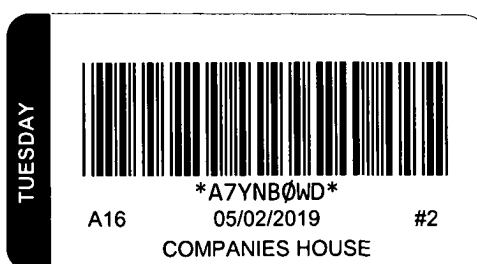


Company Registration No. 07740516 (England and Wales)

**ABBAY COLLEGE, RAMSEY**  
**(A COMPANY LIMITED BY GUARANTEE)**

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



# **ABBEY COLLEGE, RAMSEY**

## **CONTENTS**

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	<b>Page</b>
Reference and administrative details	1
Trustees' report	2 - 7
Governance statement	8 - 11
Statement on regularity, propriety and compliance	12
Statement of trustees' responsibilities	13
Independent auditor's report on the accounts	14 - 16
Independent reporting accountant's report on regularity	17 - 18
Statement of financial activities including income and expenditure account	19 - 20
Balance sheet	21
Statement of cash flows	22
Notes to the accounts including accounting policies	23 - 43

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# ABBEY COLLEGE, RAMSEY

## REFERENCE AND ADMINISTRATIVE DETAILS

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### Members

- Chair of Trustees

M A Jackson  
A J Dods  
J A R Chrisp

### Trustees

J A R Chrisp (Trustee)  
A Christoforou (Accounting Officer)  
H Clarke (Trustee) (Appointed 13 June 2018)  
A J Dods (Trustee)  
E J Edwards (Trustee)  
M A Jackson (Trustee)  
G Jones (Trustee)  
I Rout (Trustee)  
S R Smith (Trustee)  
J Stevens (Trustee)  
L Williamson (Trustee) (Appointed 6 June 2018)

### Senior management team

- Headteacher and Accounting Officer

A Christoforou

- Deputy headteacher

Dr L Newman

- Deputy headteacher

C Moss

- Assistant headteacher

H Bennett

- Assistant headteacher

R Askoolum

- Director of operations

R Heal

### Company registration number

07740516 (England and Wales)

### Registered office

Abbey Road  
Ramsey  
Cambridgeshire  
PE26 1DG

### Independent auditor

Baldwins Audit Services  
Ruthlyn House  
90 Lincoln Road  
Peterborough  
Cambridgeshire  
PE1 2SP

### Bankers

Lloyds Bank PLC  
99 High Street  
Huntingdon  
Cambridgeshire  
PE29 3DU

# **ABBEY COLLEGE, RAMSEY**

## **TRUSTEES' REPORT**

### ***FOR THE YEAR ENDED 31 AUGUST 2018***

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

The trust operates an academy for pupils aged 11 to 18 serving a catchment area in Ramsey, Huntingdon. It has an annual pupil admission number of 180, a capacity of 1200 and had a roll of 982 in the school census on January 2018.

#### **Structure, governance and management**

##### Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The trustees of Abbey College, Ramsey are also the directors of the charitable company for the purposes of company law.

The charitable company is known as Abbey College, Ramsey.

##### 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.

The members of the Charitable Company are:

M A Jackson  
A J Dods  
J Chrisp

Details of the trustees who served during the year were:

J Chrisp  
A Christoforou  
H Clarke (Appointed 13 June 2018)  
A Dods  
E Edwards  
M Jackson  
G Jones  
I Rout  
S Smith  
J Stevens  
L Williamson (Appointed 6 June 2018)

Associate Governor

M Woods, CEO, Cambridge Meridian Academies Trust

Associate Governors have no Trustee rights and are invited to advise the Governing body from an aspect of specialist knowledge only.

##### Trustees' indemnities

In accordance with normal commercial practice the Academy Trust has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business.

# **ABBHEY COLLEGE, RAMSEY**

## **TRUSTEES' REPORT (CONTINUED)**

### **FOR THE YEAR ENDED 31 AUGUST 2018**

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#### Method of recruitment and appointment or election of trustees

The articles of association require the appointment of at least three trustees but may appoint up to 2 community trustees, 4 staff trustees, a maximum of 7 parent trustees, 5 foundation trustees, the head teacher and may co-opt up to 3 additional trustees as required. Trustees may invite Associate Governors with specialist knowledge to advise the Governing body.

#### Policies and procedures adopted for the induction and training of trustees

Staff trustees are appointed through an election process. Foundation trustees are appointed by the trustees of the Ramsey Foundation. Parent trustees are appointed by the board of trustees if there are fewer candidates than there are vacancies. Otherwise parent trustees are elected by parents. Staff trustees are appointed by the board of trustees if there are fewer candidates than there are vacancies. Otherwise staff trustees are elected by a secret ballot of all staff employed by the academy.

New governors attend an induction meeting with the Chairman and Clerk, receive an induction pack of information and attend an introductory meeting with the Head teacher and a visit to the school. New governors attend full governing body meetings and subsequently populate committees, often according to interests and personal expertise. All governors are encouraged to attend the County Council's induction training and further training as appropriate.

No trustee has a beneficial interest in the academy.

#### Organisational structure

Abbey College, Ramsey operates as a single academy, governed by a board of trustees. Levels of delegation have been made by the board of trustees to committees of the board. During the year, the Governance structure has been further reorganised from strategic and finance, learner engagement, learner progress and learner environment to operations and learner progress and engagement. Delegated powers are also vested in the Head teacher. Financial responsibilities are delegated in line with the Financial Handbook. Strategic development of the academy is governed by the board of Trustees and is overseen at operational level by the Head teacher and senior staff. The Senior Leadership Team is responsible for the day to day operations of the academy.

#### Arrangements for setting pay and remuneration of key management personnel

Pay for the senior leadership team is set by the governing body pay committee and is reviewed in line with staff performance appraisals and national guidance. The size of the leadership team is reviewed against the requirements of the Academy to meet Ofsted guidance and in line with students numbers.

#### Related parties and other connected charities and organisations

The college has a working relationship with Cambridge Meridian Academies Trust and the trustees of the Ramsey Foundation.

The trustees have assessed the major risks to which the academy is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

#### **Objectives and activities**

##### Objects and aims

The academy's principal activity is to advance for the public benefit, education in the Ramsey area, in particular by establishing, maintaining, carrying on, managing and developing an academy school offering a broad and balanced curriculum, high academic standards and a safe and enjoyable environment for its students, staff and visitors. The policies adopted in furtherance of these objectives are agreed and reviewed regularly by trustees and there has been no material change in these during the period.

The academy has provided education to students of mixed ability between the ages of 11 to 18 years in line with the current curriculum. It has also provided adult community education to the local population. In addition, a year 6 moving up opportunity exists for new students to experience the college life as part of their transition process.

# **ABBHEY COLLEGE, RAMSEY**

## **TRUSTEES' REPORT (CONTINUED)**

### **FOR THE YEAR ENDED 31 AUGUST 2018**

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The academy has delivered on its ambition to achieve Ofsted 'Good' status in this academic year and is now working towards being an outstanding school.

#### Objectives, strategies and activities

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the academy should undertake.

#### Public benefit

In September 2011, Abbey College, Ramsey became an academy, taking responsibility for shaping its own future in the context of the new freedoms to make educational choices. There are many areas in which Abbey College, Ramsey has achieved excellence and the school plays a leading role in the local community.

#### Reporting of Facilities Time

Following the Trade Union Act 2016, the Academy now has to report Trade Union facilities time to meet the new regulations. The Academy has 2 Trade Union representatives who undertake facilities time only where necessary; and subscribes to the Cambridgeshire County Council Trade Union arrangement charge to have a centralised Trade Union support across all schools. The amount of facilities time undertaken is a variable figure with 23 hours per Trade Union representative being timetabled per annum, being 1.6% of their individual working time. The Academy total being 46 hours. The cost of this combined Trade Union arrangement is £2,332.

## **Strategic report**

### **Achievements and performance**

Abbey College, Ramsey Academy achieved the following A level and GCSE results in the year 2017-18 listed below.

#### **GCSE**

2018 was the year when the majority of subjects changed from the old A\*-U grading system to the new 9-1 grading system. This change marks the introduction of more rigorous exams questions and an increase in the number of exam papers sat by students for GCSE subjects. The Basics at grade 4 was achieved by 62% of our students representing those that achieved a grade 4 in English and Mathematics. The Basics at grade 5 was achieved by 40% of the students. Additionally, 58% of the students achieved 5 GCSEs including English and Mathematics at grades 9 to 4.

The English results were particularly strong with 81% of students achieving a grade 4 or above; 55% achieving a grade 5 or above and 20% achieving a grade 7 or above. In Moral and Spiritual 71% of students achieved a grade 4 or above and in Drama 73% of students achieved a grade 4 or higher.

High performing BTEC subjects were Business Studies with 88% achieving a Distinction\* to Merit and 42% achieving a Distinction\* or Distinction. Engineering students achieved 85% Distinction\* to Merit and 30% achieving a Distinction\* or Distinction. Fifty percent of the Catering students achieved a Distinction\* or Distinction.

Ebacc = 11%

Progress 8 = 0.04, which represents 4% higher than national average attainment in results

#### **A Level**

A\*-A 26%, a reduction of 4%

A\*-B 49%, an increase of 2%

A\*-C 71%, a reduction of 1%

A\*-E 97%, a reduction of 1%

# **ABBEY COLLEGE, RAMSEY**

## **TRUSTEES' REPORT (CONTINUED)**

### ***FOR THE YEAR ENDED 31 AUGUST 2018***

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Our 2018 results saw continued success with a pass rate of 97%, which is above National Average. Our higher results were strong with 26% achieving A\* or A grades and 49% of students achieving A\* to B grades. A\* to C grades were achieved by 71% of our students.

Among the top performing A level subjects were History with 83% achieving A\* to C grades; Philosophy with 86% achieving A\* to C grades; Mathematics with 46% of students achieving an A\* or A grade and 62% achieving grades A\* to B; and Further Maths with 80% of students achieving A\* to B grades.

High performing BTEC subjects include Business studies with 76% of students being awarded a Distinction\* or Distinction and BTEC Science with 79% achieving Distinction\* or Distinction.

#### **Attendance**

In the year 2017-18 the attendance was 96.09% which is 1.29% above the national average. The national Persistent Absentee percentage measurement achieved was 7.86%, an excellent performance against the national average of 12.8% for secondary schools.

#### **Going concern**

The full Governing Body approves the budget each year and is mindful of the need to balance expenditure against income to ensure that the Academy Trust remains a "going concern". The Governing Body also receives and approves the Annual Accounts and the External Auditors Management Report.

#### **Financial review**

Most of the income is derived from the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants from the ESFA and the associated expenditure are shown as restricted funds in the statement of financial activities.

The academy also received funding for capital expenditure from the ESFA: these amounts are shown as restricted income in the fixed asset funds.

The Cambridgeshire Authority schools were historically underfunded and were amongst the lowest funded schools in the country. Despite the implementation of the new funding formula, the school has seen a static level of per pupil funding whilst costs and salaries have increased. This alongside a drive which achieved Ofsted 'Good' status has seen the school develop a deficit situation.

#### **Reserves policy**

The academy has overreached itself in the last year and has utilised its previously generated reserves in the pursuit of its educational status. There is an ongoing review of reserves in the light of further anticipated budget pressures related to a falling GAG income, but it is the intention of the Governors to develop sufficient funds to manage the impact of those pressures over the coming years.

The Academy is confident that it will meet the required contributions from its projected income without significantly impacting on its planned level of charitable activity. It continues to calculate its "free", general or unrestricted reserves without setting aside designated reserves to cover the pension liability.

#### **Investment policy**

The Academy Trust ensures that all surplus cash balances are invested in interest bearing accounts to maximize interest earning potential.

#### **Principal risks and uncertainties**

The trustees have reviewed major risks and uncertainties to which the academy trust is exposed and identified:

# **ABBEY COLLEGE, RAMSEY**

## **TRUSTEES' REPORT (CONTINUED)**

### ***FOR THE YEAR ENDED 31 AUGUST 2018***

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**Financial** – The Academy is reliant on the level of funding received from Government through the Education and Skills Funding Agency. Future Government funding policies, practices and terms are not assured.

**Failures in governance and / or management** – arising from the potential failure to manage the Academy finances, internal controls, compliance with regulations and legislation, statutory returns etc. The trustees continue to review and ensure appropriate measures are in place to mitigate these risks and the academy appoints independent auditors to regularly review the finances.

**Reputational**- the continuing success of the academy is dependent on continuing to attract sufficient numbers of pupils by maintaining the highest educational standards. The Trustees ensure student success and achievement are regularly monitored and continually improved upon.

**Safeguarding and Child Protection** – The trustees continue to ensure the highest standards of selection and monitoring of staff, the operation of child protection policies and procedures, health and safety and discipline. There is a safeguarding risk inherited from Cambridgeshire County Council on transfer relating to the dual site usage, shared access arrangements and general public access to the grounds. The trustees are mitigating this risk with gated access, staff monitoring, gated access, CCTV and signage.

**Fraud / Mismanagement of funds** – The Academy has appointed a Responsible Officer to carry out checks on financial systems and records as required by the Academy Financial Handbook. All finance staff are kept up to date with financial practices and regularly review expenditure.

The Academy continues to strengthen its risk management process throughout the year by adapting policies and procedures and creating staff awareness.

#### **Fundraising**

The school undertakes fundraising for charitable aims via a number of charitable events and activities, for example: Children in Need Day, Teenage Cancer Trust and similar special causes. All fundraising activities are completely voluntary and no student is forced to participate or disadvantaged from not participating.

#### **Plans for future periods**

The Regional Schools Commissioner for East of England continues to encourage academies to become members of Multi Academy Trusts and the trustees are engaging with Cambridge Meridian Academies Trust in the development of this ideal.

The College is investigating numerous avenues to develop the College facilities and buildings in conjunction with the Education and Skills Funding Authority, Hunts District Council and Cambridge County Council. Further efficiencies and cost savings are being developed through school building consolidation and financial initiatives.

Additional sources of income from non-core activities continue to be pursued.



# ABBEY COLLEGE, RAMSEY

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2018

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The overriding priorities for Abbey College during 2018/19 academic year including those set by Ofsted are:

- Improve the quality of teaching and accelerate pupils' progress by ensuring that: – non-specialist subject teachers, particularly in science, develop their knowledge and skills – staff provide a consistently high level of challenge for all pupils, and particularly for those who are most able.
- Improve the quality of leadership and management by: – ensuring that all middle leaders tackle inconsistencies in the quality of teaching and hold staff to account more effectively – precisely evaluating the impact of the strategies put in place to ensure that disadvantaged pupils always achieve as well as they can.
- To ensure that our provision for well-being, personal development, behaviour and inclusion is outstanding through new initiatives aligned to the school values.
- To continue to develop long term strategy of the facilities in conjunction with Education Skills Funding Authority and stakeholder organisations.
- To establish consistently good behaviour and positive attitudes to learning for all pupils, ensuring that communications provide all stakeholders with a clear understanding of school leaders' raised aspirations for pupils and the standards of behaviour expected.
- To ensure that pupils are stretched by matching the learning activity more closely to the needs of pupils across all subjects.

#### Auditor

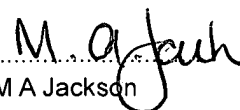
The board of trustees have confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditors are aware of such information.

Insofar as the trustees are aware:

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

As a result of Rawlinsons joining the Baldwins Group, the auditors of the company have changed from Rawlinsons to Baldwins Audit Services. In accordance with the company's articles, a resolution proposing that Baldwins Audit Services be reappointed as auditor of the company will be put at a General Meeting.

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 11/12/18 and signed on its behalf by:

  
M A Jackson  
Trustee

# ABBAY COLLEGE, RAMSEY

## GOVERNANCE STATEMENT

**FOR THE YEAR ENDED 31 AUGUST 2018**

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### Scope of responsibility

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

The board of trustees has delegated the day-to-day responsibility to the Head teacher, as accounting officer, for ensuring financial controls conform 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 Abbey College, Ramsey and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

### Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of trustees has formally met 5 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustees	Meetings attended	Out of possible
J A R Chrisp (Trustee)	4	5
A Christoforou (Accounting Officer)	5	5
H Clarke (Trustee) (Appointed 13 June 2018)	1	1
A J Dods (Trustee)	5	5
E J Edwards (Trustee)	3	5
M A Jackson (Trustee)	5	5
G Jones (Trustee)	5	5
I Rout (Trustee)	2	5
S R Smith (Trustee)	4	5
J Stevens (Trustee)	2	5
L Williamson (Trustee) (Appointed 6 June 2018)	1	1

As at 1 September 2017, Governance places comprised Headteacher, 2 community trustees, 3 foundation trustees, 2 staff governors and 5 parent governors.

During the year, governors have completed further skills and self-evaluation audits to continue developing the impact and effectiveness of the board of Trustees. These have support the continuance of the Governors Improvement Plan for the year and have assisted with assigning specific actions to individual trustees and to support skill development. This is an ongoing annual program.

The Trustees have introduced strategic planning sessions to develop, monitor and revise the Governors Improvement Plan; and a specific strategic working party to develop longer term actions to improve the school site and facilities.

The Trustees are pleased to note that Ofsted have graded the Leadership and Management of the school and Governance as "Good". The Ofsted overall effectiveness of the school has also been graded as "Good"; and now both the Trustees and headteacher are striving towards an Outstanding award.

# ABBAY COLLEGE, RAMSEY

## GOVERNANCE STATEMENT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2018

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The Operations Committee met 8 times during the year.

Its purpose is to:

Review the Annual Budget in detail and to make recommendations to the Board, be responsible for authorisation of expenditure above £30,000; review the Academy's internal and external financial statements and reports to ensure that they reflect best practice; ensure the College's Business Manager discusses with the external auditor the nature and scope of each forthcoming audit. Ensure that the external auditor has the fullest co-operation of staff; consider all relevant reports by the Director of Operations or the appointed external auditor, including reports on the Academy's accounts, achievement of value for money and the response to any management letters, review the effectiveness of the Academy's internal control system established to ensure that the aims, objectives and key performance targets of the organisation are achieved in the most economic, effective and environmentally preferable manner;

During the year the committee has overseen the development of the Strategic Working Party, Financial Management and the Scheme of Delegation.

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
J A R Chrisp (Trustee)	8	8
A Christoforou (Accounting Officer)	8	8
A J Dods (Trustee)	8	8
E J Edwards (Trustee)	7	8
M A Jackson (Trustee)	8	8
G Jones (Trustee)	7	8
I Rout (Trustee)	3	8
S R Smith (Trustee)	5	8
J Stevens (Trustee)	3	8

#### Review of value for money

As accounting officer the Headteacher 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 appropriate. The accounting officer for the academy trust has delivered improved value for money during the year by:

#### Improving Educational Results:

Over the course of the year, the College has ensured that resources are directed where they are most needed and most effective in meeting educational requirements, for example by:

- Targeting resources in line with the School Improvement Plan priorities.
- Professional development for all staff to implement curriculum and assessment processes and further improve subject knowledge.
- Developing the assessment, tracking and monitoring processes to ensure that data is used to inform planning, target interventions and support differentiation, including regular internal and Senior Leadership Team meetings to review progress and impact of interventions for different groups of pupils.
- Continuously improving staff appraisal processes for effective monitoring of performance and pay progression.
- Using Pupil Premium to increase our levels of progress and support our strategies to improve attendance, reduce poor learning habits, and continue with KS3 & 4 interventions.

# **ABBEY COLLEGE, RAMSEY**

## **GOVERNANCE STATEMENT (CONTINUED)**

### **FOR THE YEAR ENDED 31 AUGUST 2018**

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#### **Financial Governance and Oversight:**

Examples of steps taken to ensure value for money when purchasing include:

- Exploring alternative purchasing options, both on-line and direct through suppliers, to obtain the best value.
- Working with other local schools in partnership to identify products and services that can be procured across a number of schools in order to drive down cost and/or negotiate favourable rates.
- Governors and school managers have developed procedures for assessing need and obtaining goods/ services which provide "best value" in terms of suitability, efficiency, time and cost. Measures in place include: competitive tendering procedures, high value purchases require three written quotes, procedures for accepting "best value" quotes, which are not necessarily the cheapest where suitability for purpose and quality of workmanship are required, benchmarking of suppliers, procedures which minimise office time by the purchase of goods/services direct from known reliable suppliers.
- All contracts are reviewed on an annual basis to ensure that they are fit for purpose and give best value to the school.

#### **Better Income Generation:**

The College continues to promote adult education programmes and offers the hire of the premises for weddings, clubs and community events.

#### **Reviewing Controls and Managing Risks:**

The Operations Committee, Director of Operations, College Business Manager, budget holders and the Senior Leadership Team have reviewed regular budget reports. This has ensured that spending is within budget and forward plans are agreed and implemented when there has been any variance.

Actions taken to manage risk include the appropriate level of insurance cover. Professional advice for HR and legal service providers has also been sought when needed.

#### **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 Abbey College, Ramsey for the period 1st September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

#### **Capacity to handle risk**

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

# ABBEY COLLEGE, RAMSEY

## GOVERNANCE STATEMENT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2018**

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### **The risk and control framework**

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the Operations committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The board of trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However the trustees have appointed the Centre for Education and Finance Management (CEFM), the internal auditor, to perform additional checks.

The internal auditors role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. On a termly basis, the auditors reports to the board of trustees, through the operations committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

The internal auditor has delivered their schedule of work as planned and provided reports to the board of trustees. The trustees review recommendations and take on board any relevant remedial action to rectify any issues.

### **Review of effectiveness**

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

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

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Operations committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 11/12/18 and signed on its behalf by:



A Christoforou  
Accounting Officer



M A Jackson  
Trustee

# **ABBHEY COLLEGE, RAMSEY**

## **STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE**

***FOR THE YEAR ENDED 31 AUGUST 2018***

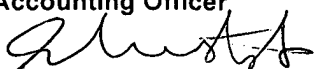
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As accounting officer of Abbey College, Ramsey I have considered my responsibility to notify the academy trust board of trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and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

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

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

A Christoforou  
**Accounting Officer**

  
.....

# ABBNEY COLLEGE, RAMSEY

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

**FOR THE YEAR ENDED 31 AUGUST 2018**

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The trustees (who are also the directors of Abbey College, Ramsey for the purposes of company law) are responsible for preparing the trustees' report and the accounts in accordance with the Annual Accounts Direction issued by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

In preparing these accounts, the trustees are required to:


- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of trustees on 11/12/18 and signed on its behalf by:

  
M A Jackson  
Trustee

# **ABBEY COLLEGE, RAMSEY**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ABBEY COLLEGE, RAMSEY**

**FOR THE YEAR ENDED 31 AUGUST 2018**

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### **Opinion**

We have audited the accounts of Abbey College, Ramsey for the year ended 31 August 2018 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

In our opinion the accounts:

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

### **Basis for opinion**

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

### **Material uncertainty relating to going concern**

We draw attention to note 1.2 in the financial statements, which indicates that the academy incurred an operating deficit during the year ended 31 August 2018 resulting in a deficit of General Annual Grant of £139,651. These conditions indicate a material uncertainty exists that may cast significant doubt on the academy's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

### **Other information**

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

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

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

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

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



# **ABBHEY COLLEGE, RAMSEY**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ABBHEY COLLEGE, RAMSEY (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2018**

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

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

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

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

### **Responsibilities of trustees**

As explained more fully in the statement of trustees' responsibilities, the trustees are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

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

### **Auditor's responsibilities for the audit of the accounts**

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

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

# **ABBHEY COLLEGE, RAMSEY**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ABBHEY COLLEGE, RAMSEY (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2018**

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### **Use of our report**

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



**Mr Mark Jackson FCA DChA (Senior Statutory Auditor)  
for and on behalf of Baldwins Audit Services**

*12.12.2018*

**Statutory Auditor**

Ruthlyn House  
90 Lincoln Road  
Peterborough  
Cambridgeshire  
PE1 2SP

# **ABBEY COLLEGE, RAMSEY**

## **INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ABBEY COLLEGE, RAMSEY AND THE EDUCATION & SKILLS FUNDING AGENCY**

***FOR THE YEAR ENDED 31 AUGUST 2018***

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In accordance with the terms of our engagement letter dated 21 September 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Abbey College, Ramsey during the period 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

### **Respective responsibilities of Abbey College, Ramsey's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Abbey College, Ramsey's funding agreement with the Secretary of State for Education dated 1 September 2011 and the Academies Financial Handbook, extant from 1 September 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

### **Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2017 to 2018 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- a review of the activities of the academy, by reference to sources of income and other information available to us;
- sample testing of expenditure, including payroll;
- a review of minutes of trustees' meetings

## **ABBEY COLLEGE, RAMSEY**

### **INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ABBEY COLLEGE, RAMSEY AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2018**

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#### **Conclusion**

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



#### **Reporting Accountant**

Baldwins Audit Services  
Ruthlyn House  
90 Lincoln Road  
Peterborough  
Cambridgeshire  
PE1 2SP

Dated: 12.12.2018

# **ABBHEY COLLEGE, RAMSEY**

## **STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2018**

	Notes	Unrestricted Funds £	Restricted funds: General Fixed asset £ £		Total 2018 £	Total 2017 £
<b>Income and endowments from:</b>						
Donations and capital grants	3	-	16,546	569,376	585,922	74,143
Charitable activities:						
- Funding for educational operations	4	195,566	5,391,537	-	5,587,103	6,050,448
Other trading activities	5	189,064	-	-	189,064	205,273
Investments	6	240	-	-	240	1,735
<b>Total</b>		384,870	5,408,083	569,376	6,362,329	6,331,599
<b>Expenditure on:</b>						
Charitable activities:						
- Educational operations	8	375,510	6,017,299	629,688	7,022,497	7,236,928
<b>Total</b>	7	375,510	6,017,299	629,688	7,022,497	7,236,928
<b>Net income/(expenditure)</b>		9,360	(609,216)	(60,312)	(660,168)	(905,329)
Transfers between funds	20	(89,502)	44,362	45,140	-	-
<b>Other recognised gains/(losses)</b>						
Actuarial gains on defined benefit pension schemes	22	-	698,000	-	698,000	1,951,000
<b>Net movement in funds</b>		(80,142)	133,146	(15,172)	37,832	1,045,671
<b>Reconciliation of funds</b>						
Total funds brought forward		116,708	(928,797)	27,387,706	26,575,617	25,529,946
Total funds carried forward		36,566	(795,651)	27,372,534	26,613,449	26,575,617

# **ABBEEY COLLEGE, RAMSEY**

## **STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)** **INCLUDING INCOME AND EXPENDITURE ACCOUNT** **FOR THE YEAR ENDED 31 AUGUST 2018**

Comparative year information Year ended 31 August 2017	Notes	Unrestricted	Restricted funds:		Total
		Funds	General	Fixed asset	2017
		£	£	£	£
<b>Income and endowments from:</b>					
Donations and capital grants	3	-	39,904	34,239	74,143
Charitable activities:					
- Funding for educational operations	4	184,946	5,865,502	-	6,050,448
Other trading activities	5	205,273	-	-	205,273
Investments	6	1,735	-	-	1,735
<b>Total</b>		<b>391,954</b>	<b>5,905,406</b>	<b>34,239</b>	<b>6,331,599</b>
<b>Expenditure on:</b>					
Charitable activities:					
- Educational operations	8	386,686	6,236,777	613,465	7,236,928
<b>Total</b>	7	<b>386,686</b>	<b>6,236,777</b>	<b>613,465</b>	<b>7,236,928</b>
<b>Net income/(expenditure)</b>		<b>5,268</b>	<b>(331,371)</b>	<b>(579,226)</b>	<b>(905,329)</b>
Transfers between funds	20	69,477	(167,466)	97,989	-
<b>Other recognised gains/(losses)</b>					
Actuarial gains on defined benefit pension schemes	22	-	1,951,000	-	1,951,000
<b>Net movement in funds</b>		<b>74,745</b>	<b>1,452,163</b>	<b>(481,237)</b>	<b>1,045,671</b>
<b>Reconciliation of funds</b>					
Total funds brought forward		41,963	(2,380,960)	27,868,943	25,529,946
Total funds carried forward		116,708	(928,797)	27,387,706	26,575,617

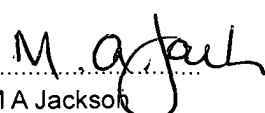
# **ABBHEY COLLEGE, RAMSEY**

## **BALANCE SHEET**

**AS AT 31 AUGUST 2018**

	Notes	2018 £	£	2017 £	£
<b>Fixed assets</b>					
Tangible assets	13	27,131,320		27,380,626	
<b>Current assets</b>					
Stocks	15	4,075		4,426	
Debtors	16	103,522		179,672	
Cash at bank and in hand		369,009		507,639	
		476,606		691,737	
<b>Current liabilities</b>					
Creditors: amounts falling due within one year	17	(336,477)		(408,346)	
<b>Net current assets</b>		140,129		283,391	
<b>Total assets less current liabilities</b>		27,271,449		27,664,017	
Creditors: amounts falling due after more than one year	18	(2,000)		(2,400)	
<b>Net assets excluding pension liability</b>		27,269,449		27,661,617	
Defined benefit pension scheme liability	22	(656,000)		(1,086,000)	
<b>Net assets</b>		26,613,449		26,575,617	
<b>Funds of the academy trust:</b>					
<b>Restricted funds</b>	20				
- Fixed asset funds		27,372,534		27,387,706	
- Restricted income funds		(139,651)		157,203	
- Pension reserve		(656,000)		(1,086,000)	
<b>Total restricted funds</b>		26,576,883		26,458,909	
<b>Unrestricted income funds</b>	20	36,566		116,708	
<b>Total funds</b>		26,613,449		26,575,617	

The accounts on pages 19 to 43 were approved by the trustees and authorised for issue on 11/12/18 and are signed on their behalf by:

  
M A Jackson  
Trustee

Company Number 07740516

# **ABBHEY COLLEGE, RAMSEY**

## **STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED 31 AUGUST 2018**

	Notes	2018 £	£	2017 £	£
<b>Cash flows from operating activities</b>					
Net cash used in operating activities	23		(327,464)		(19,362)
<b>Cash flows from investing activities</b>					
Dividends, interest and rents from investments		240		1,735	
Capital grants from DfE Group		569,376		22,979	
Capital funding received from sponsors and others		-		11,260	
Purchase of tangible fixed assets		(380,382)		(154,332)	
<b>Net cash provided by/(used in) investing activities</b>			189,234		(118,358)
<b>Cash flows from financing activities</b>					
Repayment of long term bank loan		(400)		(69,185)	
<b>Net cash used in financing activities</b>			(400)		(69,185)
<b>Net decrease in cash and cash equivalents in the reporting period</b>			(138,630)		(206,905)
Cash and cash equivalents at beginning of the year			507,639		714,544
<b>Cash and cash equivalents at end of the year</b>			369,009		507,639



# ABBEY COLLEGE, RAMSEY

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 AUGUST 2018

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#### 1 Accounting policies

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

##### 1.1 Basis of preparation

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

Abbey College, Ramsey meets the definition of a public benefit entity under FRS 102.

##### 1.2 Going concern

The governors assess whether the use of going concern is appropriate, ie whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company to continue as a going concern. The governors have made this assessment in respect of a period of at least one year from the date of authorisation for issue of the accounts. Following a significant operating deficit, GAG reserves are in deficit by £139,651 at the end of the year. The governors have reviewed the situation and believe that they can improve the position and will have adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the accounts.

##### 1.3 Income

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

###### Grants

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

General Annual Grant is recognised in full in the statement of financial activities in the period for which it is receivable, and any abatement in respect of the period is deducted from income and recognised as a liability.

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

###### Donations

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

###### Other income

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

# ABBEY COLLEGE, RAMSEY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2018

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#### 1 Accounting policies

(Continued)

##### Donated goods, facilities and services

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

##### Donated fixed assets

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

#### 1.4 Expenditure

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

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

##### Expenditure on raising funds

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

##### Charitable activities

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

##### Governance costs

These include the costs attributable to the academy trust's compliance with constitutional and statutory requirements, including audit, strategic management, trustees' meetings and reimbursed expenses.

#### 1.5 Tangible fixed assets and depreciation

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. 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. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

# ABBEEY COLLEGE, RAMSEY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2018

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#### 1 Accounting policies

(Continued)

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 life, as follows:

Leasehold property	50 years
IT equipment	3 years
Fixtures, fittings & equipment	10 years
Motor vehicles	5 years

The land and buildings from which the academy operate are partly under a licence to occupy from the local authority, and partly leased from a number of other bodies, including the trustees of the Ramsey Foundation. A valuation was undertaken on the property as at 31 August 2012 on a depreciated replacement cost basis by a professional valuer, commissioned by the ESFA. Depreciation is charged in accordance with the accounting policies set out above.

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

#### 1.6 Liabilities

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

#### 1.7 Leased assets

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

#### 1.8 Financial instruments

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

##### Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

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

##### Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition.

Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

#### 1.9 Stock

Unsold catering stock is valued at the lower of cost and net realisable value.

# ABBEY COLLEGE, RAMSEY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2018

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#### 1 Accounting policies

(Continued)

##### 1.10 Taxation

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

##### 1.11 Pensions benefits

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes and the assets are held separately from those of the academy trust.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a projected unit method. The TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

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

##### 1.12 Fund accounting

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

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

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

# **ABBEY COLLEGE, RAMSEY**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

### **FOR THE YEAR ENDED 31 AUGUST 2018**

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

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

##### Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

#### **3 Donations and capital grants**

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
Private sponsorship	-	16,546	16,546	39,904
Capital grants	-	569,376	569,376	34,239
	-	585,922	585,922	74,143

#### **4 Funding for the academy trust's educational operations**

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
<b>DfE / ESFA grants</b>				
General annual grant (GAG)	-	4,798,278	4,798,278	5,226,781
Other DfE group grants	-	214,277	214,277	215,725
	-	5,012,555	5,012,555	5,442,506
<b>Other government grants</b>				
Local authority grants	-	338,064	338,064	394,077
<b>Other funding</b>				
Other incoming resources	195,566	40,918	236,484	213,865
<b>Total funding</b>	195,566	5,391,537	5,587,103	6,050,448

# **ABBEY COLLEGE, RAMSEY**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2018**

### **5 Other trading activities**

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
Lettings	4,661	-	4,661	5,775
Catering income	184,403	-	184,403	199,498
	<u>189,064</u>	<u>-</u>	<u>189,064</u>	<u>205,273</u>

### **6 Investment income**

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
Short term deposits	240	-	240	1,735
	<u>240</u>	<u>-</u>	<u>240</u>	<u>1,735</u>

### **7 Expenditure**

	Staff costs £	Premises & equipment £	Other costs £	Total 2018 £	Total 2017 £
<b>Academy's educational operations</b>					
- Direct costs	3,499,557	-	430,334	3,929,891	4,070,345
- Allocated support costs	1,694,152	692,024	706,430	3,092,606	3,166,583
	<u>5,193,709</u>	<u>692,024</u>	<u>1,136,764</u>	<u>7,022,497</u>	<u>7,236,928</u>
<b>Total expenditure</b>	<u>5,193,709</u>	<u>692,024</u>	<u>1,136,764</u>	<u>7,022,497</u>	<u>7,236,928</u>

### **Net income/(expenditure) for the year includes:**

	2018 £	2017 £
Fees payable to auditor for:		
- Audit	11,500	11,750
- Other services	1,955	2,338
Operating lease rentals	73,412	88,947
Depreciation of tangible fixed assets	<u>629,688</u>	<u>613,465</u>

# **ABBEEY COLLEGE, RAMSEY**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2018**

### **8 Charitable activities**

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
Direct costs - educational operations	185,907	3,743,984	3,929,891	4,070,345
Support costs - educational operations	189,603	2,903,003	3,092,606	3,166,583
	<u>375,510</u>	<u>6,646,987</u>	<u>7,022,497</u>	<u>7,236,928</u>

### **Analysis of costs**

	2018 £	2017 £
<b>Direct costs</b>		
Teaching and educational support staff costs	3,459,840	3,571,123
Staff development	39,717	22,798
Technology costs	24,243	19,971
Educational supplies and services	282,686	332,058
Other direct costs	123,405	124,395
	<u>3,929,891</u>	<u>4,070,345</u>
<b>Support costs</b>		
Support staff costs	1,694,152	1,676,127
Depreciation and amortisation	629,688	613,465
Technology costs	117,168	137,568
Maintenance of premises and equipment	62,336	110,400
Occupancy costs	242,834	216,027
Catering	128,108	119,706
Finance costs	30,000	60,000
Other support costs	157,638	212,423
Governance costs	30,682	20,867
	<u>3,092,606</u>	<u>3,166,583</u>

### **9 Governance costs**

	Total 2018 £	Total 2017 £
<b>All from restricted funds:</b>		
<b>Amounts included in support costs</b>		
Legal and professional fees	17,227	6,779
Auditor's remuneration		
- Audit of financial statements	11,500	11,750
- Other audit costs	1,955	2,338
	<u>30,682</u>	<u>20,867</u>

# ABBEY COLLEGE, RAMSEY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

### 10 Staff

#### Staff costs

Staff costs during the year were:

	2018 £	2017 £
Wages and salaries	3,743,683	3,686,874
Social security costs	319,709	312,298
Pension costs	876,759	876,877
Staff costs	4,940,151	4,876,049
Agency staff costs	155,493	277,304
Staff development and other staff costs	98,065	116,695
Total staff expenditure	5,193,709	5,270,048

#### Staff numbers

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

	2018 Number	2017 Number
Teachers	65	62
Administration and support	90	99
Management	6	6
	161	167

#### Higher paid staff

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

	2018 Number	2017 Number
£60,001 - £70,000	1	1
£70,001 - £80,000	1	1
£90,001 - £100,000	1	1

#### Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £521,360 (2017 - £518,553).



# **ABBHEY COLLEGE, RAMSEY**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

### **FOR THE YEAR ENDED 31 AUGUST 2018**

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#### **11 Trustees' remuneration and expenses**

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

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

A Christoforou (headteacher and governor):

Remuneration £95,001 - £100,000 (2017: £90,001 - £95,000)

Employer's pension contributions £15,001 - £20,000 (2017: £15,001 - £20,000)

G Jones (staff governor):

Remuneration £20,001 - £25,000 (2017: £20,001 - £25,000)

Employer's pension contributions £nil (2017: £nil)

A Thompson (staff governor) resigned 21 July 2017:

Remuneration £nil (2017: £35,001 - £40,000)

Employer's pension contributions £nil (2017: £5,001 - £10,000)

During the year, travel and subsistence payments totalling £181 (2017: £488) were reimbursed or paid directly to 2 trustees (2017: 2 trustees).

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

#### **12 Trustees and officers insurance**

In accordance with normal commercial practice, the academy trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year is included within the total insurance costs of £33,083 (2017: £33,935).

# **ABBEEY COLLEGE, RAMSEY**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2018**

### **13 Tangible fixed assets**

	Leasehold property	IT equipment	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 September 2017	30,453,054	130,581	596,332	28,445	31,208,412
Additions	306,180	5,032	69,170	-	380,382
At 31 August 2018	30,759,234	135,613	665,502	28,445	31,588,794
<b>Depreciation</b>					
At 1 September 2017	3,379,188	107,691	331,550	9,357	3,827,786
Charge for the year	573,234	15,106	35,659	5,689	629,688
At 31 August 2018	3,952,422	122,797	367,209	15,046	4,457,474
<b>Net book value</b>					
At 31 August 2018	26,806,812	12,816	298,293	13,399	27,131,320
At 31 August 2017	27,073,866	22,890	264,782	19,088	27,380,626

### **14 Financial instruments**

	2018 £	2017 £
<b>Carrying amount of financial assets</b>		
VAT recoverable	21,611	15,618
Accrued income	29,274	32,625
Bank and cash	369,009	507,639
	<b>419,894</b>	<b>555,882</b>
<b>Carrying amount of financial liabilities</b>		
Trade creditors	39,012	102,915
Other taxation and social security	77,541	85,012
Other creditors	72,962	79,243
Accruals	114,614	116,697
Government loans	2,400	2,800
	<b>306,529</b>	<b>386,667</b>

### **15 Stocks**

	2018 £	2017 £
Catering and other stock	4,075	4,426

# **ABBNEY COLLEGE, RAMSEY**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2018**

<b>16 Debtors</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
VAT recoverable	21,611	15,618
Other debtors	2,761	410
Prepayments and accrued income	79,150	163,644
	<u>103,522</u>	<u>179,672</u>
	<u><u>103,522</u></u>	<u><u>179,672</u></u>
<b>17 Creditors: amounts falling due within one year</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Government loans	400	400
Trade creditors	39,012	102,915
Other taxation and social security	77,541	85,012
Other creditors	72,962	79,243
Accruals and deferred income	146,562	140,776
	<u>336,477</u>	<u>408,346</u>
	<u><u>336,477</u></u>	<u><u>408,346</u></u>
Included within government loans is an interest free concessionary Salix loan of which £400 is payable within one year, and the balance of £2,000 after more than one year.		
<b>18 Creditors: amounts falling due after more than one year</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Government loans	2,000	2,400
	<u>2,000</u>	<u>2,400</u>
<b>Analysis of loans</b>		
Wholly repayable within five years	2,400	2,800
Less: included in current liabilities	(400)	(400)
	<u>2,000</u>	<u>2,400</u>
Amounts included above	<u>2,000</u>	<u>2,400</u>
	<u><u>2,000</u></u>	<u><u>2,400</u></u>
<b>Loan maturity</b>		
Debt due in one year or less	400	400
Due in more than one year but not more than two years	400	400
Due in more than two years but not more than five years	1,200	1,200
Due in more than five years	400	800
	<u>2,400</u>	<u>2,800</u>
	<u><u>2,400</u></u>	<u><u>2,800</u></u>

# **ABBEY COLLEGE, RAMSEY**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

### **FOR THE YEAR ENDED 31 AUGUST 2018**

<b>19</b>	<b>Deferred income</b>	<b>2018 £</b>	<b>2017 £</b>
	Deferred income is included within:		
	Creditors due within one year	31,948	24,079
	Deferred income at 1 September 2017	24,079	39,244
	Released from previous years	(24,079)	(39,244)
	Amounts deferred in the year	31,948	24,079
	<b>Deferred income at 31 August 2018</b>	<b>31,948</b>	<b>24,079</b>

At the balance sheet date the academy was holding funds received in advance for the next school year for school trips and school meals.

<b>20</b>	<b>Funds</b>	<b>Balance at 1 September 2017 £</b>	<b>Income £</b>	<b>Expenditure £</b>	<b>Gains, losses and transfers £</b>	<b>Balance at 31 August 2018 £</b>
	<b>Restricted general funds</b>					
	General Annual Grant (GAG)	157,203	4,798,278	(5,137,180)	42,048	(139,651)
	Other DfE / ESFA grants	-	214,277	(214,277)	-	-
	Other government grants	-	338,064	(338,064)	-	-
	Other restricted funds	-	57,464	(59,778)	2,314	-
	Pension reserve	(1,086,000)	-	(268,000)	698,000	(656,000)
		(928,797)	5,408,083	(6,017,299)	742,362	(795,651)
	<b>Restricted fixed asset funds</b>					
	Transfer on conversion	26,267,745	-	(555,148)	-	25,712,597
	DfE group capital grants	7,080	569,376	-	(335,242)	241,214
	Capital expenditure from GAG	1,112,881	-	(74,540)	380,382	1,418,723
		27,387,706	569,376	(629,688)	45,140	27,372,534
	<b>Total restricted funds</b>	<b>26,458,909</b>	<b>5,977,459</b>	<b>(6,646,987)</b>	<b>787,502</b>	<b>26,576,883</b>
	<b>Unrestricted funds</b>					
	General funds	83,324	258,283	(252,105)	(89,502)	-
	School fund	33,384	126,587	(123,405)	-	36,566
		116,708	384,870	(375,510)	(89,502)	36,566
	<b>Total funds</b>	<b>26,575,617</b>	<b>6,362,329</b>	<b>(7,022,497)</b>	<b>698,000</b>	<b>26,613,449</b>

# ABBHEY COLLEGE, RAMSEY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2018**

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### 20 Funds

(Continued)

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

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2018.

£21,983 of devolved capital funding received from the ESFA in the current year has been utilised on property improvements and transferred to the fixed asset fund.

£547,393 was received in the year which was the final funding for two condition improvement funds from the ESFA. During the year, £306,179 of these funds were spent on property improvements and the balance of £241,214 represents the unspent funds at the year end.

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.

# **ABBEEY COLLEGE, RAMSEY**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2018**

### **20 Funds**

**(Continued)**

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

	Balance at 1 September 2016 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2017 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	362,040	5,226,781	(5,264,844)	(166,774)	157,203
Other DfE / ESFA grants	-	215,725	(215,725)	-	-
Other government grants	-	394,077	(394,077)	-	-
Adult Community Learning	-	9,542	(8,850)	(692)	-
Other restricted funds	-	59,281	(59,281)	-	-
Pension reserve	(2,743,000)	-	(294,000)	1,951,000	(1,086,000)
	<u>(2,380,960)</u>	<u>5,905,406</u>	<u>(6,236,777)</u>	<u>1,783,534</u>	<u>(928,797)</u>
<b>Restricted fixed asset funds</b>					
Transfer on conversion	26,822,891	-	(555,146)	-	26,267,745
DfE group capital grants	29,184	34,239	-	(56,343)	7,080
Capital expenditure from GAG	1,016,868	-	(58,319)	154,332	1,112,881
	<u>27,868,943</u>	<u>34,239</u>	<u>(613,465)</u>	<u>97,989</u>	<u>27,387,706</u>
<b>Total restricted funds</b>	<u>25,487,983</u>	<u>5,939,645</u>	<u>(6,850,242)</u>	<u>1,881,523</u>	<u>26,458,909</u>
<b>Unrestricted funds</b>					
General funds	10,663	265,475	(262,291)	69,477	83,324
School fund	31,300	126,479	(124,395)	-	33,384
	<u>41,963</u>	<u>391,954</u>	<u>(386,686)</u>	<u>69,477</u>	<u>116,708</u>
<b>Total funds</b>	<u>25,529,946</u>	<u>6,331,599</u>	<u>(7,236,928)</u>	<u>1,951,000</u>	<u>26,575,617</u>

# **ABBNEY COLLEGE, RAMSEY**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2018**

### **20 Funds**

**(Continued)**

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

	Balance at 1 September 2016 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2018 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	362,040	10,025,059	(10,402,024)	(124,726)	(139,651)
Other DfE / ESFA grants	-	430,002	(430,002)	-	-
Other government grants	-	732,141	(732,141)	-	-
Adult Community Learning	-	9,542	(8,850)	(692)	-
Other restricted funds	-	116,745	(119,059)	2,314	-
Pension reserve	(2,743,000)	-	(562,000)	2,649,000	(656,000)
	<u>(2,380,960)</u>	<u>11,313,489</u>	<u>(12,254,076)</u>	<u>2,525,896</u>	<u>(795,651)</u>
<b>Restricted fixed asset funds</b>					
Transfer on conversion	26,822,891	-	(1,110,294)	-	25,712,597
DfE group capital grants	29,184	603,615	-	(391,585)	241,214
Capital expenditure from GAG	1,016,868	-	(132,859)	534,714	1,418,723
	<u>27,868,943</u>	<u>603,615</u>	<u>(1,243,153)</u>	<u>143,129</u>	<u>27,372,534</u>
<b>Total restricted funds</b>	<u>25,487,983</u>	<u>11,917,104</u>	<u>(13,497,229)</u>	<u>2,669,025</u>	<u>26,576,883</u>
<b>Unrestricted funds</b>					
General funds	10,663	523,758	(514,396)	(20,025)	-
School fund	31,300	253,066	(247,800)	-	36,566
	<u>41,963</u>	<u>776,824</u>	<u>(762,196)</u>	<u>(20,025)</u>	<u>36,566</u>
<b>Total funds</b>	<u>25,529,946</u>	<u>12,693,928</u>	<u>(14,259,425)</u>	<u>2,649,000</u>	<u>26,613,449</u>

# **ABBEY COLLEGE, RAMSEY**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2018**

### **21 Analysis of net assets between funds**

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
<b>Fund balances at 31 August 2018 are represented by:</b>				
Tangible fixed assets	-	-	27,131,320	27,131,320
Current assets	67,039	168,353	241,214	476,606
Creditors falling due within one year	(30,473)	(306,004)	-	(336,477)
Creditors falling due after one year	-	(2,000)	-	(2,000)
Defined benefit pension liability	-	(656,000)	-	(656,000)
<b>Total net assets</b>	<b>36,566</b>	<b>(795,651)</b>	<b>27,372,534</b>	<b>26,613,449</b>

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
<b>Fund balances at 31 August 2017 are represented by:</b>				
Tangible fixed assets	-	-	27,380,626	27,380,626
Current assets	195,352	489,305	7,080	691,737
Creditors falling due within one year	(78,644)	(329,702)	-	(408,346)
Creditors falling due after one year	-	(2,400)	-	(2,400)
Defined benefit pension liability	-	(1,086,000)	-	(1,086,000)
<b>Total net assets</b>	<b>116,708</b>	<b>(928,797)</b>	<b>27,387,706</b>	<b>26,575,617</b>

### **22 Pensions and similar obligations**

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

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

Contributions amounting to £72,961 (2017: £79,189) were payable to the schemes at 31 August 2018 and are included within creditors.

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

##### **Introduction**

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' 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.



# ABBEY COLLEGE, RAMSEY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2018

#### 22 Pensions and similar obligations

(Continued)

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

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

The key elements of the valuation and subsequent consultation are:

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

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

The pension costs paid to the TPS in the period amounted to £360,480 (2017: £359,371).

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

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

##### Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 20 to 21% for employers and 5.5 to 6.8% for employees. The estimated value of employer contributions for the forthcoming year is £247,000.

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

Total contributions made	2018 £	2017 £
Employer's contributions	267,000	282,000
Employees' contributions	71,000	74,000
Total contributions	338,000	356,000

# **ABBEEY COLLEGE, RAMSEY**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2018**

### **22 Pensions and similar obligations**

**(Continued)**

<b>Principal actuarial assumptions</b>	<b>2018</b>	<b>2017</b>
	<b>%</b>	<b>%</b>
Rate of increases in salaries	2.7	2.7
Rate of increase for pensions in payment	2.4	2.4
Discount rate	2.8	2.5

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

	<b>2018</b>	<b>2017</b>
	<b>Years</b>	<b>Years</b>
Retiring today		
- Males	22.4	22.4
- Females	24.4	24.4
Retiring in 20 years		
- Males	24.0	24.0
- Females	26.3	26.3

<b>Sensitivity analysis</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
0.5% decrease in Real Discount Rate	728,000	692,000
0.5% increase in Salary Increase Rate	106,000	111,000
0.5% increase in the Pension Increase Rate	614,000	570,000

### **The academy trust's share of the assets in the scheme**

	<b>2018</b>	<b>2017</b>
	<b>Fair value</b>	<b>Fair value</b>
	<b>£</b>	<b>£</b>
Equities	4,386,080	3,752,980
Bonds	610,720	633,620
Cash	166,560	146,220
Property	388,640	341,180
Total market value of assets	5,552,000	4,874,000
Actual return on scheme assets - gain/(loss)	395,000	41,000

# **ABBEEY COLLEGE, RAMSEY**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2018**

### **22 Pensions and similar obligations**

**(Continued)**

<b>Amounts recognised in the statement of financial activities</b>	<b>2018 £</b>	<b>2017 £</b>
Current service cost	500,000	516,000
Past service cost	5,000	-
Interest income	(125,000)	(98,000)
Interest cost	155,000	158,000
<b>Total operating charge</b>	<b>535,000</b>	<b>576,000</b>
<b>Changes in the present value of defined benefit obligations</b>	<b>2018 £</b>	<b>2017 £</b>
Obligations at 1 September 2017	5,960,000	7,271,000
Current service cost	500,000	516,000
Interest cost	155,000	158,000
Employee contributions	71,000	74,000
Actuarial gain	(428,000)	(2,008,000)
Benefits paid	(55,000)	(51,000)
Past service cost	5,000	-
<b>At 31 August 2018</b>	<b>6,208,000</b>	<b>5,960,000</b>
<b>Changes in the fair value of the academy trust's share of scheme assets</b>	<b>2018 £</b>	<b>2017 £</b>
Assets at 1 September 2017	4,874,000	4,528,000
Interest income	125,000	98,000
Actuarial (gain)/loss	270,000	(57,000)
Employer contributions	267,000	282,000
Employee contributions	71,000	74,000
Benefits paid	(55,000)	(51,000)
<b>At 31 August 2018</b>	<b>5,552,000</b>	<b>4,874,000</b>

# **ABBAY COLLEGE, RAMSEY**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2018**

### **23 Reconciliation of net expenditure to net cash flow from operating activities**

	2018 £	2017 £
Net expenditure for the reporting period (as per the Statement of Financial Activities)	(660,168)	(905,329)
Adjusted for:		
Capital grants from DfE/ESFA and other capital income	(569,376)	(34,239)
Investment income receivable	(240)	(1,735)
Defined benefit pension costs less contributions payable	238,000	234,000
Defined benefit pension net finance cost	30,000	60,000
Depreciation of tangible fixed assets	629,688	613,465
Decrease in stocks	351	2,804
Decrease/(increase) in debtors	76,150	(35,602)
(Decrease)/increase in creditors	(71,869)	47,274
<b>Net cash used in operating activities</b>	<b>(327,464)</b>	<b>(19,362)</b>

### **24 Contingent liabilities**

The school leases The Abbey and part of its land for a peppercorn rent on a 99 year lease, expiring in 2035. The school has an obligation to return the property in good tenantable repair and condition and therefore there may be a liability for any works that are required, but any liability that may exist has not been quantified.

### **25 Commitments under operating leases**

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

	2018 £	2017 £
Amounts due within one year	17,172	75,890
Amounts due in two and five years	1,896	13,380
	<u>19,068</u>	<u>89,270</u>

# ABBEY COLLEGE, RAMSEY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

### 26 Capital commitments

	2018 £	2017 £
Expenditure contracted for but not provided in the accounts.	278,096	12,444

At the year end, capital commitments were in place amounting to £128,209 (2017: £nil) in relation to the Roof project and £149,887 (2017 - £nil) in relation to the Windows project. Capital grants have been received to meet these commitments.

At the year end, capital commitments were in place amounting to £nil (2017: £12,444) in relation to the EOTAS centre boiler project.

### 27 Related party transactions

Owing to the nature of the academy's operations and the composition of the board of the trustees 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 trustees 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.

During the period, a donation amounting to £1,062 (2017: £38,004) was received from Ramsey Tennis Club, of which E J Edwards, an academy trustee, is a member.

During the period, donations amounting to £11,500 (2017: £1,900) were received from the Ramsey Foundation. Five of the academy trustees are also trustees of the Ramsey Foundation.

Some of the Governors have children who are pupils at the Academy, consequently there will be transactions between those Governors and the Academy in respect of their children's education. These are on the same basis as other pupils at the Academy.

### 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 or she is a member, or within one year after he or she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he or she ceases to be a member.

No individual has a controlling interest in the charitable company.