

GILLOTTS SCHOOL
(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

GILLOTTS SCHOOL
(A company limited by guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2016

Members

Catharine Darnton	(Headteacher and Accounting Officer)
David Gorsuch	(Chair of Governors)
John Print	(Chair of Finance & Resources Committee)
Alison Flett	(Chair of Curriculum and Student Progress Committee)
Susan White	(Chair of Personnel Committee)
Nick Walden	(Chair of Land Sale Committee)

Trustees / Governors

Catharine Darnton	(Headteacher and Accounting Officer)
David Gorsuch	(Chair of Governors)
Faye Aitken-Smith	(Resigned 13 October 2015)
Jonathan Allen	(End of term 2 January 2016)
Conrad Bodman	(End of term 25 November 2016)
Carol Brown	(Staff governor)
Tom Burnett	(Staff governor– Appointed 10 November 2015)
Jayne Davis	
Gill Dodds	
David Edwards	(Appointed 26 November 2016)
Karen Edwards	
Leonora Ellerby	
Alison Flett	
Nigel Hawkins	(Appointed 22 March 2016)
Karen Jones	(Appointed 22 March 2016)
James Langdon	(Appointed 26 November 2016)
John Print	
Hayley Rogers	(Staff governor)
Barry Taylor	
Tessa Thomson	(Resigned 21 March 2016)
Nicholas Walden	
Susan White	(End of term 9 July 2016) (Appointed 11 November 2016)
Christopher Wermann	(End of term 25 November 2016)

Company Secretary

Glynis Smith

Senior Management Team

Headteacher	Catharine Darnton
Deputy Head	Edward Newbold
Assistant Head	Sarah McHugh
Assistant Head	Matthew Druce
Business Manager	Glynis Smith

Company Name

Gillotts School

Principal and registered office

Gillotts School, Gillotts Lane, Henley-on-Thames, Oxon, RG9 1PS

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REFERENCE AND ADMINISTRATIVE DETAILS (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

Company registered number

07954417 (England & Wales)

Independent Auditors

MHA MacIntyre Hudson, Abbey Place, 24 - 28 Easton Street, High Wycombe, Buckinghamshire, HP11 1NT

Bankers

Lloyds Bank plc, Henley-on-Thames Branch, PO Box 1000, BX1 1LT

Solicitors

Stone King LLP, Boundary House, 91 Charterhouse Street, London, EC17 6HR

GILLOTTS SCHOOL
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2016

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company from 1 September 2015 to 31 August 2016. The annual report serves the purposes of both a Trustees' report, and a directors' report under company law.

The trust operates an academy for pupils aged 11 to 16 serving a catchment area in and around Henley-on-Thames. It has a pupil capacity of 900 and had a roll of 802 in the school census on 19 May 2016

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust.

The trustees of Gillotts School are also the directors of the charitable company for the purposes of company law. The Charitable Company is known as Gillotts.

Details of the trustees who served throughout the year are included in the Reference and Administrative Details on pages 1 & 2.

Members Liability

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

Trustees' Indemnities

Trustees benefit from indemnity insurance 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 Trust. The cost of this insurance in the year was £1,245.

Method of Recruitment and Appointment or Election of Trustees

In accordance with the Articles of Association, the Academy Trust has determined there shall be 20 governors. These comprise the Headteacher, 3 further members of staff (one of whom is a member of the support staff) elected by the staff, 6 parent governors elected by parents and carers (or, in default, appointed by the other governors), and 10 co-opted governors appointed by the Academy Trust.

Nominations for election for staff and parent governors are carried out by letter to all those eligible to stand. The elections themselves are carried out by private written ballot. In appointing co-opted governors the Academy Trust seeks to appoint persons whose experience and skills will complement the governing body as a whole. All co-opted governors are appointed following recommendations to the Academy Trust, an introductory meeting and/or interview conducted by the Chair of Governors and at least one other member of the Trust, a formal recommendation and vote by the members of the Academy Trust

At 31 August 2016, there were two vacancies for a co-opted governor.

Policies and Procedures Adopted for the Induction and Training of Trustees

Gillotts School currently subscribes to the Governor Training Services provision of Oxfordshire County Council which carries out most governor training for the school.

The induction programme for governors comprises the provision of a comprehensive induction pack, a visit and tour of the school (including a meeting with the Headteacher) and enrolment on the Governance Introductory Course provided by Oxfordshire County Council. Further training of governors is considered regularly by the governing body's policy and planning group which makes periodic recommendations to the governing body and individual governors. In 2012, the governors completed an NGA Skills Audit, the results of which are being used to inform ongoing governor training. This is updated on an ongoing basis.

GILLOTT'S SCHOOL
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

Organisational Structure

The governors are responsible for the strategic direction of the School and for the appointment of the Headteacher. They have delegated management of the School to the Headteacher. The Headteacher is the Accounting Officer.

At Gillotts School the majority of the roles and responsibilities of the Governing Body have been delegated to a small number of committees, as defined in the terms of reference of the committees.

Arrangements for setting pay and remuneration of key management personnel

The school abides by the statutory requirements for teachers' pay and conditions. The headteacher's performance is reviewed independently each year, the deputy and assistant head teachers progress within a predetermined pay scale. As a member of the support staff, the Business Manager's post has been evaluated by the job evaluation team at Oxfordshire County Council and is paid according to the Local Government pay arrangement in conjunction with the National Joint Council pay and conditions.

Trustees are not remunerated.

Related parties and other connected charities and organisations.

Gillotts collaborates with feeder primaries and has formed a limited company with local primary schools, Henley Partnership of Schools to further support this collaboration. Gillotts works with the secondary consortium which includes other local 11-16 schools as well as The Henley College. Gillotts is also part of the Oxfordshire Teaching Schools Alliance (OTSA).

OBJECTIVES AND ACTIVITIES

Objects and Aims

The principal object and activity of the charitable company is the operation of Gillotts School to provide education for students between the ages of 11 and 16.

Objectives, Strategies and Activities

In conversion to academy status the Governing Body determined to maintain the traditional ethos, values, standards and achievements of the school, whilst continuing to work to fulfil the school's medium and long term development plans.

The aims of the school rest on the following ethos and values:

- As individuals, we value everyone as an individual, capable of growth, change and development; self-respect; self-belief; courage, humour; honesty; integrity; dedication; commitment; generosity of spirit; flexibility; vision; initiative; open-mindedness
- In our professional relationships with each other, we value all staff, whatever their role; clarity in determining roles and responsibilities; respect for the unique contribution of different parts of the curriculum; effective communication; transparency; teamwork; good timekeeping; pride in our achievements; professional development; confidence in each other's support
- In our relationships with our students, we value justice; equality; mutual respect; fairness; consistency; courtesy; high expectations; trust; achievement
- In the experience of learning in our school, we value the joy of learning; creativity; a spirit of enquiry; risk-taking; exploration of ideas; challenge; raising aspiration; inclusion; hard work; celebration of achievement; freedom to express ideas and views; opportunities for reflection; sense of purpose; inventiveness; independence; rigour; mistakes as means of learning
- In our capacity as a community school, we value partnership with parents, governors and the wider community; lifelong learning; human rights; preparing young people to become effective, responsible citizens; skills for life and for work
- In our environment, we value an atmosphere conducive to learning; safety; respect for property; healthy living

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

Objectives, Strategies and Activities (continued)

Gillotts is a high performing, innovative school where every student is valued as an individual, and is supported and encouraged to achieve their potential. We pride ourselves on being inclusive of all, developing academic achievers and individuals who make a positive contribution to society now and in their future lives.

The primary function of the school is to serve its students and the local community in the best possible way. Bearing this in mind, together with the overall target of being assessed as an Outstanding School by Ofsted, the Governing Body and the School will work together:

- Aim 1: To maximise achievement through effective and inspiring teaching
- Aim 2: To maintain a distinctive curriculum offer tailored to the needs of our students, ensuring that 21st century technology is used effectively to support teaching and learning
- Aim 3: To promote personal development by the provision of outstanding support and guidance
- Aim 4: To provide a built environment fit for the purpose of 21st century teaching and learning
- Aim 5: To promote Gillotts' position as Henley's first class community school

In this reporting period, the school has used a variety of measures to assess its success in achieving its stated aims and objects. In relation to Aim 1, the school achieved its best ever results in 2016, with 86% of students achieving grade C or better in both English and mathematics GCSEs. 49% of students achieved the English Baccalaureate. The school's progress 8 score was 0.4, which puts the school in the top 30% of schools nationally. In relation to the other aims, the school was inspected by Ofsted in April 2016. The inspectors concluded:

'The leadership team has maintained the good quality of education in the school since the last inspection. You have continued to raise standards and have tackled the areas for improvement well. You have worked very effectively with your governors to manage a challenging financial position and made sure that the school continues to function well.'

One pupil described the school to inspectors as a 'joyful place'.

Public Benefit

The Governors of the Academy Trust have complied with their duty to have due regard to the guidance on Public Benefit published by the Charity Commission in exercising their powers and duties. The key public benefit delivered by Gillotts School is the maintenance and development of the high quality education provided by the school to the young people of Henley-on-Thames and the surrounding area. In doing this, Gillotts School not only offers a broad based academic education but also aims to educate the whole individual. A very wide range of extra-curricular activities, educational trips, visits and exchange programmes are offered and undertaken.

STRATEGIC REPORT

Achievements and Performance

We were very pleased by this year's outcomes, which were in many ways our best ever, despite this not being the cohort with the highest prior attainment.

The following are the headlines of achievement.

- 86% of students achieved A*-C in both English and mathematics
- 87% of students achieved grades A*-C in English Language
- 93% of students achieved grades A*-C in maths
- 32% of students achieved A*/A in English
- 30% of students achieved A*/A in maths
- 30% of students achieving 5+A*/A

(Note that measure is the DfE Performance Tables have changed this year)

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

Achievements and Performance (continued)

Ofsted inspection outcomes

Ofsted published its report on Gillotts on 19 May 2016. The school was inspected on 20 April.

Ofsted recognised that Gillotts is a good school, in all that we do. The report confirmed that, since the last inspection in June 2012, standards had risen, the quality of teaching had improved, and the quality of leadership of all staff had strengthened.

We were particularly pleased that the inspectors noted the positive feedback from our stakeholders:

- 'Staff are overwhelmingly positive about working at the school and about you and your leaders. They say that there is 'an atmosphere of mutual support and teachers are encouraged to share best practice'.'
- 'One parent describes 'the happy atmosphere' in the school while another reports that 'teachers really care for the students'.'
- 'The views of the many are reflected in the comment of one pupil who described the school as 'a joyful place'.'

The report recognised that there is much good practice in the school. Ofsted challenged us to improve further by using this to increase the proportion of disadvantaged pupils making strong progress and to improve the quality of teaching for pupils who have special educational needs or disability. We agreed that these are the right goals to work towards and we know that all the staff are fully committed to achieving them.

The full Ofsted Report is available for download at www.ofsted.gov.uk

Key Financial Performance Indicators

	As per budget plan	Outturn
Total Staff costs	£3,363,645	£3,333,269
Salary costs to EFA income	85.60%	84.77%
Salary costs to total income	83.85%	79.58%
Salary costs as % of total expenditure	74.96%	72.06%

Going Concern

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

FINANCIAL REVIEW

Most of the school's income is obtained from the DfE via the EFA in the form of its General Annual Grant (GAG), the use of which is restricted to particular purposes i.e. the objects of the Academy Trust. The GAG received during the period covered by this report and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

FINANCIAL REVIEW (continued)

No other specific Capital Grants were awarded to the school by the DfE to provide fixed assets apart from the Devolved Formula Capital Grant (DFC). The DFC received is shown in the Statement of Financial Activities as restricted fixed asset funds.

On conversion on 1 March 2012, all of the fixed assets of the former foundation school were transferred to the new Academy Trust, and are shown as restricted asset funds. The balance sheet fixed asset fund is reduced by depreciation charges over the expected useful life of the assets concerned.

Expenditure for the period before fixed asset additions covered by this report was covered by the GAG received from the DfE and other income such as voluntary income and activities for generating funds.

The Academy Internal Financial Procedures are reviewed annually at the spring meeting of the Finance and Resources Committee.

Reserves Policy

At 31 August 2016 the total funds comprised:

Unrestricted		£87,477
Restricted:	Fixed asset funds	£14,538,544
	Pension reserve	£(1,554,000)
	Other	£438,971
		<u>£13,510,992</u>

The deficit on the pension reserve relates to the non-teaching staff pension scheme where, unlike the teachers scheme, separate assets are held to fund future liabilities as discussed in note 23. The deficit can be met in the longer term from any combination of increased employer or employee contributions, increased government funding or changes to scheme benefits. The significant increase in LGPS liability is primarily caused by the decrease in the discount rate along with the price of gilts significantly decreasing. The movement in discount rates are to be found in the Actuarial Report page stating the assumptions. £655k relates to the change in assumptions. The restricted funds will be spent in accordance with the terms of the particular funds. Unrestricted funds are for use on the general purposes of the Academy, at the discretion of the Governors. The aim of the Governors is to increase this reserve to meet future working capital requirements.

The school is operating within a financial environment over which it has limited control or influence. Funding is determined by government formula which in recent years has been on a "flat cash" basis concurrent with a reduction in academy uplift funding. This means there has been an effective reduction in funding for academies whilst at the same time payroll costs are linked in to regular and pre-set annual increases. As payroll costs are the largest part of the school's expenses, the increases mean that year on year the risk of expenditure exceeding income becomes greater. Indeed, in the current year the school recorded an in year deficit for the first time and so has had to use some £62k of its reserves to meet the excess of expenditure over income.

The school has a history of strong financial responsibility and has done all it can to date to reduce expenditure where this can be achieved without impacting on its core ethos and values, but the options are limited and this task is becoming increasingly difficult. Continued diligent financial management and the prudent accumulation of reserves in prior years should allow the school to continue to provide a high standard of education for the immediate future, but there are concerns for the medium term. Unless there is some appropriate action by central government to adopt a fairer basis of allocation of funds to schools such as this, then the school's reserves will eventually be fully utilised. As the school is unwilling to compromise on its core purpose of providing high quality education, it is not impossible that the school will be in financial deficit at some stage in the future. We understand that we are by no means alone and there are very many similar schools both locally and around the country facing similar challenges as a result of inadequate and unequal national funding.

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TRUSTEES' REPORT (continued)
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Reserves Policy (continued)

The school fabric, infrastructure and sports facilities are in urgent need of updating and improving, with the majority of the school buildings dating back over 50 years. In order to do this the school has previously announced its plans to raise the necessary funds from the sale of surplus land. It is important to understand that there are strict limitations that apply to these funds as they can only be applied to capital projects; apart from improving facilities, they will go no way to defraying the increasing day to day costs of running the school.

Investment Policy

Apart from the cash held for the operation of the school, Gillotts School has no realisable investments. With respect to its cash holdings the Governing Body has adopted a low risk strategy. Whilst interest rates are so low, it is not time cost effective to regularly review cash balances and transfer any excess funds to a deposit account and back again to cover expenditure. The school's bankers pay interest to the school on its current account balances and any financial benefit to regularly transferring funds is out-weighted by the time commitment required.

Principal Risks and Uncertainties

The major risks of the Academy Trust have been identified and reviewed by the Governors and summarised in the internal document 'Organisational Risk Assessment'. The major risks identified are

Category	Risk	Comment	Remedial action identified
Strategic	Obsolescence of ICT hardware and software	Technology moves very quickly and it is very difficult to be confident of requisitioning the most effective and value for money ICT supplies/services to meet current requirements and to future proof for the inevitable developments going forward. This links to the below since having sufficient funding to future proof is key to successfully managing the risk.	ICT upgrade strategy and financial viability regularly reviewed.
Financial	Risk that equipment cannot be fully replaced at the right time when it requires upgrading due to insufficient funding	In addition to ICT, this applies to all assets that would require immediate replacement in the event of failure. Parts of the heating system and buried building services remain at risk of imminent failure.	We are improving the asset registration to develop a realistic and manageable replacement programme for all school assets. Application(s) to EFA for (emergency) capital funding.
	Risk that the school will be unable to set a balanced budget	Accumulated reserves are reducing significantly each year as they are used to support an in year negative budget. This is not sustainable.	Budgets cuts to subject areas, IT and Premises as well as reduced staffing, planning to increase teacher loadings, proactive working with EFA
Operational	Staff - Inability to recruit teachers. Teacher supply has not been managed in recent years. This, coupled with Henley being an expensive place to live, outside London weighting, has brought additional challenges.	Working with Oxfordshire Teaching School Alliance and OUDE to train teachers. Use a recruitment agency for advertising; good relationship with supply agencies (including overseas). Proactive and timely management of recruitment	Consider spending a portion of the reserves to increase staffing levels so preserving staffing levels even in times when there are vacancies.
Management	Risk of school closure	Due to the restricted affordability to repair buried building services at risk of imminent failure, there is a possibility of school closure should the heating and/or drains fail.	Phased replacement plan. If failure occurs before replacement, will have to apply to EFA for emergency funding.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

Principal Risks and Uncertainties (continued)

The Academy Trust practices through its Board, namely the Governing Body and the constituted subcommittees, risk management principles. Any major risks highlighted at any sub-committee are brought to the main Board with proposed mitigating actions and they continue to be reported until the risk is adequately mitigated.

The Governing Body accepts managed risk as an inevitable part of its operations but maintains an objective not to run unacceptable levels of risk in any area. The subjective nature of this process requires major risks to be resolved by the Governing Body collectively, whilst more minor risks are dealt with by senior executive officers.

Major risks have been identified earlier in this report.

Other principal risks managed by the Academy are:

- Financial Risk – The principal financial risks are a reduction in pupil numbers, reduction in central government funding, unforeseen increase in costs or major capital repairs due to building/site failures. Mitigated by the fact the Governors and the Leadership team are already considering a range of initiatives to reduce costs in the medium to long term.
- Premises risk – It is not possible to ascertain with any degree of accuracy the risk of failure of areas of the premises that cannot be easily seen or regularly monitored (for instance buried services, roofs). Mitigated by the fact that in 2012/13 the school commissioned a site condition survey which provides comprehensive information to inform premises priorities over the next 10 years.
- Personnel risk – the principal risks associated with personnel are related to succession planning, recruitment, retention and training. Mitigated by the fact the Leadership Team all have discrete responsibilities so the loss of a member of staff will impact on the rest of the team until a new appointment is made and working effectively. There are very thorough recruitment processes - at least two members of staff/governor are involved with the interview process. All staff matters are referred to/managed by the Headteacher in the first instance who is fully experienced in the need as to how and when to refer to HR professionals.

PLANS FOR FUTURE PERIODS

Gillotts School is proud of its successes and proud of its identity. We believe in achievement for all and want to secure the best outcomes for all our learners, without exception. We want to continue to raise students' expectations of themselves and develop them as autonomous learners, ready for the challenges ahead.

We will build on our success by creating a highly inclusive and integrated community by enhancing the opportunities for interaction and engagement with the school beyond the planned curriculum, encompassing students' social time within the school day and enhancing opportunities for the use of the school site by the community. Further we would embrace opportunities to extend our success with vertical integration to create a 3-16 all-through school, with strengthened integration (real and virtual) with Henley College, for 14-19 provision.

Teaching and learning are at the heart of this school. We have had an explicit and visible commitment to personalisation of learning since 2005, when the school re-structured around Hargreaves' personalising learning gateways. As personalisation has become embedded, responsibility for many of these gateways now rests with the Leadership Team, recognising the centrality of the concept. The gateways (Assessment for Learning, Learning to Learn, Student Voice, Curriculum, ICT, Mentoring, Advice and Guidance, Workforce Remodelling, School Organisation) remain core to the School Development Plan. However we see Assessment for Learning as the single most powerful lever for improved teaching and learning, and hence improved attainment and progress. We are developing an increasingly personalised approach to CPD recognising that teachers, as professionals, are the best placed to drive their own development.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

PLANS FOR FUTURE PERIODS (continued)

We will build on our outstanding curriculum, underpinned by a deep understanding of student progress and a commitment to developing the wider skills valued by higher education and employers.

We see 21st century learning anchored in student-student collaboration with the teacher as 'the guide by the side not the sage on the stage', with seamless, embedded access to ICT to support interaction, collaboration and feedback. We will break down the artificial boundary of the limits of the school day to support the integration of students' learning in school, at home and on the move. A comprehensive and flexible ICT solution is an essential means to this end. We see every student with permanent access to a handheld device (not necessarily owned by the school) to motivate and support learning.

We have an inspirational site – 33 acres with extensive woodland, on the site of the local manor house, parts of which (including two associated cottages) remain. The school is set on the fringes of the town with extensive views across the Thames valley. We want to use the stunning environment to help excite and inspire and students and staff to move the school's performance to the next level, making it an outstanding place to study and work with results securely in the top 10% of schools nationally. To achieve this vision, we need to redevelop the whole school environment.

Since September 2008, the school has offered and maintained the Full Core of Extended Services (ie, a safe place to be, a varied menu of activities, swift and easy referral, community access, parenting support). We are also co-located with Henley Leisure Centre. Building on these successes, we seek to work with the Local Authority and other providers in developing the co-location of services, in support of the principle of bringing services closer to the population. We will continue to develop the support we offer to parents to enable them in turn to support us as they work alongside their children.

Redeveloping the school environment will enable us to achieve all this by allowing us to maximise the potential of the site. It will enable us to meet the challenges we face through having buildings that are not fit for purpose (eg, high maintenance and energy bills, subject teams spread across the school) and so allow us to focus on our core priority of continuously improving outcomes for Henley's young people

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

There were no funds held as custodian on behalf of others

AUDITOR

In so far as the trustees are aware:

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

Trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 6 December 2016 and signed on the board's behalf by:

.....
David Gorsuch
Chair of Trustees

GILLOTT'S SCHOOL
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GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2016

SCOPE OF RESPONSIBILITY

As trustees we acknowledge we have overall responsibility for ensuring that Gillotts 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 Gillotts 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. Gillotts has a sound structure to its Governing Body with many individuals bringing invaluable expertise to their work for the school. Where governors' terms of office have come to an end, Gillotts has managed to appoint or elect good replacements. Resignations ahead of end of term of office have been due to retirement. The **board of trustees** has formally met 3 times during the year.

Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
Jonathan Allen	1	1
Conrad Bodman	3	3
Carol Brown	3	3
Tom Burnett	3	3
Catharine Darnton	3	3
Jayne Davis	0	3
Gill Dodds	0	3
Karen Edwards	3	3
Leonora Ellerby	2	3
Alison Flett	3	3
David Gorsuch	1	3
Nigel Hawkins	1	1
Karen Jones	2	2
John Print	3	3
Hayley Rogers	1	3
Barry Taylor	3	3
Tessa Thomson	0	1
Nicholas Walden	3	3
Sue White	2	3
Chris Wermann	3	3

Gillotts has a sound structure to its Governing Body with many individuals bringing invaluable expertise to their work for the school. Where governors' terms of office have come to an end, Gillotts has managed to appoint or elect good replacements. Resignations ahead of end of term of office have been due to retirement.

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GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

Governance reviews:

In 2014, the Governing Body completed a self-evaluation using a tool made available by the National Governors Association (NGA). The outcome is positive, identifying a number of key strengths. We identified we need to make sure governors are better aware of and access the training opportunities available to them through our subscription to Oxfordshire County Council's Governor Services. As a consequence, information on both online and face to face training has been provided to governors with the papers for each main meeting. We have also undertaken to conduct a 360 review of the Chair of Governors' effectiveness, again through the NGA. The self evaluation is updated on an annual basis in December of each year.

The finance and resources committee is a sub-committee of the main board of trustees. Its purpose is set out in its Terms of Reference and is, primarily, to take responsibility for strategic planning of all aspects of financial and resources management, including consideration of long term planning and resourcing.

The responsibilities of an audit committee are incorporated within the Terms of Reference of the Finance and Resources Committee. Its purpose is to receive the Internal checking report (previously Responsible Officer's Report) from the Chair of the Committee at each meeting and the auditors' reports when appropriate and to recommend to the full governing body action as appropriate in response to these findings.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Carol Brown	3	4
Tom Burnett	3	3
Catharine Darnton	4	4
David Gorsuch	2	4
John Print	4	4
Tessa Thomson	1	1
Nicholas Walden	4	4
Chris Wermann	2	4

REVIEW OF VALUE FOR MONEY

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

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

- We have undertaken a detailed and rigorous review and analysis of the full range of reports available through SIMS to enable specific students to receive targeted interventions as appropriate (FSM, PP, SEN, more able). We are wishing to close the attainment gap between PP and other students.
- We have undertaken a rigorous review and evaluation of examination results, value added progress, student attendance.
- The School Development Plan is focussed on improving outcomes for example through improving student feedback.

GILLOTT'S SCHOOL
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

REVIEW OF VALUE FOR MONEY (continued)

- We have developed a rigorous and innovative system for assessment including the tracking of student progress, following the removal of national curriculum levels.
- We have continued one to one provision after the end of specific funding - this is now available to all year groups as appropriate.
- We have a differentiated curriculum provision with alternative provision at KS4.
- We are enabling all students to 'bring their own devices' to widen access to IT without increased cost to the school.
- We have developed a performance related pay policy for teachers that rewards day to day good and developing practice in the classroom.
- We are a strategic partner of the Oxfordshire Teaching School Alliance to maximise CPD opportunities and continue to improve standards of teaching.
- A collaborative company further enhances close links with local partnership primary schools – this has brought opportunities for year 5s and 6s to spend time with us to ease transition and support the sharing of good practice.
- We continue to improve the take up of the school meals provision.
- Revision classes were held during the Easter break and after school for GCSE students.
- School facilities are used by a local dance academy and cricket club on a regular basis and the school grounds are used to host the Oxfordshire UK Triathlon.

Financial Governance:

- We have rigorous procedures in place for establishing and reviewing the school budget.
- Termly internal checking reports are supported by our external auditor and have been presented at termly governor meetings alongside our full internal financial report.
- Annual external audit.
- Our Internal Financial Procedures Handbook is reviewed annually by governors. It has been updated to include a detailed procedure for gifts, hospitality and benefits in kind.
- Contracts are regularly reviewed for cost/benefit. Tender procedures have been applied to the appointment of a new broadband provider and to the introduction of multi-functional devices to replace photocopiers and printers.
- A preferred suppliers list has been established.
- Financial outturn is materially in line with the budget plan.

Internal controls

- Detailed internal financial procedures manual available to all staff, reviewed annually by Governors
- The finance system blocks orders that would exceed available funds
- All orders have been reviewed by the Business Manager prior to authorisation and submission to supplier
- All invoices have been reviewed by the Headteacher and Business Manager for appropriateness
- Budget holders have received termly reports and interim reports on request and have been held accountable for budget management
- Value for money comparisons have been made for purchased supplies and services.

Lessons Learned

- The high proportion of funding that is spent on staffing means that proactive management of staffing levels, taking available opportunities to review the structure and current requirements, is key. This has been established as normal working practice.

GILLOTT'S SCHOOL
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GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Gillotts School for the period 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed the board of trustees.

THE RISK AND CONTROL FRAMEWORK

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

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

The board of 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 MHA MacIntyre Hudson the external auditor, to perform additional checks

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

- testing of payroll systems and salary verification
- testing of purchase systems
- testing of control account/bank reconciliations
- testing of income control systems

On a termly basis the reviewer reports to the board of trustees, through the finance and resources committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

The reviewer has delivered their schedule of work as planned.

GILLOTTTS SCHOOL
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

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 internal reviewer
- the work of the external auditor
- the financial management and governance self-assessment process
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by Finance and Resources 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 6 December 2016 signed on its behalf by:

.....
David Gorsuch
Chair of Trustees

.....
Catharine Darnton
Accounting Officer

GILLOTTS SCHOOL
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE
FOR THE YEAR ENDED 31 AUGUST 2016

As accounting officer of Gillotts School I have considered my responsibility to notify the academy trust board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2015.

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 2015.

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 EFA.

.....
Catharine Darnton
Accounting officer

6 December 2016

GILLOTT'S SCHOOL
(A company limited by guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2016

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

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of 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 2015 to 2016;
- 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 company will continue in business.

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

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

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

Approved by order of the members of the governing body on 6 December 2016 and signed on its behalf by:

David Gorsuch
Chair of Trustees

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

We have audited the financial statements of Gillotts School for the year ended 31 August 2016 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. 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" and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

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

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also the directors of the Academy Trust 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.

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

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Academy Trust's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

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

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

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Trustees' Report, incorporating the Strategic Report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

Bianca Silva BA ACA DChA (Senior Statutory Auditor)

for and on behalf of

MHA MacIntyre Hudson

Chartered Accountants
Statutory Auditors

Abbey Place
24-28 Easton Street
High Wycombe
Buckinghamshire
HP11 1NT

12 December 2016

GILLOTTS SCHOOL
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INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO GILLOTTS SCHOOL AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 10 July 2015 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Gillotts School during the year 1 September 2015 to 31 August 2016 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The accounting officer is responsible, under the requirements of Gillotts School's funding agreement with the Secretary of State for Education dated 1 March 2012, and the Academies Financial Handbook extant from 1 September 2015, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2015 to 2016. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2015 to 31 August 2016 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 2015 to 2016 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

GILLOTTS SCHOOL
(A company limited by guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO GILLOTTS SCHOOL AND THE EDUCATION FUNDING AGENCY (continued)

The work undertaken to draw to our conclusion includes:

- reviewing the Minutes of the meetings of the Governing Body and other evidence made available to us, relevant to our consideration of regularity;
- a review of the objectives and activities of the academy, with reference to the income streams and other information available to us as auditors of the academy;
- testing of a sample of payroll payments to staff;
- testing of a sample of payments to suppliers and other third parties;
- testing of a sample of grants received and other income streams;
- evaluating the internal control procedures and reporting lines, and testing as appropriate; and
- making appropriate enquires of the Accounting Officer.

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 2015 to 31 August 2016 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Reporting Accountant

MHA MacIntyre Hudson

Chartered Accountants

Abbey Place
24-28 Easton Street
High Wycombe
Buckinghamshire
HP11 1NT

12 December 2016

GILLOTT'S SCHOOL
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2016**

	Note	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
INCOME FROM:						
Donations and capital grants	2	-	3,028	17,584	20,612	307,233
Charitable activities	5	-	4,188,568	-	4,188,568	4,235,433
Other trading activities	3	17,411	1,650	-	19,061	18,510
Investments	4	863	-	-	863	948
TOTAL INCOME		18,274	4,193,246	17,584	4,229,104	4,562,124
EXPENDITURE ON:						
Charitable activities		-	4,312,826	308,023	4,620,849	4,491,214
TOTAL EXPENDITURE	6	-	4,312,826	308,023	4,620,849	4,491,214
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS						
Transfers between Funds	18	18,274	(119,580)	(290,439)	(391,745)	70,910
		-	(44,648)	44,648	-	-
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES						
		18,274	(164,228)	(245,791)	(391,745)	70,910
Actuarial gains/(losses) on defined benefit pension schemes	23	-	(655,000)	-	(655,000)	38,000
NET MOVEMENT IN FUNDS		18,274	(819,228)	(245,791)	(1,046,745)	108,910
RECONCILIATION OF FUNDS:						
Total funds brought forward		69,203	(295,801)	14,784,335	14,557,737	14,448,827
TOTAL FUNDS CARRIED FORWARD		87,477	(1,115,029)	14,538,544	13,510,992	14,557,737

The notes on pages 25 to 46 form part of these financial statements.

GILLOTT'S SCHOOL
(A company limited by guarantee)
REGISTERED NUMBER: 07954417

BALANCE SHEET
AS AT 31 AUGUST 2016

	Note	£	2016 £	£	2015 £
FIXED ASSETS					
Tangible assets	14		14,524,279		14,784,335
CURRENT ASSETS					
Debtors	15	123,649		175,667	
Cash at bank and in hand		643,346		785,014	
		<u>766,995</u>		<u>960,681</u>	
CREDITORS: amounts falling due within one year	16	(211,282)		(344,779)	
NET CURRENT ASSETS			<u>555,713</u>		<u>615,902</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>15,079,992</u>		<u>15,400,237</u>
CREDITORS: amounts falling due after more than one year	17		(15,000)		(17,500)
NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES			<u>15,064,992</u>		<u>15,382,737</u>
Defined benefit pension scheme liability	23		(1,554,000)		(825,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u>13,510,992</u>		<u>14,557,737</u>
FUNDS OF THE ACADEMY					
Restricted income funds:					
General funds	18	438,971		529,199	
Fixed asset funds	18	14,538,544		14,784,335	
		<u>14,977,515</u>		<u>15,313,534</u>	
Pension reserve		(1,554,000)		(825,000)	
Total restricted income funds			<u>13,423,515</u>		<u>14,488,534</u>
Unrestricted income funds	18		87,477		69,203
TOTAL FUNDS			<u>13,510,992</u>		<u>14,557,737</u>

The financial statements were approved by the Trustees, and authorised for issue, on 6 December 2016 and are signed on their behalf, by:

David Gorsuch
Chair of Trustees

Catharine Darnton
Accounting Officer

The notes on pages 25 to 46 form part of these financial statements.

GILLOTTTS SCHOOL
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2016

	Note	2016 £	2015 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	20	<u>(109,648)</u>	<u>157,574</u>
Cash flows from investing activities:			
Investment income		863	948
Purchase of tangible fixed assets		(47,967)	(486,991)
Capital grants from DfE/EFA		17,584	306,218
Net cash used in investing activities		<u>(29,520)</u>	<u>(179,825)</u>
Cash flows from financing activities:			
Repayments of borrowings		(2,500)	-
Cash inflows from new borrowing		-	20,000
Net cash (used in)/provided by financing activities		<u>(2,500)</u>	<u>20,000</u>
Change in cash and cash equivalents in the year		<u>(141,668)</u>	<u>(2,251)</u>
Cash and cash equivalents brought forward		<u>785,014</u>	<u>787,265</u>
Cash and cash equivalents carried forward	21	<u><u>643,346</u></u>	<u><u>785,014</u></u>

GILLOTTTS SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES

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

1.1 Basis of preparation of financial statements

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

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

First time adoption of FRS 102

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

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

Reconciliations to previous UK GAAP for the comparative figures are included in note 27.

1.2 Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Department for Education 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 Department for Education and the Education Funding Agency..

Investment income, gains and losses are allocated to the appropriate fund.

GILLOTTS SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

1.3 Income

All income is recognised once the Academy Trust has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

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

General Annual Grant is recognised in full in the Statement of Financial Activities Incorporating Income and Expenditure Account 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 when there is entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

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

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

Donations are recognised on a receivable basis where there are no performance related conditions and there is probability of receipt and the amount can be reliably measured.

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

GILLOTT'S SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

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

All resources expended are inclusive of irrecoverable VAT.

1.5 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 Trust to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

1.6 Tangible fixed assets and depreciation

Assets costing £500 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of financial activities incorporating income and expenditure account 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 incorporating income and expenditure account.

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 incorporating income and expenditure account.

GILLOTTS SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

Tangible fixed assets and depreciation (continued)

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is not charged on freehold land. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	2% on cost
Motor vehicles	-	20% on cost
Equipment	-	10 - 20% on cost
Computer equipment	-	25% on cost

1.7 Operating leases

Rentals under operating leases are charged to the Statement of financial activities incorporating income and expenditure account on a straight line basis over the lease term.

1.8 Taxation

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

1.9 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Academy Trust; this is normally upon notification of the interest paid or payable by the Bank.

1.10 Debtors

Trade and other debtors are recognised at the settlement amount. Prepayments are valued at the amount prepaid.

1.11 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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

1.12 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 Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.13 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 23, 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.

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit 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 incorporating income and expenditure account 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.

1.14 Financial instruments

The Academy Trust only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

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**NOTES TO THE FINANCIAL STATEMENTS
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1. ACCOUNTING POLICIES (continued)

1.15 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	<i>Total funds 2015 £</i>
Donations	-	3,028	-	3,028	<i>1,015</i>
Capital Grants	-	-	17,584	17,584	<i>306,218</i>
Total donations and capital grants	<u>-</u>	<u>3,028</u>	<u>17,584</u>	<u>20,612</u>	<u><i>307,233</i></u>

In 2015, of the total income from donations and capital grants, £ NIL was to unrestricted funds, £1,015 was to restricted funds and £306,218 was to restricted fixed asset funds.

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**NOTES TO THE FINANCIAL STATEMENTS
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3. OTHER TRADING ACTIVITIES

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	<i>Total funds 2015 £</i>
Rental income	10,636	-	10,636	2,960
School fund	6,464	1,650	8,114	15,033
Catering income	311	-	311	517
	<u>17,411</u>	<u>1,650</u>	<u>19,061</u>	<u>18,510</u>

In 2015, of the total income from other trading activities, £18,510 was to unrestricted funds, £ NIL was to restricted funds and £ NIL was to restricted fixed asset funds.

4. INVESTMENT INCOME

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	<i>Total funds 2015 £</i>
Bank interest receivable	863	-	863	948
	<u>863</u>	<u>-</u>	<u>863</u>	<u>948</u>

In 2015, of the total income from investment, £948 was to unrestricted funds, £ NIL was to restricted funds and £ NIL was to restricted fixed asset funds.

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**NOTES TO THE FINANCIAL STATEMENTS
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5. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
DfE/EFA grants				
General Annual Grant (GAG)	-	3,806,663	3,806,663	3,816,991
Pupil premium	-	107,180	107,180	110,568
Other DfE/EFA revenue grants	-	18,055	18,055	12,284
	-	3,931,898	3,931,898	3,939,843
Other government grants				
Other grants	-	35,430	35,430	37,173
Other local authority income	-	82,765	82,765	162,706
	-	118,195	118,195	199,879
Other funding				
Trip income	-	138,475	138,475	95,711
	-	138,475	138,475	95,711
	-	4,188,568	4,188,568	4,235,433

In 2015, of the total income from charitable activities, £ NIL was to unrestricted funds, £4,235,433 was to restricted funds and £ NIL was to restricted fixed asset funds.

6. EXPENDITURE

	Staff costs 2016 £	Premises 2016 £	Other costs 2016 £	Total 2016 £	Total 2015 £
Academy's educational operations:					
Direct costs	2,824,925	-	653,298	3,478,223	3,274,875
Support costs	508,344	390,574	243,708	1,142,626	1,216,339
	3,333,269	390,574	897,006	4,620,849	4,491,214

In 2016, of the total expenditure, £ NIL (2015 - £ NIL) was to unrestricted funds, £4,312,826 (2015 - £4,186,330) was to restricted funds and £308,023 (2015 - £304,884) was to restricted fixed asset funds.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

7. CHARITABLE ACTIVITIES

	Total funds 2016 £	<i>Total funds 2015 £</i>
DIRECT COSTS - EDUCATIONAL OPERATIONS		
Teaching and educational support wages and salaries	2,824,925	2,645,249
Depreciation	308,023	304,884
Staff development	15,003	10,953
Educational consultancy	21,875	19,644
Technology costs	5,854	8,860
Educational supplies	103,153	110,447
Other direct costs	2,189	2,381
Examination fees	57,487	57,257
School trips expenditure	139,714	115,200
	3,478,223	<i>3,274,875</i>
SUPPORT COSTS - EDUCATIONAL OPERATIONS		
Support staff wages and salaries	508,344	554,816
Pension finance costs	31,000	32,000
Recruitment and support	21,103	34,938
Catering supplies	11,914	13,624
Maintenance of premises and equipment	157,096	142,864
Cleaning	87,357	91,748
Energy	50,812	59,415
Rent payable	35,090	34,459
Rates	22,882	22,643
Legal and professional	54,295	45,516
Non staff related insurance	33,944	34,534
Other support costs	117,705	134,767
Bank charges	184	185
Governance costs	10,900	14,830
	1,142,626	<i>1,216,339</i>
	4,620,849	<i>4,491,214</i>

8. EXPENDITURE - ANALYSIS OF SPECIFIC EXPENSES

Included within expenditure are the following transactions:

	Total	Individual items above £5,000	Reason
	£	Amount	
	£	£	
Gifts made by the trust	189	-	

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

9. NET INCOMING RESOURCES/(RESOURCES EXPENDED)

This is stated after charging:

	2016	<i>2015</i>
	£	£
Depreciation of tangible fixed assets:		
- owned by the charity	308,023	<i>304,884</i>
Auditors' remuneration - audit	8,750	<i>8,750</i>
Auditors' remuneration - other services	2,150	<i>6,080</i>
	=====	=====

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**NOTES TO THE FINANCIAL STATEMENTS
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10. STAFF COSTS

Staff costs were as follows:

	2016	<i>2015</i>
	£	£
Wages and salaries	2,566,138	2,534,837
Social security costs	200,274	178,865
Operating costs of defined benefit pension schemes	452,538	390,706
	3,218,950	<i>3,104,408</i>
Supply teacher costs	114,319	95,657
	3,333,269	<i>3,200,065</i>

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

	2016	<i>2015</i>
	No.	No.
Teachers	50	50
Administration and support	52	49
Management	5	4
	107	<i>103</i>

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

	2016	<i>2015</i>
	No.	No.
In the band £60,001 - £70,000	1	2
In the band £90,001 - £100,000	1	1

Two of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2016, pension contributions for these staff amounted to £26,353 (2015 - Three employees with pension contributions amounting to £31,057).

The key management personnel of the academy trust comprises the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £332,654 (2015: £325,325).

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

11. TRUSTEES' REMUNERATION AND EXPENSES

One or more Trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The Headteacher and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of headteacher and other staff members under their contracts of employment, and not in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows:

		2016	<i>2015</i>
		£	£
C Darnton (Headteacher)	Remuneration	90,000-95,000	<i>90,000-95,000</i>
	Pension contributions paid	15,000-20,000	<i>10,000-15,000</i>
T Burnett (appointed 10 November 2015)	Remuneration	35,000-40,000	<i>0-5,000</i>
	Pension contributions paid	5,000-10,000	<i>0-5,000</i>
H Rogers	Remuneration	45,000-50,000	<i>40,000-45,000</i>
	Pension contributions paid	5,000-10,000	<i>5,000-10,000</i>
C Brown	Remuneration	20,000-25,000	<i>15,000-20,000</i>
	Pension contributions paid	0-5,000	<i>0-5,000</i>

Remuneration disclosures for staff Trustees who resigned before 1 September 2015 have not been disclosed in these financial statements.

During the year ended 31 August 2016, expenses relating to travel and subsistence for non-Trustee activities totalling £165 (2015: £NIL) was reimbursed to two Trustees.

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 £5,000,000 on any one claim and the cost for the year ended 31 August 2016 was £1,245 (2015 - £1,367).

13. PENSION FINANCE COST

	2016	<i>2015</i>
	£	£
Interest on pension scheme liabilities	(31,000)	<i>(32,000)</i>

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**NOTES TO THE FINANCIAL STATEMENTS
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14. TANGIBLE FIXED ASSETS

	Freehold property £	Equipment £	Computer equipment £	Motor vehicles £	Total £
Cost					
At 1 September 2015	15,324,320	108,015	203,737	27,806	15,663,878
Additions	39,112	1,570	7,285	-	47,967
At 31 August 2016	<u>15,363,432</u>	<u>109,585</u>	<u>211,022</u>	<u>27,806</u>	<u>15,711,845</u>
Depreciation					
At 1 September 2015	708,748	53,074	98,257	19,464	879,543
Charge for the year	239,278	18,702	44,482	5,561	308,023
At 31 August 2016	<u>948,026</u>	<u>71,776</u>	<u>142,739</u>	<u>25,025</u>	<u>1,187,566</u>
Net book value					
At 31 August 2016	<u>14,415,406</u>	<u>37,809</u>	<u>68,283</u>	<u>2,781</u>	<u>14,524,279</u>
At 31 August 2015	<u>14,615,572</u>	<u>54,941</u>	<u>105,480</u>	<u>8,342</u>	<u>14,784,335</u>

Included in freehold property is freehold land at valuation of £5,394,300 (2015 - £5,394,300) which is not depreciated.

15. DEBTORS

	2016 £	2015 £
Trade debtors	-	1,550
Prepayments and accrued income	90,272	108,371
VAT recoverable	33,377	65,746
	<u>123,649</u>	<u>175,667</u>

16. CREDITORS: Amounts falling due within one year

	2016 £	2015 £
Other creditors	2,500	2,500
Trade creditors	26,420	84,799
Other taxation and social security	102,081	96,688
EFA creditor: abatement of GAG	-	29,381
Accruals and deferred income	80,281	131,411
	<u>211,282</u>	<u>344,779</u>

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16. CREDITORS: Amounts falling due within one year (continued)

	2016 £	2015 £
Deferred income		
Deferred income at 1 September 2015	56,841	17,500
Resources deferred during the year	48,635	56,841
Amounts released from previous years	(56,841)	(17,500)
	48,635	56,841
Deferred income at 31 August 2016	48,635	56,841

£21,600 of the deferred income relates to grants given by HET for educational support services for 2016/17. The remaining deferred income is in relation to school trip income received for trips to be delivered in 2016/17.

Other creditors is made up of a SALIX loan of £2,500 from the EFA which is provided on the following terms: interest is not charged and repayments will be made through a reduction in revenue payments.

**17. CREDITORS:
Amounts falling due after more than one year**

	2016 £	2015 £
Other creditors	15,000	17,500
	15,000	17,500

Creditors include amounts not wholly repayable within 5 years as follows:

	2016 £	2015 £
Repayable by instalments	2,500	5,000
	2,500	5,000

Included within other creditors is a SALIX loan of £15,000 from the EFA which is provided on the following terms: interest is not charged and repayments will be made through a reduction in revenue payments over an 8 year payback. £2,500 is repayable over 5 years.

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**NOTES TO THE FINANCIAL STATEMENTS
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18. STATEMENT OF FUNDS

	Brought forward £	Income £	Resources expended £	Transfers in/(out) £	Gains/ (losses) £	Carried forward £
Unrestricted funds						
General unrestricted	69,203	18,274	-	-	-	87,477
Restricted funds						
General Annual Grant (GAG)	460,170	3,806,663	(3,817,146)	(44,648)	-	405,039
Pupil premium	19,029	107,180	(109,977)	-	-	16,232
Other DfE/EFA revenue grants	-	18,055	(18,055)	-	-	-
Other government grants	-	35,430	(35,430)	-	-	-
LA grants	-	82,765	(82,765)	-	-	-
Lodge project	50,000	-	(32,300)	-	-	17,700
Other restricted funds	-	143,153	(143,153)	-	-	-
Pension reserve	(825,000)	-	(74,000)	-	(655,000)	(1,554,000)
	<u>(295,801)</u>	<u>4,193,246</u>	<u>(4,312,826)</u>	<u>(44,648)</u>	<u>(655,000)</u>	<u>(1,115,029)</u>
Restricted fixed asset funds						
Fixed asset fund	14,784,335	-	(308,023)	47,967	-	14,524,279
Devolved formula capital	-	17,584	-	(3,319)	-	14,265
	<u>14,784,335</u>	<u>17,584</u>	<u>(308,023)</u>	<u>44,648</u>	<u>-</u>	<u>14,538,544</u>
Total restricted funds	<u>14,488,534</u>	<u>4,210,830</u>	<u>(4,620,849)</u>	<u>-</u>	<u>(655,000)</u>	<u>13,423,515</u>
Total of funds	<u><u>14,557,737</u></u>	<u><u>4,229,104</u></u>	<u><u>(4,620,849)</u></u>	<u><u>-</u></u>	<u><u>(655,000)</u></u>	<u><u>13,510,992</u></u>

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

All general funds are held for the purposes of education in line with the Academy's objectives.

General annual grant is to be spent on educational purposes as specified by the EFA.

The General Annual Grant (GAG) represents the core funding for the educational activities of the school that has been provided to the academy via the Education Funding Authority by the Department for Education. The GAG fund has been set up because the GAG must be used for the normal running costs of the academy.

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**NOTES TO THE FINANCIAL STATEMENTS
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18. STATEMENT OF FUNDS (continued)

The lodge project relates to the refurbishment and staffing of the care takers lodge to be used for at risk pupils.

The pension reserve fund has been created to separately identify the pension deficit inherited from the local authority upon conversion to academy status, and through which all the pension scheme movements are recognised.

Restricted fixed assets are funds representing the amounts invested in fixed assets and any unspent capital grants.

The transfer between the restricted General Annual Grant fund and restricted fixed asset funds represents amounts capitalised during the period.

Devolved formula capital is EFA grant monies to be spent on premises.

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2016.

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	<i>Total funds 2015 £</i>
Tangible fixed assets	-	-	14,524,279	14,524,279	14,784,335
Current assets	87,477	665,252	14,265	766,994	960,682
Creditors due within one year	-	(211,281)	-	(211,281)	(344,780)
Creditors due in more than one year	-	(15,000)	-	(15,000)	(17,500)
Pension scheme liability	-	(1,554,000)	-	(1,554,000)	(825,000)
	<u>87,477</u>	<u>(1,115,029)</u>	<u>14,538,544</u>	<u>13,510,992</u>	<u>14,557,737</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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20. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2016 £	2015 £
Net (expenditure)/income for the year (as per Statement of financial activities)	(391,745)	70,910
Adjustment for:		
Depreciation charges	308,023	304,884
Investment income	(863)	(948)
Decrease in debtors	49,518	47,997
Decrease in creditors	(130,997)	(39,051)
Capital grants from DfE and other capital income	(17,584)	(306,218)
Pension adjustments	74,000	80,000
Net cash (used in)/provided by operating activities	(109,648)	157,574

21. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2016 £	2015 £
Cash in hand	643,346	785,014
Total	643,346	785,014

22. CAPITAL COMMITMENTS

At 31 August 2016 the Academy Trust had capital commitments as follows:

	2016 £	2015 £
Contracted for but not provided in these financial statements	-	12,567
	-	12,567

23. PENSION COMMITMENTS

The Academy Trust'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 Oxfordshire County Council. Both are 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 2013.

Contributions amounting to £44,134 were payable to the schemes at 31 August 2016 (2015 - £44,898) and are included within creditors.

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NOTES TO THE FINANCIAL STATEMENTS
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23. PENSION COMMITMENTS (continued)

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to TPS in the period amounted to £384,011 (2015 - £343,704).

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).

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.

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**NOTES TO THE FINANCIAL STATEMENTS
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23. PENSION COMMITMENTS (continued)

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 2016 was £146,000 (2015 - £143,000), of which employer's contributions totalled £111,000 (2015 - £108,000) and employees' contributions totalled £35,000 (2015 - £35,000). The agreed contribution rates for future years are 14.4% for employers and between 5.5% and 12.5% for employees.

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

Principal actuarial assumptions:

	2016	<i>2015</i>
Discount rate for scheme liabilities	2.20 %	<i>4.00 %</i>
Rate of increase in salaries	4.10 %	<i>4.50 %</i>
Rate of increase for pensions in payment / inflation	2.30 %	<i>2.70 %</i>
Inflation assumption (CPI)	2.30 %	<i>2.70 %</i>
RPI increase	3.20 %	<i>3.60 %</i>

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

	2016	<i>2015</i>
Retiring today		
Males	23.3	<i>23.3</i>
Females	25.8	<i>25.7</i>
Retiring in 20 years		
Males	25.6	<i>25.5</i>
Females	28.1	<i>28.0</i>

The Academy Trust's share of the assets in the scheme was:

	Fair value at 31 August 2016 £	<i>Fair value at 31 August 2015 £</i>
Equities	814,000	<i>631,000</i>
Bonds	45,000	<i>33,000</i>
Property	89,000	<i>66,000</i>
Cash	44,000	<i>30,000</i>
Gilts	157,000	<i>117,000</i>
Other (Hedge Funds)	96,000	<i>77,000</i>
Total market value of assets	<u>1,245,000</u>	<i><u>954,000</u></i>

The actual return on scheme assets was £151,000 (2015 - £29,000).

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**NOTES TO THE FINANCIAL STATEMENTS
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23. PENSION COMMITMENTS (continued)

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

	2016 £	2015 £
Current service cost (net of employee contributions)	(153,000)	(155,000)
Net interest cost	(31,000)	(32,000)
Administration expenses	(1,000)	(1,000)
Total	<u>(185,000)</u>	<u>(188,000)</u>

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

	2016 £	2015 £
Opening defined benefit obligation	1,779,000	1,571,000
Current service cost	153,000	155,000
Interest cost	72,000	65,000
Contributions by employees	35,000	35,000
Actuarial losses/(gains)	765,000	(41,000)
Benefits paid	(5,000)	(6,000)
Closing defined benefit obligation	<u>2,799,000</u>	<u>1,779,000</u>

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

	2016 £	2015 £
Opening fair value of scheme assets	954,000	788,000
Return on plan assets (excluding net interest on the net defined pension liability)	41,000	33,000
Actuarial gains and (losses)	110,000	(3,000)
Contributions by employer	111,000	108,000
Contributions by employees	35,000	35,000
Benefits paid	(5,000)	(6,000)
Administration expenses	(1,000)	(1,000)
Closing fair value of scheme assets	<u>1,245,000</u>	<u>954,000</u>

The amount shown in the balance sheet is:

	2016 £	2015 £
Present value of defined benefit obligation	(2,799,000)	(1,779,000)
Fair value of scheme assets	1,245,000	954,000
Defined benefit pension scheme liability	<u>(1,554,000)</u>	<u>(825,000)</u>

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24. OPERATING LEASE COMMITMENTS

At 31 August 2016 the total of the Academy trust's future minimum lease payments under non-cancellable operating leases was:

	2016 £	2015 £
Amounts payable:		
Within 1 year	12,226	-
Between 1 and 5 years	24,451	-
Total	<u>36,677</u>	<u>-</u>

25. RELATED PARTY TRANSACTIONS

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 11.

26. 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.

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27. FIRST TIME ADOPTION OF FRS 102

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

Comparative figures have been restated to reflect the adjustments made, except to the extent that the Trustees have taken advantage of exemptions to retrospective application of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'.

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

RECONCILIATION OF TOTAL FUNDS	Notes	<i>1 September 2014</i>	<i>31 August 2015</i>
		£	£
Total funds under previous UK GAAP		14,407,577	14,557,737
Change in recognition of ACMF grant income	A	41,250	-
Total funds reported under FRS 102		<u>14,448,827</u>	<u>14,557,737</u>

Reconciliation of net income	Notes	<i>31 August 2015</i>
		£
Net income previously reported under UK GAAP		130,160
Change in recognition of ACMF grant income	A	(41,250)
Change in recognition of LGPS interest cost	B	(18,000)
		-
Net income reported under FRS 102		<u>70,910</u>

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

A Under previous UK GAAP the trust recognised grant income on a virtually certain basis. Under FRS 102 grant income must be recognised on a probable basis. Consequently £41,250 of ACMF grant income for the boiler and heating system project has been recognised at the transition date of 1 September 2014. The effect of the change has been to increase total funds at 1 September 2014 by £41,250 and reduce net income of £130,160 for the 12 months to 31 August 2015 to net income of £88,910. Total funds at 31 August 2015 remain unaffected by the change.

B Under previous UK GAAP the trust recognised an expected return on defined benefit plan assets in income/expense. Under FRS 102 a net interest expense, based on the net defined benefit liability, is recognised in income/expense. There has been no change in the defined benefit liability at either 1 September 2014 or 31 August 2015. The effect of the change has been to reduce the credit to expense by £18,000 and increase the debit in other recognised gains and losses in the SoFA by an equivalent amount.