

Report of the Trustees and
Financial Statements For The Year Ended 31 August 2018
for

XP School Trust Limited



Allotts Business Services Ltd, Statutory Auditor
Chartered Accountants
Sidings Court
Lakeside
Doncaster
South Yorkshire
DN4 5NU

XP School Trust Limited

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For The Year Ended 31 August 2018

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XP School Trust Limited

Reference and Administrative Details
For The Year Ended 31 August 2018

MEMBERS

R Horne
S Mordin
H Drennan
R P Pountney
N Edmanson

TRUSTEES

R P Pountney
S C Bielby
P R Crawley
R J Scott
L J Scully
R Varley
J Harris-Evans (appointed 1.9.2017)
M Dewsnap (appointed 13.3.2018)

SENIOR MANAGEMENT TEAM

G D ap R ap Harri (Chief Executive Officer)
T Blair
A Sprakes (Principal)
M J Said (Deputy Principal)

REGISTERED OFFICE

Middle Bank
Doncaster
South Yorkshire
DN4 5NG

REGISTERED COMPANY NUMBER

08344767 (England and Wales)

AUDITORS

Allotts Business Services Ltd, Statutory Auditor
Chartered Accountants
Sidings Court
Lakeside
Doncaster
South Yorkshire
DN4 5NU

SOLICITORS

Taylor Bracewell
Number One Railway Court
Ten Pound Walk
Doncaster
DN4 5FB

BANKERS

National Westminster Bank plc
1 Finkle Street
Thorne
Doncaster
South Yorkshire
DN8 5DE

XP School Trust Limited

Report of the Trustees For The Year Ended 31 August 2018

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 August 2018. The trustees have adopted the provisions of 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) (effective 1 January 2015) and the Academies Accounts Direction issued by the Education and Skills Funding Agency.

The Trustees present their annual report together with the financial statements and auditor's report of the Charitable Company for the period 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.

OBJECTIVES AND ACTIVITIES

Objectives and aims

These are clearly summarised in the following statements, to be found on the school's website.

The aim for all our schools is to prepare our children to be successful in the modern world.

Our schools are tightly integrated into the community, and focused on creating academically rigorous, authentic experiences that bring our children closer to this goal. In the USA, Expeditionary Learning schools have been practising this for over two decades to astounding success. Their children are articulate and confident, and possess not only deep subject knowledge, but the wider skills and competencies needed to be successful in the 21st century.

XP School Trust's mission is to expedite this model of learning in the UK, and will do this by;

- bringing like minded individuals and organisations together,
- organising events that allow us to learn the model and implement it in schools in the UK,
- opening XP schools and effectively walking the walk as well as talking the talk.

Our Trust is based on the following Design Principles:

Personalisation

- we express who we are through our work
- we forge our own pathways to career, university and life readiness
- we have ownership of our own progress and learning

Connect with the World

- we learn naturally across subjects from enquiry through to presentation to authentic audiences
- we create meaningful relationships beyond the classroom
- we engage in relevant work that matters

A Common Mission

- we form genuine communities with shared goals
- we have collaborative accountability
- we take real risks to achieve more
- we are 'crew' not passengers

Teachers are Learners

- we learn through the design process
- we have ownership of the curriculum
- we are accountable to our stakeholders

Language is our culture

- we actively refer to our character values each day, using them as a framework for our conduct, they are not just word on walls
- we realise our values through our Habits of Work and Learning
- we use sign language and common phrases when appropriate to express our thoughts, feelings and sense of community

XP School Trust Limited

Report of the Trustees For The Year Ended 31 August 2018

The Trust's object ("the Object") is specifically restricted to the following: to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum ("the Academy").

In line with the above, the Trust pursues the following as the basis of its provision seeking:

- To maintain as the basis of provision that every child enjoys the same high quality education in terms of appropriate resourcing, tuition and care;
- To promote the raising of educational achievement by all pupils;
- To improve the effectiveness of the School by keeping the curriculum and organisational structure under continual review;
- To provide value for money for the funds expended;
- To comply with all appropriate statutory and curriculum requirements;
- To maintain close links with partners in education, industry and the community; and
- To conduct the School's business in accordance with the highest standards of integrity, probity and openness.

XP School Trust Limited values excellence and diversity and seeks to give everyone in the school an equal chance to learn, work and live, free from the action, or fear, of discrimination, or prejudice, particularly in the fields of racism, or in any of the fields of disability, gender, belief. We work to develop the potential of all pupils academically, socially, culturally and psychologically and to establish a community that is just and fair for all people who work at, visit, or engage with us in any way.

OBJECTIVES AND ACTIVITIES

Objectives and aims

We aim for our students to be happy and healthy, enthused by the intellectual, social and physical challenges posed by their experience at school. They develop into independent learners, aware of how to learn, and of the role of emotions and dispositions in the learning process, which they draw on to address challenge and difficulty, as well as achieve success. They also develop the ability to perceive and identify that success in the widest possible range of circumstances and contexts within their experience.

All staff will have the opportunity to develop further as self-directed, reflective learners, principally through working collaboratively with others to enhance their own expertise. Through their expertise, engagement, even passion, teachers in particular will look to enthuse and inspire others to explore new ideas.

Parents are encouraged to actively fulfil their roles as true partners, recognising their positive role in the student- school - parent partnership to ensure that their child realises their potential.

Trustees contribute to the life of the school principally via active and interactive oversight, acting as critical friends to support the school in its operations.

Objectives strategies and activities

The Trust has built a permanent site for XP School at Middle Bank, Doncaster and has operated within this building from 2nd November 2015, leaving the temporary site within the Doncaster Rovers Keepmoat stadium as a legacy to be taken up by their Community Foundation

XP East opened in September 2017 and a permanent site has been built to form a two-school campus, with students moving into the building in June 2018.

Green Top primary school in Thorne has also joined the MAT from September 2017.

Public benefit

The trustees have had due regard to guidance published by the Charities Commission on public benefit. The principal public benefit delivered by the Academy Trust is the provision of a high-quality education to students, in line with the articles of association.

Volunteers

A number of parents volunteer to create various activities and events under the banner, "Friends of XP". Any monies generated are donated to the school.

XP School Trust Limited

Report of the Trustees
For The Year Ended 31 August 2018

STRATEGIC REPORT

Achievement and performance

Charitable activities

The Academy strives to improve the levels of performance of its students at all levels and will endeavour to ensure its students get a place in further/higher education, jobs or training, at the point at which they leave.

Key financial performance indicators

The Trustees consider the following to be the key financial performance indicators for the period 1 September 2017 to 31 August 2018:

		2018	2017
Income:			
	Total GAG Income per pupil	£4,320	£6,080
Staffing:			
	Total staff cost per pupil	£4,226	£6,893
	Staffing costs to GAG income	98%	104%
Expenditure:			
	Total GAG expenditure per pupil	£4,000	£6,660
	Total capital expenditure per pupil (excluding expenditure on land and buildings)	£154	£727

Number of pupils in 2017/18

XP - 200

XP East - 50

Green Top - 450

As the number of pupils increase year by year, fixed costs of the school (as opposed to those that vary with the number of pupils) will be spread over more pupils resulting in greater efficiencies.

Financial review

Principal funding sources

The majority of the Trust's income was obtained from the Education and Skills Funding Agency (ESFA) in the form of General Annual Income (GAG) which was restricted to approved eligible expenditure incurred and funding from the ESFA for the building of the new XP school. The grants received from the ESFA during the year ended 31 August 2018 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

During the year ended 31 August 2018, total expenditure was met by grant funding from the ESFA together with other incoming resources.

At 31 August 2018 the net book value of fixed assets was £10,781,000. Movements in tangible fixed assets are shown in Note 12 to the financial statements. The assets are to be used exclusively for providing education and the associated support services to the pupils of the Academy.

The surplus for the year was £4,106,000. This includes £3,874,000 transfer from Local Authority on conversion and £154,000 actuarial gain on the defined benefit pension scheme. The School Trust held total fund balances at 31 August 2018 of £10,026,000.

Investment policy and objectives

The school has no investments other than money in the bank.

Reserves policy

The Board of Trustees reviews the reserve levels of the Academy Trust annually at the year-end and as part of its budget planning process. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves, and necessary consideration/responses to developmental/change processes initiated in house or required by changes in national scenarios.

The Trustees have determined that an ideal level of GAG and free reserves should be approximately one month's operational expenditure.

The Academy intends to build up and consolidate reserves as circumstances will allow to the levels projected, with necessary annual review.

XP School Trust Limited
Report of the Trustees
For The Year Ended 31 August 2018

Going concern

After making appropriate enquiries, the Board of Directors has a reasonable expectation that the School Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies on pages 20-22.

STRATEGIC REPORT

Principal risks and uncertainties

The Admission policies, and approaches to recruitment and retention are designed and operated to produce a position necessary to maintain the current and projected budgetary position on which present operation and future planning is based. Principal areas of potential risk within this approach currently include Governance, Statutory compliance, finance, insurance, attainment, attendance, behaviour, Health and Safety, organisation, operations, safeguarding reputation, HR and ICT.

Financial and risk management objectives and policies

The primary objective of the Trust's risk management procedures is to identify the principal risks facing the Academy, and establish, operate and amend as necessary specific controls as required. This includes external insurance matters.

The Trust has a comprehensive risk management process, which is considered as a standard item on the Finance Committee agenda and is therefore linked into regular consideration and scrutiny via the Trust management process.

The financial risks considered include economic/financial uncertainty, liquidity and solvency, the risk of fraud, and compliance with financial/statutory requirements.

Future plans

The Trust are planning on welcoming two, possibly three, existing primary schools to the MAT in 2018/19, and will open XP's Post 16 provision in September 2019.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The MAT is a company limited by guarantee and follows the charity commission requirements in line with MAT status. The Charitable Company's Memorandum and Articles of Association are the primary governing documents of XP School Trust Limited.

The Trustees of XP School Trust Limited are also the directors of the charitable company for the purposes of company law. The Articles of Association require the members of the Trust to appoint between three and ten Directors to be responsible for the affairs and the management of the Trust. The charitable company is known as XP School Trust Limited.

Details of the Trustees who served throughout the year except as noted are included in the reference and administrative details on page 1.

Members' liability

Each member of the Charitable Company undertakes to contribute to the assets of the Charitable Company in the event of it being wound up while they are a member, or within one year after they cease to be a member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before they ceased to be a member.

Trustees' Indemnities

The Trust has taken out the EFA RPA insurance scheme to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on School business. The insurance provides unlimited professional indemnity.

The trustees have implemented several systems to assess risks faced by the Trust in both financial and operational areas. The Trust has an effective system of internal financial controls which are monitored both internally and externally. There are operational procedures in place to minimise risks (e.g. all staff are DBS checked, Health & Safety policies ensure the site is safe). The Trust also has adequate insurance cover as detailed above.

Principal activities

The principal activity of the Charitable Company is specifically restricted to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum ("the School"). This is the primary object of the School Trust as set out in paragraph 4 of the Articles of Association of the Company Limited by Guarantee.

XP School Trust Limited

Report of the Trustees For The Year Ended 31 August 2018

Method of recruitment and appointment or election of new trustees and governors

All matters related to Trustees are dealt with in paragraphs 45 to 141 of the Articles of Association of XP School Trust Limited which clearly specify all matters pertaining to Membership, Appointment, Tenure, Structure, Powers, Conduct of Meetings and Rules. Within this overall framework the following points are specified:

- The members may appoint up to 6 governors.
- The members may appoint up to 2 staff governors through such process as they may determine, provided that the total number of governors (including the Principal) who are employees of the Academy Trust does not exceed one third of the total number of Governors.
- The local authority may appoint a local authority governor
- The Principal shall be treated as being an ex officio governor.
- Parents of students registered at the Academy will elect parent Governors. A parent Governor must be a parent of a pupil at the Academy at the time he/she is elected
- The Term of Office for any Trustee shall be four years, or any shorter period determined by members. This time limit does not apply to the Principal and Staff Trustees, who only hold office as long as they continue to be employed by the school, or finish their prescribed tenure as described elsewhere.
- The number of Trustees is not subject to any maximum number, again provided that all constituent elements are correctly represented in that number.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisational structure

The structure of governance is dictated by the published scheme of delegation, and consists of the Trust, the Board of Directors and the Trust Committees, in that order.

In addition to the Trustees (who are also directors of the charitable company for the purposes of company law) the school has a number of school governors who attend Trust Committee meetings and act as advisory bodies to the Board of Directors.

The governors are:

G Thornton
P Cunningham
K Poncia
A Parker
M Price
J Lockey
S Lockey
M Sprakes
T Elvin
N Skelton

In addition to this, Green Top runs its own committee, acting as a Local Governing Body.

The aim of the management structure is both to lead appropriately and inform, and to devolve equally appropriately responsibility to and encourage engagement in, decision making at all levels.

The Trustees are responsible for

- setting general policy,
- approving and adopting annual planning,
- quality assurance and performance review cycles,
- the budget,
- monitoring the School Trust by the use of regular reports to committee meetings,
- monitoring provisions, outcomes and budgets in order to inform and make major decisions about the direction of the School Trust,
- expenditure (including capital expenditure) and
- senior staff appointments.

XP School Trust Limited

Report of the Trustees For The Year Ended 31 August 2018

The whole staff crew, including the Senior Leadership Team meet at least weekly to discuss both strategic and operational issues within the Academy.

The CEO and Executive Principal liaises with the Board of Directors via the Chair at least weekly.

The Senior Leadership Team are non-voting ex officio members of the board, and are represented at all Board of Trustees meetings, and all other committee meetings. This ensures the link between Senior Management and the Board of Trustees is continuous.

The day-to-day management is delegated to the Executive Principal. All strategic decisions delegated to the Senior Management Team are ratified by the Trustees.

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

On appointment, all Trustees are provided with information detailing their roles and responsibilities, and supplied with access to all appropriate documents that they need to fulfill their role, such as the Academies Handbook, and the Articles of Association.

Development Training is organised via the Board of Trustees itself and is available to all Trustees as appropriate.

Key management remuneration

The Academy has adopted the 'DfE 'School teachers' pay and conditions document 2016 and guidance on school teachers pay and conditions' for teachers who are trustees and/or senior leaders. The Academy has adopted the 'National Joint Council for Local Government Services' pay scales for those members of support staff who are Trustees and/or senior leaders.

Equal Opportunities Policy

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

STRUCTURE, GOVERNANCE AND MANAGEMENT

Related parties and other connected charities and organisations

The Trust works informally with a number of other organisations, such as:

- Sheffield Hallam University
- Expeditionary Learning, USA
- Whole Education network
- Innovation Unit
- Higher Rhythm
- Doncopolitan
- Club Doncaster Foundation
- Partners in Learning

Risk management

The Trustees have assessed the major risks to which the Academy Trust is exposed, in particular those relating to teaching, provision of facilities, financial and other operational areas of the Academy, and its finances. Systems and procedures have all been established to assess risks that the Academy faces, especially in the operational areas (e.g. vetting of new staff and visitors, Health and Safety, behaviour policies and school trips and visits) and in relation to the control of finance. The Trustees have introduced and review regularly systems, including operational procedures and internal financial controls in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover.

The Academy has an effective system of internal financial controls and the Academy Trust has produced a Governance Statement providing assurance that the Academy Trust is appropriately managed and is controlling the resources for which it is responsible. In addition a Director (R Scott) has been appointed to assist in reviewing the effectiveness of the system on internal controls.

Internal control systems and exposure to risks are considered in relation to all activities and legislation via SMT and Trustees' meetings. Risk management is embedded into the day to day processes and life of the Academy Trust. Systems, policies and procedures are regularly updated and reviewed.

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

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XP School Trust Limited

Report of the Trustees
For The Year Ended 31 August 2018

COMMENCEMENT OF ACTIVITIES

The School Trust was incorporated on 2 January 2013 and opened as an academy on 26th August 2014. The financial statements are (where Companies Act will allow) drawn up each year to the academic year ending prior to the 31 August.

The Trust converted to a Multi-Academy Trust (MAT) on 25th October 2016.

The Trust changed its company name from XP School (Doncaster) Limited to XP School Trust on the 13th July 2017.

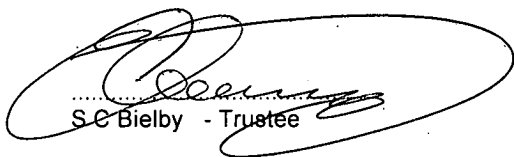
FUNDS HELD AS CUSTODIAN FOR OTHERS

XP School Trust Limited and its Trustees do not act as third party custodial trustees.

AUDITORS

The auditors, Allotts Business Services Ltd, Statutory Auditor, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 17 December 2018 and signed on the board's behalf by:



S.C. Bielby - Trustee

XP School Trust Limited

Governance Statement For The Year Ended 31 August 2018

Scope of Responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that XP School Trust Limited 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 Headteacher, 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 XP School Trust Limited 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 Report of the Trustees and in the Statement of Trustees Responsibilities. The board of trustees has formally met 3 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
M Dewsnap (appointed 13.3.2018)	1	2
R P Pountney	1	3
S C Bielby	3	3
P R Crawley	1	3
R J Scott	3	3
L J Scully	2	3
R Varley	2	3
J Harris-Evans (appointed 1.9.2017)	3	3

Review of Value for Money

As accounting officer the Principal has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The accounting officer considers how the trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where available. The accounting officer for the academy trust has delivered improved value for money during the year by:

- Green Top - Regularly check paper prices with each order as they fluctuate so much to always ensure best value
- XP - Brought the maintenance contracts in house as the company used for our FM we no longer cost effective.
- XP East - Employing our own cleaners rather than using the same company as XP as we no longer feel this is best value and will look to transition to employing our own for XP once the model is in place

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 XP School Trust Limited for the period 1 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 1 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.

The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the Finance and General Purposes 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;

Governance Statement
For The Year Ended 31 August 2018

The Risk and Control Framework

- 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, as reviewer, R Scott (a school governor) to review the internal controls of the school.

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

- review of payroll systems
- review of purchase systems
- review of petty cash system and bank reconciliations
- review of catering financial procedures
- review of music lessons income

The most recent review by R Scott took place on 28 September 2018. No major weaknesses were identified.

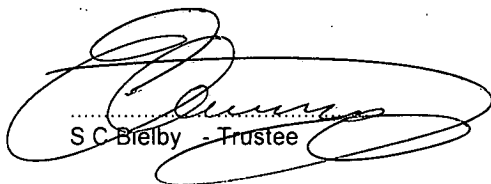
Review of Effectiveness

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

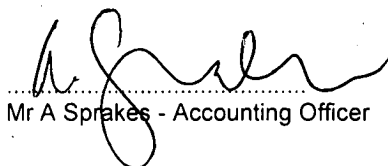
- the work of R Scott
- the work of the external auditor;
- the work of the managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance 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 17 December 2018 and signed on its behalf by:



S C Brelby - Trustee



Mr A Sprakes - Accounting Officer

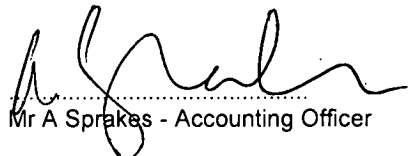
XP School Trust Limited

Statement on Regularity, Propriety and Compliance
For The Year Ended 31 August 2018

As accounting officer of XP School Trust Limited I have considered my responsibility to notify the charitable company board of trustees and the Education and 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 charitable company 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 charitable company board of trustees are able to identify any material irregular or improper use of all funds by the charitable company, or material non-compliance with the terms and conditions of funding under the charitable company'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.



Mr A Sprakes - Accounting Officer

Date: 17 December 2018

XP School Trust Limited

Statement of Trustees Responsibilities
For The Year Ended 31 August 2018

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

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

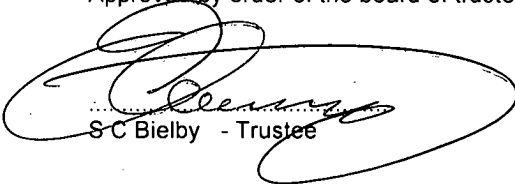
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards [FRS 102] have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the board of trustees on 17 December 2018 and signed on its behalf by:



S.C. Bielby - Trustee

Report of the Independent Auditors to the Members of
XP School Trust Limited

Opinion

We have audited the financial statements of XP School Trust Limited (the 'charitable company') for the year ended 31 August 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including financial reporting standard 102 the financial reporting standard applicable in the UK and Republic of Ireland, the Charities SORP 2015 and the Academy's Accounts Direction 2017 to 2018 issued by the Education and Skills Funding Agency (ESFA).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 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 Academies Accounts Direction 2017 to 2018 issued by the Education and Skills Funding Agency

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

Conclusions relating to going concern

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Report of the Trustees (incorporating the strategic report and the Directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

Report of the Independent Auditors to the Members of
XP School Trust Limited

Responsibilities of trustees

As explained more fully in the Statement of Trustees Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company'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 to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

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

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

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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Steven Pepper FCA (Senior Statutory Auditor)
for and on behalf of Allotts Business Services Ltd, Statutory Auditor
Chartered Accountants
Sidings Court
Lakeside
Doncaster
South Yorkshire
DN4 5NU

Date: **10** December 2018

**Independent Reporting Accountant's Assurance Report on Regularity to
XP School Trust Limited and the Education and Skills Funding Agency**

In accordance with the terms of our engagement and further to the requirements of the Education and 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 XP School Trust Limited 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 XP School Trust Limited and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to XP School Trust Limited and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than XP School Trust Limited and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of XP School Trust Limited's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of XP School Trust Limited's funding agreement with the Secretary of State for Education 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 the 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 charitable company's income and expenditure.

The work undertaken to draw to our conclusion includes:

- Enquiry of officers of the academy
- Review and testing of income and expenditure for compliance with the funding and other agreements, the Academies Financial Handbook and the academy's system of controls
- Examination of relevant documents
- Review of the activities carried out by the academy
- Review of the delegated authorities set out in the Academies Financial Handbook

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
Allotts Business Services Ltd
Chartered Accountants
Sidings Court
Lakeside
Doncaster
South Yorkshire
DN4 5NU

Date: 10 December 2018

XP School Trust Limited

**Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
For The Year Ended 31 August 2018**

	Notes	Unrestricted fund £'000	Restricted funds £'000	Fixed asset £'000	2018 Total funds £'000	2017 Total funds £'000
INCOME AND ENDOWMENTS						
FROM						
Donations and capital grants	2	4	58	222	284	56
Transfer from Local Authority on conversion	23	-	(1,004)	4,878	3,874	-
Charitable activities						
Funding for the academy's educational operations	3	-	3,740	-	3,740	1,181
Other trading activities	4	<u>1</u>	<u>44</u>	<u>-</u>	<u>45</u>	<u>17</u>
Total		5	2,838	5,100	7,943	1,254
EXPENDITURE ON						
Charitable activities						
Academy's educational operations		<u>-</u>	<u>3,732</u>	<u>259</u>	<u>3,991</u>	<u>1,500</u>
NET INCOME/(EXPENDITURE)		5	(894)	4,841	3,952	(246)
Other recognised gains/(losses)						
Actuarial gains/losses on defined benefit schemes	20	<u>-</u>	<u>154</u>	<u>-</u>	<u>154</u>	<u>3</u>
Net movement in funds		5	(740)	4,841	4,106	(243)
RECONCILIATION OF FUNDS						
Total funds brought forward		-	(31)	5,951	5,920	6,163
TOTAL FUNDS CARRIED FORWARD		<u>5</u>	<u>(771)</u>	<u>10,792</u>	<u>10,026</u>	<u>5,920</u>

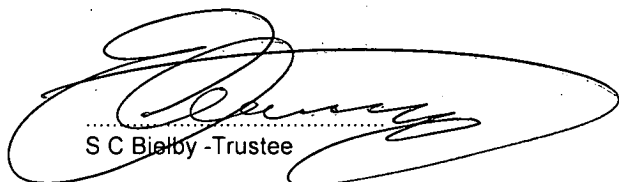
All of the charitable company's activities derive from acquisitions in the current year.

The notes form part of these financial statements

**Balance Sheet
At 31 August 2018**

	Notes	2018 £'000	2017 £'000
FIXED ASSETS			
Tangible assets	12	<u>10,781</u>	<u>5,951</u>
CURRENT ASSETS			
Stocks	13	6	6
Debtors	14	175	96
Cash at bank		<u>372</u>	<u>99</u>
		553	201
CREDITORS			
Amounts falling due within one year	15	(269)	(183)
NET CURRENT ASSETS		<u>284</u>	<u>18</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		11,065	5,969
PENSION LIABILITY	20	(1,039)	(49)
NET ASSETS		<u>10,026</u>	<u>5,920</u>
FUNDS	19		
Unrestricted funds:			
General fund		5	-
Restricted funds:			
Fixed Asset Fund		10,792	5,951
General Fund		268	18
Pension Reserve		<u>(1,039)</u>	<u>(49)</u>
		<u>10,021</u>	<u>5,920</u>
TOTAL FUNDS		<u>10,026</u>	<u>5,920</u>

The financial statements were approved by the Board of Trustees on 17 December 2018 and were signed on its behalf by:


S C Bielby - Trustee

The notes form part of these financial statements

XP School Trust Limited

Cash Flow Statement
For The Year Ended 31 August 2018

	Notes	2018 £'000	2017 £'000
Cash flows from operating activities:			
Cash generated from operations	1	<u>262</u>	<u>(11)</u>
Net cash provided by (used in) operating activities		<u>262</u>	<u>(11)</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		(211)	(35)
Capital grants from DfE/ESFA		<u>222</u>	<u>31</u>
Net cash provided by (used in) investing activities		<u>11</u>	<u>(4)</u>
Change in cash and cash equivalents in the reporting period		<u>273</u>	<u>(15)</u>
Cash and cash equivalents at the beginning of the reporting period		<u>99</u>	<u>114</u>
Cash and cash equivalents at the end of the reporting period		<u>372</u>	<u>99</u>

The notes form part of these financial statements

XP School Trust Limited

Notes to the Cash Flow Statement
For The Year Ended 31 August 2018

1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2018 £'000	2017 £'000
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	3,952	(246)
Adjustments for:		
Depreciation	259	168
Capital grants from DfE/ESFA	(222)	(31)
Transfer from Local Authority on conversion	(3,844)	-
(Increase)/decrease in debtors	(79)	74
Increase/(decrease) in creditors	86	(8)
Difference between pension charge and cash contributions	<u>110</u>	<u>32</u>
Net cash provided by (used in) operating activities	<u>262</u>	<u>(11)</u>

Notes to the Financial Statements
For The Year Ended 31 August 2018

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Academies Accounts Direction 2017 to 2018 issued by the ESFA, the Charities Act 2011 and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Going concern

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

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

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

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Grants receivable

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of 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 year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

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

Donations

Donations are recognised on a receivable basis (where there are no performance related conditions), where it is probable that the income will be received and the amount can be measured reliably.

Other income

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

Notes to the Financial Statements - continued
For The Year Ended 31 August 2018

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'.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, 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 accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Charitable activities

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

Tangible fixed assets

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

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

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

Freehold land	not provided
Freehold buildings	2% straight line
Fixtures, fittings and equipment	15% straight line
ICT equipment	25% straight line

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

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

Financial instruments

The school trust only holds basic financial instruments as defined by FRS102. The financial assets and financial liabilities of the academy trust and their measurement basis are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. 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 as detailed in note 15. 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.

Stocks

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

XP School Trust Limited

Notes to the Financial Statements - continued
For The Year Ended 31 August 2018

1. ACCOUNTING POLICIES - continued

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 part 11, chapter 3 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.

Fund accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objectives 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 Department for Education Group.

Pension costs and other post-retirement 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.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in the Pension and Similar Obligations note, 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 recognised in the period to which they relate.

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

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

2. DONATIONS AND CAPITAL GRANTS

	Unrestricted funds £'000	Restricted funds £'000	2018 Total funds £'000	2017 Total funds £'000
Other donations	4	58	62	19
Capital grants	-	222	222	37
	<u>4</u>	<u>280</u>	<u>284</u>	<u>56</u>

3. FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds £'000	Restricted funds £'000	2018 Total funds £'000	2017 Total funds £'000
Grants	-	3,638	3,638	1,145
Catering income	-	82	82	36
Carried forward	-	3,720	3,720	1,181

XP School Trust Limited

Notes to the Financial Statements - continued
For The Year Ended 31 August 2018

3. FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS - continued

	Unrestricted funds £'000	Restricted funds £'000	2018 Total funds £'000	2017 Total funds £'000
Brought forward	-	3,720	3,720	1,181
Trip income	-	20	20	-
	<u>-</u>	<u>3,740</u>	<u>3,740</u>	<u>1,181</u>

An analysis of grants received is given below:

	Unrestricted funds £'000	Restricted funds £'000	2018 Total funds £'000	2017 Total funds £'000
DfE/ESFA revenue grant				
General Annual Grant(GAG)	-	3,024	3,024	912
Other DfE/ESFA Grants	-	361	361	211
	-	3,385	3,385	1,123
Other government grant				
Local authority grants	-	187	187	22
Special educational projects	-	66	66	-
	-	253	253	22
	<u>-</u>	<u>3,638</u>	<u>3,638</u>	<u>1,145</u>

4. OTHER TRADING ACTIVITIES

	Unrestricted funds £'000	Restricted funds £'000	2018 Total funds £'000	2017 Total funds £'000
Fundraising	-	3	3	3
Catering income	-	-	-	-
Other events and activities	-	11	11	10
Books, uniforms etc	-	-	-	6
Placements	-	4	4	-
Consultancy	-	9	9	-
Sundry income	1	17	18	(2)
	<u>1</u>	<u>44</u>	<u>45</u>	<u>17</u>

5. EXPENDITURE

	Staff costs £'000	Non-pay expenditure		2018 Total £'000	2017 Total £'000
		Premises £'000	Other costs £'000		
Charitable activities					
Academies educational operations					
Direct costs	1,308	151	391	1,850	1,095
Allocated support costs	<u>1,648</u>	<u>249</u>	<u>244</u>	<u>2,141</u>	<u>405</u>
	<u>2,956</u>	<u>400</u>	<u>635</u>	<u>3,991</u>	<u>1,500</u>

XP School Trust Limited

Notes to the Financial Statements - continued
For The Year Ended 31 August 2018

5. EXPENDITURE - continued

Net income/(expenditure) is stated after charging/(crediting):

	2018 £'000	2017 £'000
Auditors' remuneration	9	5
Auditors' remuneration for non audit work	3	3
Depreciation - owned assets	259	168
Operating leases - Others	<u>9</u>	<u>8</u>

6. CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds £'000	Restricted funds £'000	2018 Total funds £'000	2017 Total funds £'000
Direct costs	-	1,850	1,850	1,095
Support costs	<u>-</u>	<u>2,141</u>	<u>2,141</u>	<u>405</u>
	<u>-</u>	<u>3,991</u>	<u>3,991</u>	<u>1,500</u>

	2018 Total £'000	2017 Total £'000
Analysis of support costs		
Support staff costs	1,648	240
Premises costs	249	88
Other support costs	232	69
Governance costs	<u>12</u>	<u>8</u>
Total support costs.	<u>2,141</u>	<u>405</u>

Notes to the Financial Statements - continued
For The Year Ended 31 August 2018

7. TRUSTEES' REMUNERATION AND BENEFITS

The Principal and staff trustees only receive remuneration in respect of services they provide undertaking the roles of Principal and staff, and not in respect of their services as trustees. Other trustees did not receive any payments, other than expenses, from the academy in respect of their role as trustees. The value of trustees' remuneration was as follows:

A Sprakes (Principal and trustee)

Remuneration £nil (2017: £85,000 - £90,000)

Employer's pension contributions £nil (2017: £10,000 - £15,000)

G S Thornton (staff trustee)

Remuneration £nil (2017: £40,000 - £45,000)

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

J R Chappell (staff trustee)

Remuneration £nil (2017: £5,000 - £10,000)

Employer's pension contributions £nil (2017: £0 - £5,000)

G D ap Harri (staff trustee)

Remuneration £nil (2017: £10,000 - £15,000)

Employer's pension contributions £nil (2017: £0 - £5,000)

Trustees' expenses

During the year ended 31 August 2018, travel and subsistence expenses amounting to £nil (2017: £117) were reimbursed or paid directly to one trustee in their role as trustee, who worked for the school.

Other transactions

Other related party transactions involving the trustees are set out in the Related Party Disclosures note.

XP School Trust Limited

Notes to the Financial Statements - continued
For The Year Ended 31 August 2018

8. STAFF COSTS

	2018 £'000	2017 £'000
Wages and salaries	2,284	808
Social security costs	205	81
Pension costs	<u>463</u>	<u>145</u>
	2,952	1,034
Compensation payments	<u>4</u>	<u>-</u>
	<u><u>2,956</u></u>	<u><u>1,034</u></u>

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

	2018	2017
Teachers and educational support	41	20
Administration and support	51	3
Leadership and management	<u>6</u>	<u>3</u>
	<u><u>98</u></u>	<u><u>26</u></u>

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

	2018	2017
£60,001 - £70,000	1	-
£70,001 - £80,000	1	-
£80,001 - £90,000	<u>2</u>	<u>2</u>
	<u><u>4</u></u>	<u><u>2</u></u>

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employers national insurance contributions) received by key management personnel for their services to the academy trust was £506,195 (2017: £306,486).

4 of the above employees (2017: 2) participated in the Teachers' Pension Scheme. During the year ended 31 August 2018, pension contributions for these members of staff amounted to £46,342 (2017: £28,207).

9. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The cost for the year was included but not separated in the cost of £25 per pupil paid to be a Member of the RPA (Risk Protection Arrangement).

10. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £'000	Restricted funds £'000	Fixed asset £'000	Total funds £'000
INCOME AND ENDOWMENTS FROM				
Donations and capital grants	-	25	31	56
Charitable activities				
Funding for the academy's educational operations	-	1,181	-	1,181
Other trading activities	<u>-</u>	<u>17</u>	<u>-</u>	<u>17</u>
Total	-	1,223	31	1,254

XP School Trust Limited

Notes to the Financial Statements - continued
For The Year Ended 31 August 2018

10. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted fund £'000	Restricted funds £'000	Fixed asset £'000	Total funds £'000
EXPENDITURE ON				
Charitable activities				
Academy's educational operations	-	1,332	168	1,500
NET INCOME/(EXPENDITURE)	-	(109)	(137)	(246)
Transfers between funds	-	(4)	4	-
Other recognised gains/(losses)				
Actuarial gains/losses on defined benefit schemes	-	3	-	3
Net movement in funds	-	(110)	(133)	(243)
RECONCILIATION OF FUNDS				
Total funds brought forward	-	79	6,084	6,163
TOTAL FUNDS CARRIED FORWARD	-	(31)	5,951	5,920

11. LEGAL FORM

The academy trust is a company limited by guarantee and an exempt charity. The principal activity of the charitable company is the provision of educational services.

12. TANGIBLE FIXED ASSETS

	Freehold land and buildings £'000	Leasehold land and buildings £'000	Furniture and fixtures £'000	Plant and Equipment £'000	Totals £'000
COST					
At 1 September 2017	6,068	-	9	221	6,298
Additions	-	-	5	206	211
Transfer on conversion	-	4,870	-	8	4,878
At 31 August 2018	6,068	4,870	14	435	11,387
DEPRECIATION					
At 1 September 2017	224	-	2	121	347
Charge for year	111	39	2	107	259
At 31 August 2018	335	39	4	228	606
NET BOOK VALUE					
At 31 August 2018	5,733	4,831	10	207	10,781
At 31 August 2017	5,844	-	7	100	5,951

13. STOCKS

	2018 £'000	2017 £'000
Goods	6	6

XP School Trust Limited

Notes to the Financial Statements - continued
For The Year Ended 31 August 2018

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £'000	2017 £'000
Trade debtors	6	13
VAT recoverable	85	13
Prepayments and accrued income	84	70
	<u>175</u>	<u>96</u>

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £'000	2017 £'000
Trade creditors	136	103
Taxation and social security	55	26
Other creditors	38	40
Accruals and deferred income	40	14
	<u>269</u>	<u>183</u>

	2018 £'000	2017 £'000
Deferred income		
Deferred Income at 1 September 2017	-	11
Resources deferred in the year	31	-
Amounts released from previous years	-	(11)
	<u>31</u>	<u>-</u>
Deferred Income at 31 August 2018		

16. LEASING AGREEMENTS

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

	2018 £'000	2017 £'000
Amounts due within one year	7	9
Amounts due between one and five years	1	8
	<u>8</u>	<u>17</u>

17. MEMBERS' LIABILITY

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

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Fund balances at 31 August 2018 are represented by:

	Unrestricted Funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Funds £'000	Total Funds £'000
Intangible fixed assets	-	-	-	-
Tangible fixed assets	-	-	10,781	10,781
Current assets	5	537	11	553
Current liabilities	-	(269)	-	(269)
Non-current liabilities	-	-	-	-
Pension scheme liability	-	(1,039)	-	(1,039)
	<u>5</u>	<u>(771)</u>	<u>10,792</u>	<u>10,026</u>
Total net assets				

XP School Trust Limited

Notes to the Financial Statements - continued
For The Year Ended 31 August 2018

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS - continued

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

	Unrestricted Funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Funds £'000	Total Funds £'000
Intangible fixed assets	-	-	-	-
Tangible fixed assets	-	-	5,951	5,951
Current assets	-	186	15	201
Current liabilities	-	(168)	(15)	(183)
Non-current liabilities	-	-	-	-
Pension scheme liability	-	(49)	-	(49)
Total net assets	-	(31)	5,951	5,920

19. MOVEMENT IN FUNDS

	Balance 01.09.17 £000	Incoming Resources £000	Resourced Expended £000	Gains, losses and transfers £000	Balance 31.08.18 £000
Restricted general funds					
General Annual Grant (GAG)	(62)	3,024	(2,774)	-	188
Other ESFA	80	361	(361)	-	80
Other grants	-	254	(254)	-	-
Activities for generating funds	-	203	(203)	-	-
Pension reserve	(49)	(1,004)	(140)	154	(1,039)
	(31)	2,838	(3,732)	154	(771)
Restricted fixed asset funds					
Transfer on conversion	-	4,878	(40)	-	4,838
DfE Group capital grants	5,951	222	(219)	-	5,954
Capital expenditure from GAG	-	-	-	-	-
	5,920	5,100	(259)	-	10,792
Total restricted funds	5,920	7,938	(3,991)	154	10,021
Total unrestricted funds	-	5	-	-	5
Total funds	5,920	7,943	(3,991)	154	10,026

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

General Annual Grant must be used for the normal running costs of the trust. Under the funding agreement with the Secretary of State, the academy was subject to a limit on the amount of GAG that it could carry forward. This limit no longer applies under the Financial Handbook.

Other grants includes 16-19 Bursary, Special Educational Needs, UIFSM, Early Years Funding and other grants.

Other generated income includes money collected for trips, catering and other sources which are to be used specifically for the cost associated with providing these.

The restricted fixed assets funds represent the net book values of donated fixed assets and assets purchased from DfE/ESFA/other government grants, which have to be held for the continuing use of the academy trust.

Fund balances at 31 August 2018 were allocated as follows:

	2018 £000	2017 £000
XP School	95	18
XP East	85	-
Green Top	93	-

XP School Trust Limited

Notes to the Financial Statements - continued
For The Year Ended 31 August 2018

19. MOVEMENT IN FUNDS - continued

Total before fixed assets and pension reserve	273	18
Restricted fixed asset fund	10,792	5,951
Pension reserve	<u>(1,039)</u>	<u>(49)</u>
	<u>10,026</u>	<u>5,920</u>

Total cost analysis by academy

Expenditure incurred by each academy during the year was as follows:

	Teaching & Educational Support Staff Costs £000	Other Support Staff Cost £000	Educational Supplies £000	Other Costs (excluding) Depreciation £000	2018 Total £000
XP School	613	645	63	269	1,590
XP East	160	155	5	27	347
Green Top	535	848	31	381	1,795
Central Services	-	-	-	-	-
Academy Trust	<u>1,308</u>	<u>1,648</u>	<u>99</u>	<u>677</u>	<u>3,732</u>

Transfers between funds

Transfers comprise eligible expenditure for which funding was received in the current year,

20. PENSION AND SIMILAR OBLIGATIONS

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

Contributions amounting to £34,572 were payable to the schemes at 31 August 2018 (2017: £17,215) 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.

XP School Trust Limited

Notes to the Financial Statements - continued
For The Year Ended 31 August 2018

20. PENSION AND SIMILAR OBLIGATIONS
- continued

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the period amounted to £156,341 (2017: £96,804).

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

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

Local government pension scheme

The amounts recognised in the balance sheet are as follows:

	Defined benefit pension plans	
	2018	2017
	£'000	£'000
Present value of funded obligations	(1,524)	(93)
Fair value of plan assets	485	44
	<u>(1,039)</u>	<u>(49)</u>
Deficit	(1,039)	(49)
Liability	<u>(1,039)</u>	<u>(49)</u>

The amounts recognised in the statement of financial activities are as follows:

	Defined benefit pension plans	
	2018	2017
	£'000	£'000
Current service cost	208	45
Administration expenses/Net interest cost	25	1
	<u>233</u>	<u>46</u>
Actual return on plan assets	<u>19</u>	<u>3</u>

XP School Trust Limited

Notes to the Financial Statements - continued
For The Year Ended 31 August 2018

20. PENSION AND SIMILAR OBLIGATIONS
- continued

Changes in the present value of the defined benefit obligation are as follows:

	Defined benefit pension plans	
	2018	2017
	£'000	£'000
At 1 September	93	36
Current service cost	208	45
Employee contributions	40	8
Interest cost	35	1
Actuarial (gain) / loss	(145)	3
Benefits paid	4	-
Inherited on conversion	<u>1,289</u>	<u>-</u>
	<u><u>1,524</u></u>	<u><u>93</u></u>

Changes in the fair value of scheme assets are as follows:

	Defined benefit pension plans	
	2018	2017
	£'000	£'000
At 1 September	44	16
Employer contributions	126	14
Employee contributions	40	8
Expected return on assets	10	1
Actuarial gain / (loss)	9	6
Benefits paid	4	-
Inherited on conversion	255	-
Administration expenses	<u>(3)</u>	<u>(1)</u>
	<u><u>485</u></u>	<u><u>44</u></u>

The amounts recognised in other recognised gains and losses are as follows:

	Defined benefit pension plans	
	2018	2017
	£'000	£'000
Actuarial gains/(losses)	<u>-</u>	<u>(29)</u>
	<u><u>-</u></u>	<u><u>(29)</u></u>

The major categories of scheme assets as amounts of total scheme assets are as follows:

	Defined benefit pension plans	
	2018	2017
	£'000	£'000
Equities	259	27
Property	47	4
Government Bonds	69	6
Other Bonds	35	3
Cash	22	1
Other	<u>53</u>	<u>3</u>
	<u><u>485</u></u>	<u><u>44</u></u>

XP School Trust Limited

Notes to the Financial Statements - continued
For The Year Ended 31 August 2018

20. PENSION AND SIMILAR OBLIGATIONS
- continued

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages)

	2018	2017
Rate of increase in salaries	3.45%	3.45%
Discount rate for scheme liabilities	2.9%	2.5%
Inflation assumption (CPI)	2.2%	2.2%
Increase in pensions in payment	2.3%	2.2%

Sensitivity Analysis

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

	Central	Sensitivity 1	Sensitivity 2	Sensitivity 3
		+0.1% p.a. discount rate	+0.1% p.a. inflation	1 year increase in life expectancy
	£000	£000	£000	£000
Liabilities	1,524	1,485	1,563	1,551
Assets	(485)	(485)	(485)	(485)
Deficit/(Surplus)	1,039	1,000	1,078	1,066
Projected Service Cost for next year	185	179	192	189
Projected Net Interest Cost for next year	28	28	29	28

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

	At 31 August 2018	At 31 August 2017
Retiring today		
Males	23.0	22.9
Females	25.8	25.7
Retiring in 20 years		
Males	25.2	25.1
Females	28.1	28.0

The estimated value of employer contributions for the year ended 31 August 2019 is £119,000.

21. CONTINGENT LIABILITIES

There are no contingent liabilities (2017 : Nil).

XP School Trust Limited

Notes to the Financial Statements - continued
For The Year Ended 31 August 2018

22. RELATED PARTY DISCLOSURES

Owing to the nature of the academy trust's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which a trustee has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the trust's financial regulations and normal procurement procedures.

Teaching costs include salary paid to Mrs N B Sprakes of £23,180 (2017: £24,067). Mrs N B Sprakes is the spouse of Mr A Sprakes, the Principal.

Support staff costs include salary paid to Mrs J Dewsnap of £6,110 (2017: £nil). Mrs J Dewsnap is the spouse of Mr M Dewsnap, who is a trustee of the trust. This salary was only for the period that Mr Dewsnap was a trustee.

During the year, Green Top Primary, one of the schools in the trust, entered into transactions amounting to £3,740 (2017: £nil) with Taylor Bracewell. P Crawley, who is a trustee of the trust, is an employee of Taylor Bracewell.

23. TRANSFERS INTO THE TRUST

New schools joined the Trust during the year as follows:

School	Date joined	Type	Predecessor Body
Green Top Primary	01/09/2017	Primary	Local authority

All the operations and assets and liabilities were transferred to the Trust from the predecessor bodies for no consideration. The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the Statement of Financial Activities as Donations - transfers into the Trust.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the SOFA.

	Unrestricted fund £'000	Restricted general fund £'000	Restricted fixed asset fund £'000	Total £'000
Green Top Primary				
Leasehold land and buildings	-	-	4,870	4,870
Other tangible fixed assets	-	-	8	8
Other identified assets and liabilities	-	30	-	30
LGPS pension deficit	-	(1,034)	-	(1,034)
Net assets	-	(1,004)	4,878	3,874