to the Financial statements (continued)**

**9 Charitable Activities**

	<b>2016 Total £000</b>	<b>2015 Total £000</b>
<b>Direct costs – educational operations</b>	<b>7,269</b>	<b>7,093</b>
<b>Support costs – educational operations</b>	<b>2,426</b>	<b>2,378</b>
	<b>9,695</b>	<b>9,471</b>

	<b>Unrestricted funds £000</b>	<b>Restricted funds £000</b>	<b>2016 Total £000</b>	<b>2015 Total £000</b>
<b>Analysis of support costs</b>				
Support staff costs	-	1,195	<b>1,195</b>	<b>1,167</b>
Depreciation	-	71	<b>71</b>	<b>64</b>
Technology costs	-	37	<b>37</b>	<b>50</b>
Premises costs	-	452	<b>452</b>	<b>475</b>
Other support costs	336	289	<b>625</b>	<b>574</b>
Governance costs	-	46	<b>46</b>	<b>48</b>
	<b>336</b>	<b>2,090</b>	<b>2,426</b>	<b>2,378</b>

<b>10. Staff costs</b>	<b>Total 2016 £000</b>	<b>Total 2015 £000</b>
Staff costs during the period were:		
Wages and salaries	5,883	5,962
Social security costs	468	419
Other pension costs	1,017	1,016
	<b>7,368</b>	<b>7,397</b>
Supply teacher costs	72	32
Other agency staff	8	3
Staff restructuring costs	-	12
	<b>7,448</b>	<b>7,444</b>

Included in staff restructuring costs is a non-contractual severance payment of £nil (2015: £6,996).

**Sussex Learning Trust**  
**Annual report and financial statements for the year ended 31 August 2016**

**Notes to the Financial statements (continued)**

**10. Staff costs (continued)**

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

	<b>2016</b>	<b>2015</b>
	<b>No.</b>	<b>No.</b>
<b>Charitable Activities</b>		
Teachers	91	94
Administration and support	87	90
Management	9	9
	<b>187</b>	<b>193</b>

The number of employees whose emoluments fell within the following bands was:

	<b>2016</b>	<b>2015</b>
	<b>No.</b>	<b>No.</b>
£60,000 - £70,000	3	2
£70,001 - £80,000	2	-
£110,001 - £115,000	1	1

\*Note that the employees detailed above were not employed at the same time. Neither employee served for the whole year. Their annual emoluments are reflected in the table above.

The 5 of the 6 above employees participated in the Teachers' Pension Scheme with the other employee participating in the LGPS.

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £856,000 (2015: £703,000).

**11. Directors' remuneration and expenses**

The headteacher and staff directors only receive remuneration in respect of services they provide undertaking the roles of headteacher and staff and not in respect of their services as directors. The headteacher and staff directors are not trustees therefore no separate disclosure of their remuneration is required in this note. Other directors did not receive any payments, other than expenses, from the Academy in respect of their role as directors.

During the year ended 31 August 2016, travel and subsistence expenses for governors totalled £73 (2015: £nil) was reimbursed.

Related party transactions involving the trustees are set out in note 30.

**12. Directors' and Officers' Insurance**

In accordance with normal commercial practice the Academy has purchased insurance to protect directors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2016 was £240 (2015: £240).

**Sussex Learning Trust**  
**Annual report and financial statements for the year ended 31 August 2016**

**Notes to the Financial statements (continued)**

**13. Tangible Fixed Assets**

	Long leasehold land	Long leasehold building	Leasehold improvements	Furniture & equipment	Computer equipment	Motor vehicles	Total
Cost	£000	£000	£000	£000	£000	£000	£000
At 1 September 2015	14,177	11,016	2,342	1,229	353	51	29,168
Additions	-	-	116	28	31	-	175
Disposals	-	-	-	-14	-	-	-14
At 31 August 2016	<b>14,177</b>	<b>11,016</b>	<b>2,458</b>	<b>1,243</b>	<b>384</b>	<b>51</b>	<b>29,329</b>
<b>Depreciation</b>							
At 1 September 2015	-	348	215	866	249	39	1,717
Charge	-	88	117	183	46	7	441
Disposals	-	-	-	-14	-	-	-14
At 31 August 2016	-	<b>436</b>	<b>332</b>	<b>1,035</b>	<b>295</b>	<b>46</b>	<b>2,144</b>
<b>NBV</b>							
As at 31/08/2016	<b>14,177</b>	<b>10,580</b>	<b>2,126</b>	<b>208</b>	<b>89</b>	<b>5</b>	<b>27,185</b>
As at 1/09/2015	14,177	10,668	2,127	363	103	12	27,451

**14. Stock**

	2016 £000	2015 £000
Catering	<u>6</u>	<u>5</u>

Stock recognised in resources expended during the year as an expense was £336k (2015: £311k).

The difference between purchase price and their replacement cost is not material.

**Sussex Learning Trust**  
**Annual report and financial statements for the year ended 31 August 2016**

**Notes to the Financial statements (continued)**

**15. Debtors**

	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>
VAT recoverable	223	205
Other debtors	5	103
Prepayments & accrued income	81	88
	<b>309</b>	<b>396</b>

**16. Creditors: amounts falling due within one year**

	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>
Trade creditors	34	122
Other taxation and social security	134	122
Other creditors	240	171
Accruals and deferred income	257	191
	<b>665</b>	<b>606</b>

Included within other creditors is a loan of £22k (2015: £14k) from SALIX which is an interest free loan for energy efficiency improvements.

**Deferred income**

	<b>£000</b>
Deferred income at 1 September 2015	(84)
Amounts released from previous years	84
Resources deferred in year	(76)
Deferred income at 31 August 2016	<b>(76)</b>

Deferred income relates to funding for UIFSM for 2016-17 received in advance from the EFA and growth funding received in advance from West Sussex County Council.

**17. Creditors: amounts falling due over one year**

	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>
Other creditors	178	53
	<b>178</b>	<b>53</b>

**18. Amounts falling due in over 5 years**

	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>
Other creditors	59	-
	<b>59</b>	<b>-</b>

The balances above relates to a loan from SALIX which is an interest free loan for energy efficiency improvements and a £2k (2015: nil) loan from CIF at an interest rate of 1.75%.

# Sussex Learning Trust

## Annual report and financial statements for the year ended 31 August 2016

### Notes to the Financial statements (continued)

#### 19. Funds

	Balance at 31-Aug-15 £000	Incoming Resources £000	Resources Expended £000	Gains, losses & transfers £000	Balance at 31-Aug-16 £000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	53	7,739	(7,966)	-	(174)
Other DfE/ EFA grants	-	465	(465)	-	-
Other voluntary income (restricted)	-	337	(337)	-	-
Pension reserve	(1,415)	-	(150)	(1,048)	(2,613)
	<b>(1,362)</b>	<b>8,541</b>	<b>(8,918)</b>	<b>(1,048)</b>	<b>(2,787)</b>
<b>Restricted fixed asset funds</b>					
Fixed assets donated on conversion	25,092	-	(441)	-	24,651
Fixed asset additions	331	-	-	-	331
DfE/EFA capital grants	1,881	65	-	-	1,946
Capital expenditure from GAG / unrestricted funds	147	-	-	121	268
	<b>27,451</b>	<b>65</b>	<b>(441)</b>	<b>121</b>	<b>27,196</b>
<b>Total restricted funds</b>	<b>26,089</b>	<b>8,606</b>	<b>(9,359)</b>	<b>(927)</b>	<b>24,409</b>
<b>Unrestricted funds</b>					
Unrestricted funds	356	838	(384)	(121)	689
<b>Total unrestricted funds</b>	<b>356</b>	<b>838</b>	<b>(384)</b>	<b>(121)</b>	<b>689</b>
<b>Total funds</b>	<b>26,445</b>	<b>9,444</b>	<b>(9,743)</b>	<b>(1,048)</b>	<b>25,098</b>

#### Restricted Fixed Asset Funds

Represents the value of fixed asset held by the academy trust, with the exception of funds either of an inherently capital nature, or allocated by the governing body for future capital spend, that remain unspent at the year end.

#### Transfers

These relate to monies spent from GAG or Unrestricted Funds to purchase capitalised assets in during the year.

**Sussex Learning Trust**  
**Annual report and financial statements for the year ended 31 August 2016**

**Notes to the Financial statements (continued)**

**19. Funds (continued)**

**Analysis of academies by fund balance**

Fund balances at 31 August 2016 were allocated as follows:

	<b>Total</b>
	<b>£000</b>
Warden Park Secondary Academy	581
Warden Park Primary Academy	(66)
<b>Total before fixed assets and pension reserve</b>	<b>515</b>
Restricted fixed asset fund	27,196
Pension reserve	(2,613)
<b>Total</b>	<b>25,098</b>

Warden Park Primary Academy has negative reserves as a result of the lagged funding received from the EFA at a time of rapid increase in pupil numbers resulting from an increase in planned admission numbers, raising standards and demographic factors. The Trust is committed to continue to work with the EFA to obtain a fairer funding settlement for Warden Park Primary Academy so it is no longer necessary for the Trust to support the Primary academy in this way.

	<b>Teaching &amp; Educational support staff costs £000</b>	<b>Other support staff costs £000</b>	<b>Educational supplies £000</b>	<b>Other costs (excluding depreciation) £000</b>	<b>Total £000</b>
Warden Park Secondary Academy	5,093	1,088	203	1,532	7,916
Warden Park Primary Academy	1,079	106	26	175	1,386
<b>Academy Trust</b>	<b>6,172</b>	<b>1,194</b>	<b>229</b>	<b>1,707</b>	<b>9,302</b>



**Sussex Learning Trust**  
**Annual report and financial statements for the year ended 31 August 2016**

**Notes to the Financial statements (continued)**

**19. Analysis of net assets between funds**

Fund balances at 31 August 2016  
are represented by:

	Unrestricted general funds	Restricted general funds	Restricted fixed asset funds	Total funds 2016
	£000	£000	£000	£000
Tangible fixed assets	-	-	27,185	27,185
Current assets	1,358	-	11	1,369
Current liabilities	(491)	(174)	-	(665)
Non-current liabilities	(178)	-	-	(178)
Pension scheme liability	-	(2,613)	-	(2,613)
<b>Total net assets</b>	<b>689</b>	<b>(2,787)</b>	<b>27,196</b>	<b>25,098</b>

**20 Capital commitments**

	2016 £000	2015 £000
Contracted for, but not provided in the financial statements	-	-

**21 Financial commitments**

***Operating leases***

The charitable company had the following future minimum lease payments under non-cancellable operating leases for each of the following periods:

	2016 £000	2015 £000
Due not later than one year	37	89
Due between 1 and 5 years	17	21
Due more than 5 years	-	-
	<b>54</b>	<b>110</b>

**Sussex Learning Trust**  
**Annual report and financial statements for the year ended 31 August 2016**

**Notes to the Financial statements (continued)**

	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>
<b>22 Reconciliation of net income to net cash inflow from operating activities</b>		
Net expenditure	(299)	(301)
Depreciation (note 13)	441	411
Capital grants from the EFA	(65)	(136)
Decrease in debtors	87	261
Increase/(decrease) in creditors	183	(316)
FRS 102 Finance interest cost	54	1
FRS 102 Pension cost	96	95
<b>Net cash inflow from operating activities</b>	<b>497</b>	<b>15</b>

	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>
<b>23 Returns on investments and servicing of finance</b>		
Interest received	-	1
<b>Net cash inflow from returns on investment and servicing of finance</b>	<b>-</b>	<b>1</b>

	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>
<b>24 Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets	(175)	(282)
Capital grants from DfE/EFA/ LA	65	136
<b>Net cash outflow from capital expenditure and financial investment</b>	<b>(110)</b>	<b>(146)</b>

<b>25 Analysis of changes in net funds</b>	<b>At 1 September 2015 £000</b>	<b>Cash flows £000</b>	<b>At 31 August 2016 £000</b>
Cash in hand and at bank	667	387	1,054
	<b>667</b>	<b>387</b>	<b>1,054</b>

<b>26 Financial instruments</b>	<b>2016 £000</b>	<b>2015 £000</b>
Financial assets measured at amortised cost	<b>4</b>	<b>103</b>
Financial liabilities measured at amortised cost	<b>633</b>	<b>453</b>

Financial assets measured at amortised cost comprise cash at bank, trade debtors and other debtors.

Financial liabilities measured at amortised cost comprise bank loans, trade creditors, other creditors and accruals.

## **Sussex Learning Trust**

### **Annual report and financial statements for the year ended 31 August 2016**

#### **Notes to the Financial statements (continued)**

##### **27 Contingent Liabilities**

Sussex Learning Trust Limited had no contingent liabilities as at 31 August 2016 (2015: nil).

##### **28 Members' Liability**

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

##### **29 Pension and similar obligations**

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS was 31 March 2012 and of the LGPS 31 March 2013.

Contributions amounting to £125,000 (2015 £118,000) were payable to the schemes at 31 August 2016 and are included in creditors.

##### **Teachers' Pension Scheme**

###### **Introduction**

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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

###### **Valuation of the Teachers' Pension Scheme**

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors.

## Sussex Learning Trust

### Annual report and financial statements for the year ended 31 August 2016

#### Notes to the Financial statements (continued)

##### 29 Pension and similar obligations (continued)

The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

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

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

The pension costs paid to TPS in the period amounted to £574,000 (2015: £584,000).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website. Under the definitions set out in FRS 102, the TPS is a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

##### Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2016 was £443,000 (2015: £432,000) of which employer's contributions totalled £352,000 (2015: £343,000) and employees' contributions totalled £91,000 (2015: £89,000). The agreed contribution rates for future years are 22.8% for employers and between 5.5% and 12.5% for employees.

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

##### Principal Actuarial Assumptions

	At 31 August 2016	At 31 August 2015
Rate of increase in salaries	3.6%	4.0%
Rate of increase for pensions	2.1%	2.6%
Discount rate	2.0%	3.7%
Commutation of pensions to lump sums	50% - 75%	50% - 75%

**Sussex Learning Trust**  
**Annual report and financial statements for the year ended 31 August 2016**

**Notes to the Financial statements (continued)**

**29 Pension and similar obligations (continued)**

**Local Government Pension Scheme (continued)**

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

	<b>At 31 August 2016</b>	<b>At 31 August 2015</b>
<i>Retiring today</i>		
Males	<b>24.4</b>	24.4
Females	<b>25.8</b>	25.8
<i>Retiring in 20 years</i>		
Males	<b>26.9</b>	26.9
Females	<b>28.5</b>	28.5

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

	<b>Fair value at 31 August 2016 £000</b>	<b>Fair value at 31 August 2015 £000</b>
Equities	2,939	2,067
Bonds	644	466
Property	322	232
Cash	121	145
	<b>4,026</b>	<b>2,910</b>

**Total market value of assets**

The actual return on the scheme assets was £115,000 (2015: £112,000).

The expected rates of return are set equal to the discount rate.

**Total expenditure recognised in the Statement of Financial Activities**

	<b>2016 £000</b>	<b>2015 £000</b>
Current service cost (net of employee contributions)	<b>448</b>	438
Past service cost	-	-
Total operating charge	<b>448</b>	<b>438</b>

**Sussex Learning Trust**  
**Annual report and financial statements for the year ended 31 August 2016**

**Notes to the Financial statements (continued)**

**29 Pension and similar obligations (continued)**

**Local Government Pension Scheme (continued)**

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

	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>
<b>At 1 September</b>	4,325	3,665
Current service cost	448	438
Interest cost	169	145
Employee contributions	91	89
Actuarial losses	1,636	36
Benefits paid	(30)	(48)
Curtailments and settlements	-	-
<b>At 31 August</b>	<b>6,639</b>	<b>4,325</b>

	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>
<b>Opening fair value of fair value of employer assets</b>	2,910	2,414
Interest income	115	
Return on plan assets	588	144
Actuarial gains / (losses)	-	(32)
Employer contributions	352	343
Employee contributions	91	89
Benefits paid	(30)	(48)
<b>At 31 August</b>	<b>4,026</b>	<b>2,910</b>

**30 Related Party Transactions**

Owing to the nature of the Academy's operations and the composition of the board of directors being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the board of directors may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy's financial regulations and normal procurement procedures. There are no related party transactions in the year (2015: nil).

**Sussex Learning Trust**  
**Annual report and financial statements for the year ended 31 August 2016**

**Notes to the Financial statements (continued)**

**31 First Time adoption of FRS 102**

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

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

<b>Reconciliation of total funds</b>	<b>1 September 2014 £'000</b>	<b>31 August 2015 £'000</b>
Total funds under previous UK GAAP	<b>26,814</b>	<b>26,445</b>
Total funds reported under FRS 102	<b>26,814</b>	<b>26,445</b>

<b>Reconciliation of net (expenditure)</b>	<b>31 August 2015 £'000</b>
Net (expenditure) previously reported under UK GAAP	<u>(301)</u>
Net movement in funds reported under FRS 102	<u><u>(301)</u></u>

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

A No changes on conversion to FRS 102