

**SHELDON SCHOOL**  
**(A COMPANY LIMITED BY GUARANTEE)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2017**

**SHELDON SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)**

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**SHELDON SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)**

**REFERENCE AND ADMINISTRATIVE DETAILS  
FOR THE YEAR ENDED 31 AUGUST 2017**

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**Members**

C A Cradock  
J Hilton (resigned 15 March 2017)  
C J C Hiorns  
T G Jacques  
M Jones  
K P Sayers  
P C T Story  
D F Corrywright (appointed 15 March 2017)

**Trustees**

M Jones, Chair<sup>1,4</sup>  
T G Jacques, Vice Chair<sup>2</sup>  
N C B Spurdell, Headteacher<sup>5,6</sup>  
D A L Andrews, Staff Trustee<sup>2</sup>  
N R Bartlett (resigned 30 November 2016)<sup>3,6</sup>  
C L Biggs (appointed 5 October 2016)<sup>4</sup>  
S M Brentnall<sup>3</sup>  
L Carver<sup>2,4,6</sup>  
C A Cradock (appointed 5 April 2017)<sup>4</sup>  
C E Fowke<sup>3</sup>  
K E M Hathaway<sup>1,2,6</sup>  
C J C Hiorns<sup>3</sup>  
E K Manzi, Staff Trustee (appointed 14 November 2016)<sup>2</sup>  
J M Needham, Staff Trustee (resigned 14 November 2016)<sup>3</sup>  
A M Noble<sup>4</sup>  
R M Philip (resigned 26 September 2016)<sup>1</sup>  
K E Read (resigned 25 January 2017)<sup>4</sup>  
K P Sayers<sup>1,2</sup>  
T I Sparrow, Staff Trustee<sup>1</sup>  
P C T Story<sup>1,2,6</sup>  
J A Vosper<sup>3</sup>  
S D Walker (appointed 10 February 2017)<sup>3</sup>  
M S Wilson, Staff Trustee<sup>3</sup>

<sup>1</sup> Finance committee

<sup>2</sup> Premises committee

<sup>3</sup> Curriculum committee

<sup>4</sup> Staffing, Care and Guidance committee

<sup>5</sup> All committees

<sup>6</sup> Member of the Charters Board

All the Trustees listed above (excluding those who have resigned) are also Governors and Directors of the company limited by guarantee.

**Company registered  
number**

07556236

**Company name**

Sheldon School

**Principal and registered  
office**

Hardenhuish Lane  
Chippenham  
Wiltshire  
SN14 6HJ

**SHELDON SCHOOL**  
**(A COMPANY LIMITED BY GUARANTEE)**

**REFERENCE AND ADMINISTRATIVE DETAILS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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**Advisers (continued)**

**Accounting officer**            N C B Spurdell

**Senior management team**

N C B Spurdell, Headteacher  
S D Powell, Deputy Headteacher  
T B Rand, Deputy Headteacher  
E J Le Fleming, Assistant Headteacher  
M C Lewis, Assistant Headteacher  
M J Seeley, Assistant Headteacher  
J Couchman, School Business Manager

**Independent auditors**        Bishop Fleming LLP  
Chartered Accountants  
Statutory Auditors  
16 Queen Square  
Bristol  
BS1 4NT

**Bankers**                        Lloyds Bank Plc  
29 High Street  
Chippenham  
Wiltshire  
SN15 3HA

**Solicitors**                     Stone King LLP  
13 Queen Square  
Bath  
BA1 2HJ

**SHELDON SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT  
FOR THE YEAR ENDED 31 AUGUST 2017**

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The Trustees present their annual report together with the financial statements and auditors' report of the charitable company and the group for the year ended 31 August 2017. The annual report serves the purpose of both a Trustees' report, and a Directors' report under company law.

The Trust operates an academy for pupils aged 11 to 18 in Chippenham. It has a pupil capacity of 1,795 and had a roll of 1,822 in the school census on 20 January 2017.

Sheldon School Trading Limited is a subsidiary of Sheldon School. Sheldon School Trading Limited was incorporated on 20 April 2015 and began trading on 1 September 2015. On this date the operation of the letting of the sports hall facilities was transferred from Sheldon School to Sheldon School Trading Limited.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Constitution**

The Academy is a company limited by guarantee and an exempt charity. The Memorandum of Association and Articles of Association are the primary governing documents of the Academy.

The Trustees of Sheldon School are also the directors of the charitable company for the purposes of company law.

The Members of the Academy Trust are the subscribers to the Trust's Memorandum of Association, and any other individuals permitted to become members under its Articles of Association. The Members of the Academy Trust are the Chair, Vice Chair, Chairs of committees and Chair of the Charters Board. They have an overview of the governance arrangements of the Trust.

Details of the Trustees who served throughout the year, except as noted, are included in the Reference and Administrative Details on pages 1 to 2.

The Charters Board acts as the guardian of the Academy's ethos and values as expressed in the Sheldon Charters. The Charters Board comprises:

K E M Hathaway (Parent Governor member)  
L Carver (Parent Governor member)  
P C T Story (Governor or Community member)  
D F Corrywright (Community member)  
N C B Spurdell (Headteacher, ex-officio)  
B Perrett (Teacher member)  
A M Douglas (Teacher member)  
D Maloney (Support Staff member)  
N R Barlett (Governor or Community member)

**Members' Liability**

Each member of the charitable company and the group 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 they ceased to be a member.

**Trustees' Indemnities**

Trustees benefit from indemnity insurance purchased at the Academy's expense to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy, provided that any such insurance shall not extend to any claim arising from any act or omission which the Trustees knew to be a breach of trust or breach of duty or which was committed by the Trustees in reckless disregard to whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the Trustees in their capacity as Directors of the Academy. The limit of this indemnity is £2,000,000.

**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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**TRUSTEES**

**Method of Recruitment and Appointment or Election of Trustees**

The Academy's Board of Trustees comprises the Headteacher, a minimum of 7 Parent Trustees, up to 4 Staff Trustees (providing that the total number of Trustees, including the Headteacher, who are employees of the Academy, does not exceed one third of the total number of Trustees) and up to 7 other Trustees.

The Academy shall have the following Trustees as set out in its Articles of Association and funding agreement:

- up to 1 Local Authority (LA) Trustee who is appointed by Wiltshire County Council.
- up to 7 Parent Trustees who are elected by parents of registered pupils at the Academy.
- up to 3 Teacher Trustees who are elected by teachers at the Academy.
- up to 1 Support Staff Trustee who is elected by support staff members at the Academy.
- up to 6 Community Trustees who are appointed by the Board of Trustees.
- the Headteacher who is treated for all purposes as being an ex officio Trustee.

The Academy can also have Associate Members. Associate Members are appointed by the Governing Body as members of any committee established by them but are not Trustees.

Trustees are appointed for a four year period, except that this time limit does not apply to the Headteacher. Subject to remaining eligible to be a particular type of Trustee, any Trustee can be re-appointed or re-elected.

When appointing new Trustees, the Board will give consideration to the skills and experience mix of existing Trustees in order to ensure that the Board has the necessary skills to contribute fully to the Academy's development.

**Policies and Procedures Adopted for the Induction and Training of Trustees**

The Academy has a Trustee Induction Programme which includes relevant training. This is available from the Clerk to the Trustees.

The training and induction provided for new Trustees will depend upon their existing experience but would always include a tour of the Academy and a chance to meet staff and pupils. Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees. As there are normally only two or three new Trustees a year, induction tends to be done informally and is tailored specifically to the individual. Advantage is taken of specific courses offered by the Local Authority and other bodies.

**Organisational Structure**

The Board of Trustees normally meets at least 5 times a year. The Board establishes an overall framework for the governance of the Academy and determines membership, terms of reference and procedures of Committees and other groups. It receives reports including policies from its Committees for ratification. It monitors the activities of the Committees through the minutes of their meetings. The Board may from time to time establish Working Groups to perform specific tasks over a limited timescale.

There are 4 committees as follows:

- Finance Committee - this committee meets at least 5 times a year and is responsible for monitoring, evaluating and reviewing policy and performance in relation to financial management, compliance with reporting and regulatory requirements, receiving reports from the external auditors who undertake a programme of additional checks and drafting the annual budget. It also incorporates the role of an audit committee.

**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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- Premises Committee – this committee meets at least 4 times a year and is responsible for monitoring evaluating and reviewing policy and performance in relation to the maintenance, development as well as safety and security of the buildings and grounds, approval of expenditure for major projects and service contracts, and commercial lettings.
- Curriculum Committee - this committee meets at least 5 times a year to monitor, evaluate and review policy, practice and performance in relation to curriculum planning and development, target setting and assessment, and examinations.
- Staffing, Care & Guidance Committee – this committee meets at least 4 times a year to monitor, evaluate and review policy, practice and performance in relation to all recruitment, personnel and pastoral issues, as well as approval of the staffing levels and promotions within agreed budget limits.

The following decisions are reserved to the Board of Trustees: to consider any proposals for changes to the status or constitution of the Academy and its committee structure, to appoint or remove the Chairman and/or Vice Chairman, to appoint the Headteacher and Clerk to the Trustees, to approve the School Development Plan and budget.

The Trustees are responsible for setting general policy, adopting an annual plan and budget, approving the statutory accounts, monitoring the Academy by the use of budgets and other data, and making major decisions about the direction of the Academy, capital expenditure and staff appointments.

The Board of Trustees has devolved responsibility for day to day management of the Academy to the Headteacher and Senior Management Team (SMT). The SMT comprises the Headteacher, the Deputy Headteachers, the Assistant Headteachers and the Business Manager. The SMT implement the policies laid down by the Trustees and report back to them on performance.

The Academy has a leadership structure which consists of the Trustees, and the Senior Management Team, as well as senior teaching staff including Faculty and Year Team Leaders, and Support Team Leaders. The aim of the leadership structure is to devolve responsibility and encourage involvement in decision making at all levels. Some spending control is devolved to Budget Holders which must be authorised in line with the Scheme of Delegation. The Headteacher is responsible for the appointment of staff, though appointment panels for teaching posts always include a Trustee.

The Headteacher is the Accounting Officer.

**Arrangements for Setting Pay and Remuneration of Key Management Personnel**

The Trustees consider the Board of Trustees and the Senior Management Team comprise the key management personnel of the Academy in charge of directing and controlling, running and operating the Trust on a day to day basis. All Trustees give their time freely and no Trustee received remuneration in the year.

Details of Trustees' expenses and related party transactions are disclosed in the notes to the accounts.

The pay of key management personnel is reviewed annually and normally increased in accordance with the School Teachers' Review Body recommendations.

**Connected Organisations, including Related Party Relationships**

The Academy engages with collaborative work through subject leaders for education, work in primary schools and legacy project work in primary schools.

The Academy also has strong collaborative links with other local networks and organisations, including:

- Feeder primary schools for the provision of extended services.
- The Chippenham AstroTurf Project (CAP) 96 which leased part of the Academy's grounds on which to build and operate an artificial playing surface, and there is a shared use agreement between them and the Academy. One Trustee, currently P C T Story, is nominated by the Academy to serve as a Trustee.

**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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- The Chippenham Borough Lands Charity which provides grants to assist pupils from low income backgrounds, and to support specific enrichment projects.

The Sheldon School Enrichment Fund is a related party as the Headteacher, C A Cradock and C E Fowke are Trustees of the Academy, and are also Trustees of the Enrichment Fund. In addition, the Academy's finance staff monitor the fund's bank account and generate gift aid claims on its behalf. The Sheldon School Enrichment Fund derives its income from donations by parents, sales by the school of second-hand uniform, and through the [easy.fundraising.com](http://easy.fundraising.com) website and this is used to support specific enrichment activity in school.

Sheldon School Trading Limited started trading in September 2015. It receives all lettings income from external hirers, and Gift Aids profits back to Sheldon School at the end of each financial year.

The Academy continues to share 6th form teaching for some subjects with Hardenhuish School, with Sheldon students attending Hardenhuish for some lessons and vice versa. Both schools also collaborate in procuring goods and services, using the size of their joint organisations to secure competitive prices from local suppliers.

There are no related parties which either control or significantly influence the decisions and operations of Sheldon School. There are no sponsors or formal Parent Teacher Associations associated with the Academy.

## **OBJECTIVES AND ACTIVITIES**

### **Objects and Aims**

At Sheldon School we aim to get the best for, and from, each child. We intend to enable each child to realise his or her full academic, creative and physical potential and to develop positive social and moral values. Our Academy is a community in which children, staff and parents should be part of a happy and caring environment.

The aims of the Academy during the year ended 31 August 2017 are summarised below:

- to continue to raise the standard of educational attainment and achievement of all pupils;
- to provide a broad and balanced curriculum, and an extensive range of extracurricular activities;
- to develop students as more effective and independent learners;
- to ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care;
- to maximise the number of students who achieve 5 A\*-C GCSE grades including English and Mathematics; and under the new GCSE grading system maximising the numbers of students securing a strong pass grade (grade 5+) and a standard pass (grade 4+) in both English and Mathematics;
- to develop the Academy's buildings and grounds so that it enables students to achieve their full potential;
- to improve the effectiveness of the Academy by keeping the curriculum and organisational structure under continual review;
- to support the curriculum at feeder primary schools where possible by providing specialist teaching, in languages, the arts and physical education;
- to maintain and develop the ways in which pupils contribute to the whole school and wider communities;
- to maintain and develop the ways in which pupils are encouraged to develop skills and activities that will contribute to future economic well being and healthier lifestyles;
- to develop the Academy's capacity to manage change, and
- to conduct the Academy's business in accordance with the highest standards of integrity, probity and openness, and improve the School's ability to gain value for money for the funds expended.



**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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**Objectives, Strategies and Activities**

Key priorities and activities were identified in the Academy Development Plan and were influenced by the significant challenges and opportunities arising from national changes in education policy and funding. The priorities and activities included the following:

- Improving pupil progress, especially through value added outcomes at both GCSE and A levels.
- Collaboration and community links, including through our former specialisms in science, sport and languages, as well as through maths and the performing arts, supporting other schools and maintaining links with the community;
- Improving communication through our virtual learning environment and other internal communications systems;
- Improving access to resources and streamlining administration;
- Promoting positive behaviour for learning, especially through mentoring, the tutorial programme and the pupil voice.
- Commissioning and purchasing services previously provided through the LA, as well as those supporting the alternative curriculum.
- Efficiency savings with a view to improving sustainability, maintaining cost effective staffing levels, as well as the development and embedding of key financial and administrative procedures.
- Continued improvement to the school environment, especially the learning environment, the maintenance and development of the infrastructure, as well as security and accessibility.
- Developing the curriculum, especially provision at KS4 & 5;
- Improving Teaching through Continuing Professional Development focusing on coaching in house workshops and the development of on line resources.
- Undertaking self evaluation.
- Maintaining the pupil numbers as near to the approved capacity as reasonably feasible.

**Public Benefit**

The Trustees confirm that they have complied with the duty in Section 17(5) of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Academy's aims and objectives and in planning its future activities.

Sheldon School is a comprehensive school; pupils will be admitted without reference to ability, aptitude or culture. The admissions criteria are applied in the following order: looked after and previously looked after children; siblings of current pupils; children of Sheldon staff; children from the main catchment; children from the secondary catchment; children with medical conditions which can be best met by Sheldon School and then any other children who apply. The main catchment area encompasses the villages and civil parishes around Chippenham, whilst a secondary catchment area includes the civil parishes of Chippenham and Chippenham without.

**STRATEGIC REPORT**

**Achievements and Performance**

The Academy is in its sixth period of operation. The Academy has been oversubscribed for entry in Year 7 for many years and has a thriving Sixth Form. In October 2016 there were 1,787 pupils on roll including 377 in the 6th Form and 289 in Year 7.

However, in September 2017, the Academy opened with 1,756 pupils on roll, with just under 360 students in the Sixth Form. Year 7 is 13 students under its stated pupil admission number and for the first time, the school has more students in Year 13 than in Year 12. The numbers in Years 8 to 11 are very healthy and the school expects numbers to grow in Year 7. Adding to Year 12 from 2018 will hopefully be a group of Swiss students who will study at Sheldon as an overseas placement in their middle year of a three-year programme.

In a time of great change, examination performance remains strong. At A level in 2017, 7% of the 171 Year 13 students achieved grade A\*, with approaching one quarter being A\*/A. Over half of the grades were A\* B, with 41% of students securing at least one grade A. Value added figures have been very healthy in recent years, but

**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2017**

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in 2017 dipped slightly to an ALPS grade 5. This was expected, given the cohort, and predictions for 2018 are more positive, with value-added outcomes and raw attainment figures expected to rise to previous very high levels. Nevertheless, four students began courses at Oxford or Cambridge University in October 2017 and almost all students wishing to progress to university did so.

At GCSE, 80% of students achieved a grade 9-4 in English, with 78% doing likewise in maths; overall, 70% achieved a grade 4 or higher in English and maths, with the 'old' measure of 5 A\*-C including English and maths holding up at 67%. At the time of writing, the Progress 8 figure is unknown, but in 2016 was +0.21, which reflected very good progress in the core and the options subjects, placing Sheldon comfortably above the national averages and approximately in the top 30% of schools nationally.

At A level the ambition is to work towards 30% of grades A\*/A, with value added figures seeing the Academy returning to its position in the top quartile nationally. Sheldon is absolutely committed to ensuring students of all abilities who meet the threshold 5 grade 4s in GCSE and above can access pathways post-16 within the Academy, which might suppress the overall attainment figures compared to some other academies which operate a more selective entry criteria for their sixth forms. Nevertheless, it is targeting in excess of 55% grades A\*-B and a return to a figure of 80%+ grades C and above. The Academy will continue the development of its strategy involving rigorous tracking and monitoring of performance data, to enable greater intervention with key students. Together with a continued focus on what constitutes outstanding classroom practice, which has seen improvements in GCSE outcomes over a three year period, we hope this will see the desired examination outcomes.

During the year we were successful in securing £651k from the Condition Improvement Fund (CIF) to replace the Dance Studio and Pratten Hut with a single storey teaching block. Work started on site in July 2017 and is expected to be completed by February half-term next year. We have continued our programme of site refurbishment to ensure that our buildings and grounds offer a safe, welcoming environment to pupils, staff and visitors. Notable improvements include new felt roofing and lighting in Science, replacement of old pipework in Humanities, decorations, new flooring and ceiling tiles in Maths, and heating repairs in DT and English.

We applied successfully to the Local Authority for funding to upgrade our hearing impairment equipment across the Academy, and during the year we also secured £22k in grants from trusts and received a £10k donation which we will put towards refurbishing our Library. The Trustees have approved a substantial contribution from Academy funds towards this project, and with further income expected to be raised from additional applications to trusts and activities and events involving pupils and parents, we have committed to completing Phase 1 of the project by the end of the academic year 2017-2018.

Our external Health & Safety advisor carried out a comprehensive Health & Safety Audit of the whole school in June 2017 and reported that our health and safety systems are successfully being implemented. We also benefitted from an energy audit by an assessor from the Carbon Trust and will be using his findings in conjunction with the updated Property Condition Survey to inform the prioritisation of future site improvement projects and applications to the Condition Improvement Fund.

We continue to enjoy a strong partnership with Elior, our contract caterers and cleaners. Elior staff have attended parent forums, staff briefings and student council meetings in order to solicit feedback on their products and service. They have supported key events throughout the school year with a superb range of refreshments, and continue to introduce new products with imaginative promotions to raise interest amongst pupils and staff. The catering operation is profitable and makes a substantial contribution to school funds and the introduction of a series of Fine Dining evening master classes for parents and staff proved very popular.

In July 2016 the Academy launched Sheldon Associates which is an employer engagement programme to secure additional curricular and extra curricular opportunities for pupils to develop employability skills, increase awareness of available careers, and inform course choices. An annual membership fee is payable by organisations that choose to become Sheldon Associates, and the income generated from this initiative helps to offset some of the annual costs of our work experience programme. At the end of the year 25 local employers ranging from a sole trader to several multi-national companies had signed up as Sheldon Associates.

**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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including the Sports Hall, to the community at reasonable rates, and to manage the Astroturf facility on behalf of a local organisation, CAP 96. During the year our school facilities were used for a diverse range of activities, and we have been able again to attract new users while retaining the vast majority of our existing customers.

**Key Performance Indicators**

As funding is based on pupil numbers this is a key performance indicator. In September 2017 we had 270 pupils joining us in Year 7 and a slight reduction to the number of students joining us in Year 12. We fully expect to be full in years 7 to 11 before the end of the current academic year, and that future intakes will be either oversubscribed or high, in line with local demographic trends.

Another key financial performance indicator is staffing costs (which include an adjustment in respect of the LGPS) as a percentage of GAG. For 2017 this was 89.00% compared with 86.69% in 2016.

**Going Concern**

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Academy 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 Going Concern accounting policy.

**FINANCIAL REVIEW**

Over 90% of the Academy's income is obtained from the DfE via the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2017 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

Other significant sources of income during the year include grants from the Local Authority to meet the additional costs of teaching students with additional needs, and income generated by the Academy by hiring out its school facilities, the proceeds of which are channelled through the subsidiary trading account.

The restricted Fixed Asset Fund balance is reduced by annual depreciation charges over the useful life of the assets concerned, as defined in the Academy's accounting policies.

During the year ended 31 August 2017, total expenditure of £9,735,552 was covered by grant funding from the DfE, together with other incoming resources, of £9,909,008. The excess of income over expenditure for the year (before actuarial gains and losses) was £173,456.

At 31 August 2017 the net book value of fixed assets was £22,065,073 and movements in tangible fixed assets are shown in note 13 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

The Academy continues to look at ways to improve its income from its commercial letting activity and to take every opportunity to be prepared to make bids for capital and smaller grants as they become available.

Plans to identify future infrastructure improvement and maintenance needs are well developed and regularly monitored by Trustees, with professional expertise sought as appropriate.

**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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At the end of the period the Academy was in a strong financial position with good levels of reserves going forward.

The Trustees recognise that the defined benefit scheme deficit (Local Government Pension Scheme), which is set out in note 25 to the financial statements, represents a significant potential liability. However, as the Trustees consider that the Academy is able to meet its known annual contribution commitments for the foreseeable future, the risk from this liability is minimised.

**Reserves Policy**

The Trustees review the reserve levels of the Academy annually. Any surplus achieved at the end of the financial year will be transferred to reserves and will form part of the review. The review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees also take into consideration the future plans of the Academy, the uncertainty over future income streams and other key risks identified during the review.

The Trustees have determined that the appropriate level of free reserves should be a minimum of £700,000, and have earmarked a further £100,000 as a contingency figure. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance.

The Academy's current level of reserves (total funds less the amount held in fixed assets and restricted pension fund) is £1,861,734 of which £1,275,113 are free reserves (unrestricted funds not invested in fixed assets and unspent GAG). This is the value that the Trustees monitor in accordance with the reserves policy and represents approximately 1.6 months of normal recurring expenditure.

The Trustees have reviewed the future plans of the Academy and plan to use reserves for building improvements, investment in IT and to manage current funding uncertainty and rising costs.

The defined benefit pension scheme reserve has a negative balance. The effect of the deficit position of the pension scheme is that the Academy is paying higher employers' pension contributions over a period of years. The higher employers' pension contributions are met from the Academy's budgeted annual income. Whilst the deficit will not be immediately eliminated, there should be no actual cash flow deficit on the fund, nor any direct impact on the free reserves of the Academy.

**Investment Policy**

Trustees are committed to ensuring that all funds under their control are managed in such a way as to maximise return whilst minimising risk. All funds surplus to immediate requirements are invested to optimal effect. Where cash flow allows, sums in excess of £100,000 may be invested on deposit for extended periods of up to 6 months. Due to the nature of funding, the Academy may at times hold cash balances surplus to its short term requirements. The Trustees have also authorised the opening of additional short term bank investment accounts to take advantage of higher interest rates. No other form of investment is authorised. Day to day management of the surplus funds is delegated to the Headteacher and the Business Manager.

**Principal Risks And Uncertainties**

The Trustees have assessed the major risks to which the Academy is exposed, in particular those relating to its finances, teaching, facilities and other operational areas. The Trustees are satisfied that systems and procedures are in place to mitigate exposure to major risks, including appropriate insurance cover. However, in order to further improve and mitigate risk, the Academy employs a Health & Safety advisor to audit systems and procedures as well as to help assess business and reputational risks and to assist with the implementation of risk management strategies. The principal risks and uncertainties facing the Academy are as follows:

Financial - the Academy has considerable reliance on continued Government funding through the ESFA. In the year ended 31 August 2017 91% of the Academy's incoming resources were ultimately Government funded and whilst this level is expected to continue, there is no assurance that Government or Local Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

Whilst the Academy remains popular and regularly over subscribed, the risks to revenue funding from a falling

**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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roll are low. However, the reduction in Post 16 funding levels, changes in funding arrangements and increasing employment costs mean that budgets will be increasingly tight in coming years. During 2017/18, the Academy will continue to scrutinise all aspects of its budget to identify opportunities to deliver its service in a more cost effective manner.

The Trustees examine the Academy's financial health formally every term, reviewing performance against budgets and overall expenditure by means of regular update reports at all Finance Committee meetings. The Business Manager also regularly reviews cash flow forecasts to ensure sufficient funds are held to cover all known and anticipated commitments.

At the year end, the Academy had no significant liabilities arising from creditors or debtors where there would be a significant effect on liquidity.

Failures in governance and/or management - the risk in this area arises from potential failure to effectively manage the Academy's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks. This includes ensuring that there are sufficient Trustees with appropriate skills on the Finance Committee.

Reputational - the ongoing success of the Academy is dependent on continuing to attract applications for student places in sufficient numbers by maintaining the highest academic and pastoral provision. To mitigate this risk the Trustees ensure that student success and achievement are closely monitored, reviewed, and publicised.

Safeguarding and child protection - the Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, as well as health & safety and discipline.

Staffing - the success of the Academy is reliant on the quality and retention of its staff and so the Trustees monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.

Fraud and mismanagement of funds - The Academy has appointed a Trustee who ensures that a programme of checks on financial systems and records as required by the Academies Financial Handbook is carried out. In practice this is contracted out to external auditors who carry out Internal Assurance visits three times per year. Reports from these visits are provided to the appointed Trustee who in turn updates the Board of Trustees. Another Trustee also carries out additional visits throughout the year to provide more personal assurances to Trustees that appropriate procedures and policies are in place, and to further inform strategic decision making.

Finance staff receive training to keep them up to date with financial practice requirements and proper levels of separation of duties is maintained.

**PLANS FOR FUTURE PERIODS**

The Academy will continue to strive to provide outstanding education and improve the levels of performance of its pupils at all levels, and will continue to aim to attract high quality staff in order to deliver its objectives.

Within the increasingly challenging financial limits, the Academy is pushing forward on developments both inside and outside the classroom in order to maximise the academic outcomes of all of its pupils, but is delighted with Ofsted's recognition in June 2017 that it places academic excellence as well as the emotional wellbeing of its pupils (and staff) at its heart.

The Academy has created a targeted school development plan as well as continuing to aim to attract high quality teachers and support staff in order to deliver its objectives.

The Academy will continue to identify opportunities to bid for capital grants from Government and non Government sources to part fund its site development plans, particularly where the new facilities may be of direct benefit to community groups.

**SHELDON SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2017**

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**FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS**

The Academy holds the balance of a small fund in a discrete cost centre which is used to support SEN Training for the benefit of schools in North Wiltshire.

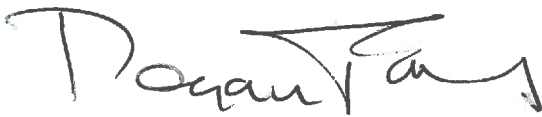
**AUDITORS**

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable group's auditors are 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 auditors are aware of that information.

The auditors, Bishop Fleming LLP, are willing to continue in office and a resolution to appoint them will be proposed at the annual general meeting.

Trustees' Report, incorporating a strategic report, approved by order of the Board of Trustees, as company directors, on 7 December 2017 and signed on the board's behalf by:



**M Jones**  
Chair of Trustees

## **GOVERNANCE STATEMENT**

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### **SCOPE OF RESPONSIBILITY**

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

The Board of Trustees has delegated the day-to-day responsibility to the 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 Sheldon School and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

### **GOVERNANCE**

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

Trustee	Meetings attended	Out of a possible
M Jones	6	6
T G Jacques	6	6
N C B Spurdell	6	6
D A L Andrews	5	6
N R Bartlett	2	2
C L Biggs	4	5
S M Brentnall	5	6
L Carver	4	6
C A Cradock	2	2
C E Fowke	5	6
K E M Hathaway	5	6
C J C Hiorns	6	6
E K Manzi	5	5
J M Needham	1	1
A M Noble	5	6
K E Read	1	3
K P Sayers	6	6
T I Sparrow	6	6
P C T Story	5	6
J A Vosper	6	6
S D Walker	3	3
M S Wilson	6	6

There have been no significant changes to the composition of the Board of Trustees nor any particular challenges.



**GOVERNANCE STATEMENT (continued)**

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The scope of work undertaken by the Board of Trustees in the past year has included:

- |  |                             |
|--|-----------------------------|
| • Staffing   | • School Development Plan   |
| • Curriculum   | • Safeguarding              |
| • Premises   | • Special Educational Needs |
| • Finance  | • Health and Safety         |
| • Funding  | • Enrichment Fund           |
| • Admissions   | • Ofsted                    |
| • Examination results  | • School Council            |
| • Pupil Premium  | • Sixth Form                |
| • Annual report from the Board of Trustees to the Sheldon Charters Board | • Keele Survey              |

The Trustees carried out skills' audits for individual Trustees, committees and the Board of Trustees. The audits showed there was good coverage of the skills needed.

The Board of Trustees took part in a Vision and Values workshop led by a National Leader of Governance, and this contributed to Sheldon's new Vision and Values statement.

Data is extensively used in each of the committees, particularly in Curriculum. This is interrogated at each meeting with a focus on the different pupil groups and checked again post-results. Finance data is rigorously checked, which has resulted in a healthy financial position at the end of each of the academic years. Within Premises, energy data and other relevant costs are widely discussed to ensure good value for money within the services procured. Presentations are also made to the Board of Trustees on exam results and external survey returns; the Sheldon Charters Board also requires data to be included as part of the Trustees' annual written report.

The Finance and Premises Committees are sub committees of the main Board of Trustees. The purpose of the Finance Committee, which incorporates the roll of an Audit Committee, is to ensure that the standards of financial control and administration are adhered to, make financial plans including agreeing the draft budget, and monitor the progress of income and expenditure. The purpose of the Premises Committee is to agree plans for the development of the Academy's building and grounds, and to monitor the implementation of these plans, as well as maintenance activity, security and safety measures and the delivery of services by external contractors.

Attendance at Finance Committee meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
K E M Hathaway	4	5
M Jones	5	5
K P Sayers	4	5
T I Sparrow	3	5
N C B Spurdell (as Headteacher)	5	5
P C T Story	5	5

**REVIEW OF VALUE FOR MONEY**

As Accounting Officer, the Headteacher has responsibility for ensuring that the Academy delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The Accounting Officer considers how the Academy'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 has delivered improved value for money during the year by:

- Collaborating with a neighbouring secondary school in the provision of some sixth form teaching of



**GOVERNANCE STATEMENT (continued)**

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- subjects which would otherwise not be viable if the schools were operating independently.
- Supplying two local primary schools with hot lunches during term time which generated a small surplus of £2k.
  - Proactively marketing the Academy's facilities and providing an excellent service for all of the Academy's hirers resulting in a substantial contribution to the bottom line as well as maintaining strong links with the local community.
  - Continuing to invest time and money in managing risk through the employment of a health & safety advisor consultant, engaging an external company to conduct a comprehensive fire risk assessment, updating the asbestos register and management plan, providing fire warden training to key staff, and reviewing and updating the school business continuity and critical incident plan.
  - Hosting trainee teachers on PGCE placements. Despite the closure of the University of Bath's teacher training programme the Academy has replaced these students by developing relationships with the Universities of Bristol and Exeter.
  - Sharing information with other Wiltshire secondary schools through a variety of regular networking events involving senior staff from the Academy.
  - Co-organising a North Wilts Federation day at which teaching and support staff had the opportunity to work collaboratively with their peers from other academies, sharing best practice and developing their professional knowledge and confidence.
  - Securing a capital grant from the Local Authority allowing the school to continue its rolling programme of investment in specialist equipment for students with hearing impairment.

**THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy 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 Sheldon School for the year 1 September 2016 to 31 August 2017 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 is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks, that has been in place for the year 1 September 2016 to 31 August 2017 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'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 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 Bishop Fleming LLP, the external auditors, to

**GOVERNANCE STATEMENT (continued)**

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perform additional checks 3 times a year. They report to A Noble an appointed Trustee who in turn reports to the Board.

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

- Income system checks
- Accounting system checks
- Fixed asset system checks
- Purchase system checks
- Payroll system checks
- Review of bank reconciliations prepared
- Review of the reports given to Trustees.

This function has been fully delivered in line with the ESFA's requirements. No material control issues arising as a result of this work have been identified.

**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 external auditors;
- the work of the executive managers within the Academy 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 7 December 2017 and signed on their behalf, by:



**M Jones**  
**Chair of Trustees**



**N C B Spurdell, Headteacher**  
**Accounting Officer**

**SHELDON SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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

I confirm that I and the academy trust 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 2016.

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



**N C B Spurdell  
Accounting Officer**

**Date: 7 December 2017**

**SHELDON SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF TRUSTEES' RESPONSIBILITIES  
FOR THE YEAR ENDED 31 AUGUST 2017**

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The Trustees (who act as governors of Sheldon School and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Group Strategic Report, the Trustees' Report 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 the group and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

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

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company and the group's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group 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 and the group 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 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 group's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by order of the members of the Board of Trustees and signed on its behalf by:



**M Jones**  
Chair of Trustees

Date: 7 December 2017

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
SHELDON SCHOOL**

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**OPINION**

We have audited the financial statements of Sheldon School (the 'parent academy') and its subsidiary (the 'group') for the year ended 31 August 2017 which comprise the group Statement of Financial Activities, the group Consolidated Balance Sheet, the group Consolidated Statement of Cash Flows and the related notes, 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 FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

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

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent Academy's affairs as at 31 August 2017 and of the group's 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

**BASIS OF 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 group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 group's or the parent Academy's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**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 Auditors' report thereon. Our opinion on the financial statements does not cover the information and, except to the extent otherwise explicitly stated in our

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
SHELDON SCHOOL**

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report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

**OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006**

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

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

**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

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

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

- the parent Academy has not kept adequate accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Academy financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remunerations specified by law 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 (who are also the directors of the Academy 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 group's and the parent Academy's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the group's or the parent Academy's or to cease operations, or have no realistic alternative but to do so.

**SHELDON SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
SHELDON SCHOOL**

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**AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS**

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). The description forms part of our Auditors' report.



Joseph Scaife FCA DChA (Senior Statutory Auditor)  
for and on behalf of

**Bishop Fleming LLP**  
Chartered Accountants

Statutory Auditors  
16 Queen Square

Bristol  
BS1 4NT

Date: 12/12/17

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO SHELDON SCHOOL AND THE EDUCATION AND SKILLS FUNDING AGENCY**

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In accordance with the terms of our engagement letter dated 11 October 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Sheldon School during the year 1 September 2016 to 31 August 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Sheldon School and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Sheldon School 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 Sheldon School and the ESFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF SHELDON SCHOOL'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT**

The Accounting Officer is responsible, under the requirements of Sheldon School's funding agreement with the Secretary of State for Education dated 28 March 2011, and the Academies Financial Handbook extant from 1 September 2016, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

**APPROACH**

We conducted our engagement in accordance with the Academies Accounts Direction 2016 to 2017 issued by 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 Academy's income and expenditure.

Our work on regularity included a review of the internal controls policies and procedures that have been implemented and an assessment of their design and effectiveness to understand how the academy complied with the framework of authorities. We also reviewed the reports commissioned by the trustees to assess the internal controls throughout the year.

We performed detailed testing based on our assessment of the risk of material irregularity, impropriety and non-compliance. This work was integrated with our audit on the financial statements where appropriate and included analytical review and detailed substantive testing of transactions.



**SHELDON SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO SHELDON  
SCHOOL AND THE EDUCATION AND SKILLS FUNDING AGENCY (continued)**

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

*Bel Fleming LLP*

Joseph Scaife FCA DChA (Reporting Accountant)

**Bishop Fleming LLP**  
Chartered Accountants  
Statutory Auditors  
16 Queen Square  
Bristol  
BS1 4NT

Date: 12/12/17

**SHELDON SCHOOL**  
**(A COMPANY LIMITED BY GUARANTEE)**

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

	Note	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
<b>INCOME FROM:</b>						
Donations and capital grants	2	-	15,317	688,068	703,385	87,111
Charitable activities	3	415,872	8,585,836	-	9,001,708	8,906,115
Other trading activities	4	198,971	-	-	198,971	210,288
Investments	5	4,944	-	-	4,944	5,615
<b>TOTAL INCOME</b>		<b>619,787</b>	<b>8,601,153</b>	<b>688,068</b>	<b>9,909,008</b>	<b>9,209,129</b>
<b>EXPENDITURE ON:</b>						
Raising funds		134,935	-	-	134,935	125,331
Charitable activities		332,380	8,750,502	517,735	9,600,617	9,475,594
<b>TOTAL EXPENDITURE</b>	6	<b>467,315</b>	<b>8,750,502</b>	<b>517,735</b>	<b>9,735,552</b>	<b>9,600,925</b>
<b>NET INCOME / (EXPENDITURE) BEFORE TRANSFERS</b>						
Transfers between Funds	18	152,472	(149,349)	170,333	173,456	(391,796)
		-	(14,976)	14,976	-	-
<b>NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES</b>						
		152,472	(164,325)	185,309	173,456	(391,796)
Actuarial gains/(losses) on defined benefit pension schemes	25	-	1,458,000	-	1,458,000	(971,000)
<b>NET MOVEMENT IN FUNDS</b>		<b>152,472</b>	<b>1,293,675</b>	<b>185,309</b>	<b>1,631,456</b>	<b>(1,362,796)</b>
<b>RECONCILIATION OF FUNDS:</b>						
Total funds brought forward		1,034,195	(1,920,215)	22,397,371	21,511,351	22,874,147
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>1,186,667</b>	<b>(626,540)</b>	<b>22,582,680</b>	<b>23,142,807</b>	<b>21,511,351</b>

The notes on pages 28 to 52 form part of these financial statements.

**SHELDON SCHOOL**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**REGISTERED NUMBER: 07556236**

**CONSOLIDATED BALANCE SHEET**  
**AS AT 31 AUGUST 2017**

	Note	£	2017 £	2016 £
<b>FIXED ASSETS</b>				
Tangible assets	13		22,065,073	22,460,238
<b>CURRENT ASSETS</b>				
Debtors	15	580,520		271,505
Cash at bank and in hand		1,873,349		1,462,790
		<u>2,453,869</u>		<u>1,734,295</u>
<b>CREDITORS: amounts falling due within one year</b>	16	(592,135)	(612,182)	
<b>NET CURRENT ASSETS</b>			<u>1,861,734</u>	<u>1,122,113</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>23,926,807</u>	<u>23,582,351</u>
Defined benefit pension scheme liability	25	(784,000)		(2,071,000)
<b>NET ASSETS</b>			<u>23,142,807</u>	<u>21,511,351</u>
<b>FUNDS OF THE ACADEMY TRUST</b>				
Restricted funds:				
General funds	18	157,460		150,785
Fixed asset funds	18	22,582,680		22,397,371
Restricted funds excluding pension liability		<u>22,740,140</u>		<u>22,548,156</u>
Pension reserve		(784,000)		(2,071,000)
Total restricted funds			<u>21,956,140</u>	<u>20,477,156</u>
Unrestricted funds	18	1,186,667		1,034,195
<b>TOTAL FUNDS</b>			<u>23,142,807</u>	<u>21,511,351</u>

The financial statements on pages 24 to 52 were approved by the Trustees, and authorised for issue, on 7 December 2017 and are signed on their behalf, by:



**M Jones**  
Chair of Trustees

The notes on pages 28 to 52 form part of these financial statements.

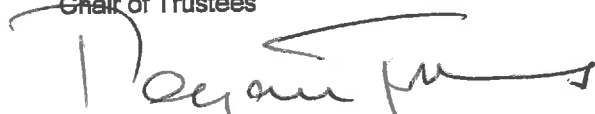
**SHELDON SCHOOL**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**REGISTERED NUMBER: 07556236**

**ACADEMY BALANCE SHEET**  
**AS AT 31 AUGUST 2017**

	Note	£	2017 £	£	2016 £
<b>FIXED ASSETS</b>					
Tangible assets	13		22,065,073		22,460,238
Investments	14		1		1
			<u>22,065,074</u>		<u>22,460,239</u>
<b>CURRENT ASSETS</b>					
Debtors	15	596,020		270,012	
Cash at bank and in hand		1,856,374		1,462,790	
		<u>2,452,394</u>		<u>1,732,802</u>	
<b>CREDITORS: amounts falling due within one year</b>	16	<u>(590,661)</u>		<u>(610,690)</u>	
<b>NET CURRENT ASSETS</b>			<u>1,861,733</u>		<u>1,122,112</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>23,926,807</u>		<u>23,582,351</u>
Defined benefit pension scheme liability	25		<u>(784,000)</u>		<u>(2,071,000)</u>
<b>TOTAL NET ASSETS</b>			<u><u>23,142,807</u></u>		<u><u>21,511,351</u></u>
<b>FUNDS OF THE ACADEMY</b>					
Restricted funds:					
Restricted funds	18	181,323		150,785	
Restricted fixed asset funds	18	22,582,680		22,397,371	
		<u>22,764,003</u>		<u>22,548,156</u>	
Restricted funds excluding pension asset					
Pension reserve		<u>(784,000)</u>		<u>(2,071,000)</u>	
Total restricted funds			<u>21,980,003</u>		<u>20,477,156</u>
Unrestricted funds	18		<u>1,162,804</u>		<u>1,034,195</u>
<b>TOTAL FUNDS</b>			<u><u>23,142,807</u></u>		<u><u>21,511,351</u></u>

The financial statements were approved by the Trustees, and authorised for issue, on 7 December 2017 and are signed on their behalf, by:

**M Jones**  
Chair of Trustees



**SHELDON SCHOOL**  
**(A COMPANY LIMITED BY GUARANTEE)**

**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

	<b>Note</b>	<b>2017 £</b>	<b>2016 £</b>
<b>Cash flows from operating activities</b>			
Net cash provided by/(used in) operating activities	20	<b>205,213</b>	<b>(67,745)</b>
<b>Cash flows from investing activities:</b>			
Interest received		<b>4,944</b>	<b>5,615</b>
Purchase of tangible fixed assets		<b>(129,218)</b>	<b>(142,970)</b>
Capital grants from DfE/ESFA		<b>311,372</b>	<b>36,119</b>
<b>Net cash provided by/(used in) investing activities</b>		<b>187,098</b>	<b>(101,236)</b>
<b>Change in cash and cash equivalents in the year</b>		<b>392,311</b>	<b>(168,981)</b>
Cash and cash equivalents brought forward		<b>1,481,038</b>	<b>1,650,019</b>
<b>Cash and cash equivalents carried forward</b>	21	<b>1,873,349</b>	<b>1,481,038</b>

The notes on pages 28 to 52 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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**1. ACCOUNTING POLICIES**

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

**1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

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

Sheldon School constitutes a public benefit entity as defined by FRS 102.

The Statement of Financial Activities (SOFA) and Balance Sheet consolidate the financial statements of the Academy and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

No separate SOFA has been presented for the Academy alone as permitted by section 408 of the Companies Act 2006.

The income and expenditure account for the year dealt with in the accounts of the Academy was £196,094 (2016: £(391,796)).

**1.2 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 Academy 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 has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2017**

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**1. ACCOUNTING POLICIES (continued)**

**1.3 INCOME**

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

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 grant are reflected in the balance 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 are recognised on a receivable basis (where there are no performance-related conditions), where the receipt is probable and it can be reliably measured.

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

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

Expenditure on charitable activities are costs incurred on the Academy's educational operations, including support costs and those costs relating to the governance of the Academy appointed to charitable activities.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2017

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1. ACCOUNTING POLICIES (continued)

1.5 TANGIBLE FIXED ASSETS AND DEPRECIATION

All assets costing more than £3,000 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

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

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	Straight line over 50 years
Plant and machinery	-	25% reducing balance
Fixtures and fittings	-	20% straight line
Computer equipment	-	33% straight line
Assets under construction	-	Depreciated once complete

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 DEBTORS

Trade and other debtors with no stated interest rate and due within one year are recorded at the amount of the cash or other consideration expected to be received. Prepayments are valued at the amount paid.

1.7 CASH AT BANK AND IN HAND

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account and cash on deposit that has a notice period of less than 30 days.

1.8 LIABILITIES AND PROVISIONS

Liabilities and provisions 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 anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation.



NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2017

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**1. ACCOUNTING POLICIES (continued)**

**1.9 FINANCIAL INSTRUMENTS**

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

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

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

**1.10 TAXATION**

The Academy 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 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**

Retirement benefits to employees of the Academy are provided by the Teachers' Pension Scheme ("TPS") and the Local Governments 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 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 note 25, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2017**

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**1. ACCOUNTING POLICIES (continued)**

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

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

**1.12 FUND ACCOUNTING**

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the Academy 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 and include grants from the Education and Skills Funding Agency.

Transfers are made between restricted funds and restricted fixed asset funds where restricted funds are used to purchase fixed assets.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2017

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1. ACCOUNTING POLICIES (continued)

1.13 CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGMENT

Estimates and judgments 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 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 25, 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 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

The Academy obtains use of fixed assets as a lessee. The classification of such leases as operating or finance lease requires the Academy to determine, based on an evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the Balance Sheet.

1.14 INVESTMENTS

Investments in subsidiaries are valued at cost less provision for impairment.

1.15 OPERATING LEASES

Rentals under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

1.16 AGENCY ARRANGEMENTS

The Academy acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the Statement of Financial Activities as the Academy does not have control over the charitable application of the funds. The Academy can use up to 5% of the allocation towards its own administration costs and this is recognised in the Statement of Financial Activities. The funds received, paid and any balances held at period end are disclosed in Note 24.

**SHELDON SCHOOL**  
**(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**2. DONATIONS AND CAPITAL GRANTS**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
Donations	-	15,317	-	15,317	50,992
Capital Grants	-	-	688,068	688,068	36,119
	-	15,317	688,068	703,385	87,111
<i>Total 2016</i>	44,000	6,992	36,119	87,111	

**3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
<b>DfE/ESFA grants</b>				
General Annual Grant	-	8,079,981	8,079,981	8,182,314
Other DfE/ESFA grants	-	283,694	283,694	284,868
	-	8,363,675	8,363,675	8,467,182
<b>Other Government grants</b>				
High Needs	-	219,320	219,320	140,638
Other government revenue grants	-	2,841	2,841	16,867
	-	222,161	222,161	157,505
<b>Other funding</b>				
Internal catering income	43,479	-	43,479	23,792
Income for hosting trainee teachers	10,669	-	10,669	11,544
School trips and other income	304,073	-	304,073	226,597
Insurance	2,961	-	2,961	19,495
Chinese Partnership	54,690	-	54,690	-
	415,872	-	415,872	281,428
	415,872	8,585,836	9,001,708	8,906,115
<i>Total 2016</i>	281,428	8,624,687	8,906,115	

**SHELDON SCHOOL**  
**(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**4. OTHER TRADING ACTIVITIES**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Lettings	300	-	300	1,369
External Catering	66,277	-	66,277	71,205
Other	25,047	-	25,047	33,288
Sheldon School Trading Limited Trading Income	107,347	-	107,347	104,426
<b>Total</b>	<b>198,971</b>	<b>-</b>	<b>198,971</b>	<b>210,288</b>

**5. INVESTMENT INCOME**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Bank interest	4,944	-	4,944	5,615
<b>Total 2016</b>	<b>5,615</b>	<b>-</b>	<b>5,615</b>	

**6. EXPENDITURE**

	Staff costs 2017 £	Premises 2017 £	Other costs 2017 £	Total 2017 £	Total 2016 £
Lettings and external catering expenses	54,682	8,488	71,765	134,935	125,331
Activities:					
Direct costs	6,490,163	482,481	837,153	7,809,797	7,694,249
Support costs	646,540	659,170	485,110	1,790,820	1,781,345
<b>Total 2016</b>	<b>7,191,385</b>	<b>1,150,139</b>	<b>1,394,028</b>	<b>9,735,552</b>	<b>9,600,925</b>

**SHELDON SCHOOL**  
**(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**7. DIRECT COSTS**

	Total 2017 £	Total 2016 £
Pension finance costs	25,000	22,000
Educational supplies	323,336	414,638
Examination fees	149,248	173,488
Staff development	22,781	23,085
Trips and other costs	316,787	148,384
Supply teachers	14,357	14,712
Wages and salaries	5,067,492	5,122,208
National insurance	457,447	404,107
Pension cost	950,867	896,723
Depreciation	482,482	474,904
	<u>7,809,797</u>	<u>7,694,249</u>
<i>Total 2016</i>	<u>7,694,249</u>	

**8. SUPPORT COSTS**

	Total 2017 £	Total 2016 £
Pension finance costs	17,000	16,000
Other costs	6,247	3,947
Recruitment and support	55,832	52,193
Maintenance of premises and equipment	282,656	312,560
Cleaning	151,713	146,675
Rent and rates	64,466	59,886
Energy costs	115,588	114,418
Insurance	45,887	52,039
Security and transport	21,847	19,689
Catering	60,204	57,981
Technology costs	97,073	110,151
Office overheads	106,529	104,343
Legal and professional	48,596	52,469
Bank interest and charges	715	649
Governance	23,909	18,502
Wages and salaries	447,663	458,408
National insurance	34,375	29,023
Pension cost	165,773	118,776
Depreciation	44,747	53,636
	<u>1,790,820</u>	<u>1,781,345</u>
<i>Total 2016</i>	<u>1,781,345</u>	

SHELDON SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2017

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9. NET INCOME/ (EXPENDITURE) FOR THE PERIOD

This is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets: - owned by the charitable group		
Auditors' remuneration - parent audit	527,228	528,540
Auditors' remuneration - subsidiary audit	8,850	8,450
Auditors' remuneration - non audit	1,275	1,250
Operating lease rentals	4,040	3,180
	<u>34,448</u>	<u>19,483</u>

**SHELDON SCHOOL**  
**(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**10. STAFF COSTS**

Staff costs were as follows:

	2017 £	2016 £
Wages and salaries	5,563,157	5,629,981
Social security costs	491,822	433,130
Operating costs of defined benefit pension schemes	1,116,640	1,015,499
	<u>7,171,619</u>	<u>7,078,610</u>
Apprenticeship levy	5,409	-
Agency supply teacher costs	14,357	14,712
	<u>7,191,385</u>	<u>7,093,322</u>

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

	2017 No.	2016 No.
Teachers	115	117
Admin and support	105	109
Management	7	7
	<u>227</u>	<u>233</u>

Average headcount expressed as a full time equivalent:

	2017 No.	2016 No.
Teachers	102	106
Admin and support	56	56
Management	7	7
	<u>165</u>	<u>169</u>

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

	2017 No.	2016 No.
In the band £60,001 - £70,000	0	1
In the band £70,001 - £80,000	2	2
In the band £100,001 - £110,000	1	1

The key management personnel of the Academy comprise the Trustees (who do not receive remuneration for their role as Trustees) and the Senior Management Team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer's national insurance contributions) received by key management personnel for their services to the Academy was £619,162 (2016: £611,866). As staff Trustees are not remunerated in respect of their role as a Trustee, where staff trustees do not form part of the key management personnel other than in their role as Trustee, their remuneration as set out in note 11 has not been included in the total benefits received by key management personnel above.



NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2017

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**11. TRUSTEES' REMUNERATION AND EXPENSES**

The Headteacher and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of Headteacher 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 and other benefits was as follows: N C Spurdell: remuneration £110,000 - £120,000 (2016: £100,000 - £105,000), employer's pension contributions £15,000 - £20,000 (2016: £15,000 - £20,000), J R Girvan: remuneration £NIL (2016: £40,000 - £45,000), employer's pension contributions £NIL (2016: £5,000 - £10,000), J Needham: remuneration £40,000 - £45,000 (2016: £40,000 - £45,000), employer's pension contribution £10,000 - £15,000 (2016: £5,000 - £10,000), D Andrews: remuneration £15,000 - £20,000 (2016: £15,000 - £20,000), employer's pension contributions £5,000 - £10,000 (2016: £0 - £5,000), T Sparrow: remuneration £35,000 - £40,000 (2016: £35,000 - £40,000), employer's pension contributions £5,000 - £10,000 (2016: £5,000 - £10,000), S Wilson: remuneration £45,000 - £50,000 (2016: £5,000 - £10,000), employer's pension contributions £10,000 - £15,000 (2016: £0 - £5,000), E K Manzi: remuneration £40,000 - £45,000 (2016: £NIL), employer's pension contributions £5,000 - £10,000 (2016: £NIL).

During the year, no Trustees received any benefits in kind (2016: £NIL).

During the year ended 31 August 2017, expenses totalling £759 (2016: £1,392) were reimbursed to 6 Trustees (2016: 6).

Other related party transactions involving the trustees are set out in note 27.

**12. 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 insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2017 was £217 (2016: £444).

**SHELDON SCHOOL**  
**(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**13. TANGIBLE FIXED ASSETS**

<b>GROUP AND ACADEMY</b>	<b>Freehold property</b>	<b>Plant and machinery</b>	<b>Fixtures and fittings</b>	<b>Computer equipment</b>	<b>Assets under construction</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>COST</b>						
At 1 September 2016	24,327,056	115,911	271,193	399,960	-	25,114,120
Additions	2,872	-	25,431	22,769	80,991	132,063
At 31 August 2017	24,329,928	115,911	296,624	422,729	80,991	25,246,183
<b>DEPRECIATION</b>						
At 1 September 2016	2,167,490	41,172	151,369	293,851	-	2,653,882
Charge for the year	417,803	8,671	48,268	52,486	-	527,228
At 31 August 2017	2,585,293	49,843	199,637	346,337	-	3,181,110
<b>NET BOOK VALUE</b>						
At 31 August 2017	21,744,635	66,068	96,987	76,392	80,991	22,065,073
At 31 August 2016	22,159,566	74,739	119,824	106,109	-	22,460,238

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2017

14. INVESTMENTS

ACADEMY COST VALUE	Shares in group undertakings £
At 31 August 2017	1
At 31 August 2016	1

15. DEBTORS

	GROUP		ACADEMY	
	2017 £	2016 £	2017 £	2016 £
Trade debtors	26,240	52,303	12,810	18,893
Amounts owed by group undertakings	-	-	28,930	31,917
Prepayments and accrued income	519,474	141,458	519,474	141,458
VAT recoverable	34,806	77,744	34,806	77,744
	<b>580,520</b>	<b>271,505</b>	<b>596,020</b>	<b>270,012</b>

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	GROUP		ACADEMY	
	2017 £	2016 £	2017 £	2016 £
Trade creditors	168,830	213,541	168,804	213,299
Other taxation and social security	130,683	134,625	130,683	134,625
Other creditors	135,024	136,532	135,024	136,532
Accruals and deferred income	157,598	127,484	156,150	126,234
	<b>592,135</b>	<b>612,182</b>	<b>590,661</b>	<b>610,690</b>

	GROUP		ACADEMY	
	2017 £	2016 £	2017 £	2016 £
<b>DEFERRED INCOME</b>				
Deferred income at 1 September	69,336	82,126	69,336	82,126
Resources deferred during the year	70,187	69,336	70,187	69,336
Amounts released from previous years	(69,336)	(82,126)	(69,336)	(82,126)
Deferred income at 31 August	<b>70,187</b>	<b>69,336</b>	<b>70,187</b>	<b>69,336</b>

At the Balance Sheet date the Academy was holding funds received from the Local Authority relating to the 2017-18 academic year and money received for trips taking place in 2017-18.

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**17. FINANCIAL INSTRUMENTS**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Financial assets measured at amortised cost	<b><u>2,375,117</u></b>	<b><u>1,600,987</u></b>
Financial liabilities measured at amortised cost	<b><u>(254,057)</u></b>	<b><u>(271,447)</u></b>

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

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

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**18. STATEMENT OF FUNDS**

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
<b>UNRESTRICTED FUNDS</b>						
General Funds	971,328	512,440	(378,156)	27,681	-	1,133,293
Fixed assets	62,867	-	(9,493)	-	-	53,374
Sheldon School Trading Limited	-	107,347	(79,666)	(27,681)	-	-
	<u>1,034,195</u>	<u>619,787</u>	<u>(467,315)</u>	<u>-</u>	<u>-</u>	<u>1,186,667</u>
<b>RESTRICTED FUNDS</b>						
General Annual Grant (GAG)	137,285	8,079,981	(8,060,470)	(14,976)	-	141,820
High Needs	-	219,320	(219,320)	-	-	-
Donations	-	15,317	(13,177)	-	-	2,140
Pupil Premium	-	225,625	(225,625)	-	-	-
Other LA funding	13,500	2,841	(2,841)	-	-	13,500
Y7 Literacy and Numeracy Catch Up	-	18,062	(18,062)	-	-	-
Other ESFA income	-	40,007	(40,007)	-	-	-
Pension reserve	(2,071,000)	-	(171,000)	-	1,458,000	(784,000)
	<u>(1,920,215)</u>	<u>8,601,153</u>	<u>(8,750,502)</u>	<u>(14,976)</u>	<u>1,458,000</u>	<u>(626,540)</u>
<b>RESTRICTED FIXED ASSET FUNDS</b>						
Fixed assets transferred on conversion	19,920,838	-	(369,646)	-	-	19,551,192
Fixed assets purchased from GAG and other restricted funds	1,618,042	-	(114,086)	14,976	-	1,518,932
DfE/ESFA Capital grants	821,789	688,068	(33,154)	-	-	1,476,703
LA Capital grants	36,702	-	(849)	-	-	35,853
	<u>22,397,371</u>	<u>688,068</u>	<u>(517,735)</u>	<u>14,976</u>	<u>-</u>	<u>22,582,680</u>
Total restricted funds	<u>20,477,156</u>	<u>9,289,221</u>	<u>(9,268,237)</u>	<u>-</u>	<u>1,458,000</u>	<u>21,956,140</u>
Total of funds	<u>21,511,351</u>	<u>9,909,008</u>	<u>(9,735,552)</u>	<u>-</u>	<u>1,458,000</u>	<u>23,142,807</u>

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**18. STATEMENT OF FUNDS (continued)**

**STATEMENT OF FUNDS - PRIOR YEAR**

	Balance at 1 September 2015 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2016 £
<b>UNRESTRICTED FUNDS</b>						
General Funds	950,587	436,905	(353,297)	-	-	1,034,195
Fixed assets	-	104,426	(104,426)	-	-	-
	<u>950,587</u>	<u>541,331</u>	<u>(457,723)</u>	<u>-</u>	<u>-</u>	<u>1,034,195</u>
<b>RESTRICTED FUNDS</b>						
General Annual Grant (GAG)	146,879	8,182,314	(8,106,390)	(85,518)	-	137,285
High Needs	-	140,638	(140,638)	-	-	-
Donations	-	6,992	(6,992)	-	-	-
Pupil Premium	-	215,375	(215,375)	-	-	-
Other LA funding	-	16,867	(3,367)	-	-	13,500
Y7 Literacy and Numeracy Catch Up	-	18,000	(18,000)	-	-	-
Other ESFA income	19,022	51,493	(70,515)	-	-	-
Pension reserve	(1,034,000)	-	(66,000)	-	(971,000)	(2,071,000)
	<u>(868,099)</u>	<u>8,631,679</u>	<u>(8,627,277)</u>	<u>(85,518)</u>	<u>(971,000)</u>	<u>(1,920,215)</u>
<b>RESTRICTED FIXED ASSET FUNDS</b>						
Fixed assets transferred on conversion	20,290,476	-	(369,638)	-	-	19,920,838
Fixed assets purchased from GAG and other restricted funds	1,648,968	-	(116,444)	85,518	-	1,618,042
DfE/ESFA Capital grants	814,664	36,119	(28,994)	-	-	821,789
LA Capital grants	37,551	-	(849)	-	-	36,702
	<u>22,791,659</u>	<u>36,119</u>	<u>(515,925)</u>	<u>85,518</u>	<u>-</u>	<u>22,397,371</u>
Total restricted funds	<u>21,923,560</u>	<u>8,667,798</u>	<u>(9,143,202)</u>	<u>-</u>	<u>(971,000)</u>	<u>20,477,156</u>
Total of funds	<u>22,874,147</u>	<u>9,209,129</u>	<u>(9,600,925)</u>	<u>-</u>	<u>(971,000)</u>	<u>21,511,351</u>

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

**RESTRICTED FUNDS**

The General Annual Grant (GAG) represents funding received from the Education Funding Agency (ESFA) during the period in order to fund the continuing activities of the school. During the year, £14,976 (2016: £85,518) was transferred to the restricted fixed asset fund to represent fixed assets purchased from GAG.

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**18. STATEMENT OF FUNDS (continued)**

High Needs funding, which includes Named Pupil Allowance and YPSS funding, is paid by the Local Authority to cater for pupils with learning difficulties and other disabilities.

Donations represent amounts raised through fundraising for specific purposes and various small restricted donations which have all been spent during the period.

Pupil premium funding represents amounts received from the ESFA to cater for disadvantaged pupils.

Other LA funding represents amounts received from Wiltshire Council and other Local Authorities in respect of Pupil Premium for Looked After Children.

Y7 Literacy and Numeracy Catch Up represents funding to support year 7 pupils that did not achieve level 4 in reading or mathematics at Key Stage 2.

Other ESFA income represents amounts received from the ESFA to cover rates expenditure of the school.

The pension reserve represents the Local Government Pension Scheme deficit.

**FIXED ASSET FUNDS**

Fixed assets transferred on conversion represent the building and equipment donated to the school from Wiltshire Council on conversion to an Academy.

Fixed assets purchased from GAG and other restricted funds represent amounts spent on fixed assets from the GAG funding received from the ESFA and other sources.

DfE/ESFA Capital grants includes devolved capital funding and amounts received from the Academies Capital Maintenance Fund and Condition Improvement Fund.

LA Capital grants represents funding received from Wiltshire County Council.

**OTHER INFORMATION**

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2017.

**19. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	53,374	-	22,011,699	22,065,073
Current assets	1,189,912	690,131	573,826	2,453,869
Creditors due within one year	(56,619)	(532,671)	(2,845)	(592,135)
Provisions for liabilities and charges	-	(784,000)	-	(784,000)
	<u>1,186,667</u>	<u>(626,540)</u>	<u>22,582,680</u>	<u>23,142,807</u>

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**19. ANALYSIS OF NET ASSETS BETWEEN FUNDS (continued)**

**ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR**

	Unrestricted funds	Restricted funds	Restricted fixed asset funds	Total funds
	2016 £	2016 £	2016 £	2016 £
Tangible fixed assets	62,867	-	22,397,371	22,460,238
Current assets	1,017,834	716,461	-	1,734,295
Creditors due within one year	(46,506)	(565,676)	-	(612,182)
Provisions for liabilities and charges	-	(2,071,000)	-	(2,071,000)
	<u>1,034,195</u>	<u>(1,920,215)</u>	<u>22,397,371</u>	<u>21,511,351</u>

**20. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	<b>GROUP</b>	
	2017 £	2016 £
Net income/(expenditure) for the year (as per Statement of Financial Activities)	173,456	(391,796)
<b>Adjustment for:</b>		
Depreciation charges	527,228	528,540
Interest received	(4,944)	(5,615)
Loss on the sale of fixed assets	-	1,838
Decrease/(Increase) in debtors	(327,263)	15,956
Decrease in creditors	(22,892)	(202,549)
Capital grants from DfE and other capital income	(311,372)	(36,119)
Defined benefit pension scheme cost less contributions payable	129,000	28,000
Defined benefit pension scheme finance adjustments	42,000	38,000
Donated fixed assets	-	(44,000)
<b>Net cash provided by/(used in) operating activities</b>	<u>205,213</u>	<u>(67,745)</u>

**21. ANALYSIS OF CASH AND CASH EQUIVALENTS**

	<b>GROUP</b>	
	2017 £	2016 £
Cash at bank and in hand	1,873,349	1,481,038
	<u>1,873,349</u>	<u>1,481,038</u>



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**22. 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.

**23. CAPITAL COMMITMENTS**

At 31 August 2017 the group and Academy had capital commitments as follows:

	<b>GROUP</b>		<b>ACADEMY</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Contracted for but not provided in these financial statements	<b>579,726</b>	<b>-</b>	<b>579,726</b>	<b>-</b>

**24. AGENCY ARRANGEMENTS**

The Academy distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ended 31 August 2017 the Academy received £19,380 (2016: £22,037) and disbursed £15,817 (2016: £14,217) from the fund. An amount of £8,014 (2016: £4,451) is included in other creditors relating to undistributed funds that is repayable to the ESFA.

**25. PENSION COMMITMENTS**

The group's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Wiltshire County Council. Both are Multi-Employer Defined Benefit Pension 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 £119,110 were payable to the schemes at 31 August 2017 (2016: 122,300) and are included within creditors.

**Teachers' Pension Scheme**

**Introduction**

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

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

**Valuation of the Teachers' Pension Scheme**

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2017

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**25. PENSION COMMITMENTS (continued)**

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 £714,147 (2016: £729,373).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website ([www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx](http://www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx)).

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

**Local Government Pension Scheme**

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2017 was £342,000 (2016: £333,000), of which employer's contributions totalled £274,000 (2016: £263,000) and employees' contributions totalled £68,000 (2016: £70,000). The agreed contribution rates for future years are 24.9% for employers and 5.5% - 8.5% for employees.

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

Principal actuarial assumptions:

	2017	2016
Discount rate for scheme liabilities	2.50 %	2.00 %
Rate of increase in salaries	2.70 %	4.10 %
Rate of increase for pensions in payment / inflation	2.40 %	2.10 %

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**25. PENSION COMMITMENTS (continued)**

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

	2017	2016
Retiring today		
Males	22.5 years	22.3 years
Females	24.9 years	24.5 years
Retiring in 20 years		
Males	24.1 years	24.1 years
Females	26.7 years	26.9 years

	At 31 August 2017 £	At 31 August 2016 £
<b>Sensitivity analysis</b>		
Discount rate -0.5%	96,000	588,000

The group's share of the assets in the scheme was:

	Fair value at 31 August 2017 £	Fair value at 31 August 2016 £
Equities	2,898,220	1,471,680
Bonds	571,480	306,600
Property	530,660	245,280
Cash	81,640	20,440
<b>Total market value of assets</b>	<b>4,082,000</b>	<b>2,044,000</b>

The actual return on scheme assets was £657,000 (2016: £331,128).

The amounts recognised in the Statement of Financial Activities are as follows:

	2017 £	2016 £
Current service cost	(403,000)	(291,000)
Interest income	69,000	106,000
Interest cost	(111,000)	(144,000)
<b>Total</b>	<b>(445,000)</b>	<b>(329,000)</b>

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**25. PENSION COMMITMENTS (continued)**

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

	2017 £	2016 £
Opening defined benefit obligation	5,391,000	3,773,000
Current service cost	403,000	291,000
Interest cost	111,000	144,000
Employee contributions	68,000	70,000
Actuarial (gains)/losses	(1,007,000)	1,210,000
Benefits paid	(100,000)	(97,000)
	<u>4,866,000</u>	<u>5,391,000</u>
Closing defined benefit obligation	<u>4,866,000</u>	<u>5,391,000</u>

Movements in the fair value of the group's share of scheme assets:

	2017 £	2016 £
Opening fair value of scheme assets	3,320,000	2,739,000
Interest income	69,000	106,000
Actuarial gains	451,000	239,000
Employer contributions	274,000	263,000
Employee contributions	68,000	70,000
Benefits paid	(100,000)	(97,000)
	<u>4,082,000</u>	<u>3,320,000</u>
Closing fair value of scheme assets	<u>4,082,000</u>	<u>3,320,000</u>

**26. OPERATING LEASE COMMITMENTS**

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

	2017 £	2016 £
<b>GROUP AND ACADEMY</b>		
<b>AMOUNTS PAYABLE:</b>		
Within 1 year	16,186	21,141
Between 1 and 5 years	47,147	87,307
	<u>63,333</u>	<u>108,448</u>
Total	<u>63,333</u>	<u>108,448</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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**27. RELATED PARTY TRANSACTIONS**

Owing to the nature of the Academy's operations and the composition of the Board of Trustees being drawn from local public and private sector organisation, it is likely 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 £6,861 (2016: £5,942) was received from The Sheldon School Enrichment Fund which has trustees in common with the Academy.

P C T Story, a Trustee, has been nominated by the Academy to take the Academy's seat as a Trustee of the Chippenham AstroTurf Project - known as CAP96. CAP96 leases land from the Academy on a 50 year lease for a peppercorn rent, on which it has built an AstroTurf pitch for use by local community groups. The Academy benefits by being able to use the AstroTurf pitch for free during normal school hours. In addition the school manages all bookings for CAP96 and provides staff to unlock and lock the facility during evenings and at weekends, for which an annual management charge is payable by CAP96 to Sheldon School. This charge is reviewed annually by the School Business Manager, and is designed simply to cover the staffing costs associated within this provision. P C T Story withdraws from all discussion at CAP96 meetings relating to this arrangement.

J A Vosper, a Trustee, is also a Director of Ellipsis Communications Ltd. During the year the Academy made sales of £250 to the company. There was no balance outstanding at year end.

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**28. PRINCIPAL SUBSIDIARIES**

**Sheldon School Trading Limited**

Subsidiary name	Sheldon School Trading Limited
Company registration number	09551925
Basis of control	100% subsidiary
Total assets as at 31 August 2017	£ 30,405
Total liabilities as at 31 August 2017	£ (30,404)
Total equity as at 31 August 2017	£ 1
Turnover for the year ended 31 August 2017	£ 107,347
Expenditure for the year ended 31 August 2017	£ 79,666
Profit for the year ended 31 August 2017	£ 27,681

**29. GENERAL INFORMATION**

Sheldon School is a company limited by guarantee, incorporated in England and Wales. The registered office is Hardenhuish Lane, Chippenham, Wiltshire, SN14 6HJ.