
SIR ROBERT PATTINSON ACADEMY
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

SIR ROBERT PATTINSON ACADEMY
(A company limited by guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2017

Members	Dr N Appleby Mr N Chambers Dr J Holmes (from 19 September 2016, to 31 August 2017) Mrs H Lee Mrs H Renard Reverend Canon A Robson (from 30 November 2016)
Governors	Mrs H Lee, Chair of Governors from 19 September 2016 Dr N Appleby Mrs H Renard, Head Teacher and Accounting Officer Mr N Chambers Mrs J Clift-Bowmar (resigned 19 September 2016) Professor P Fenton (appointed 5 April 2017) Mr D Gaskell (resigned 5 December 2016) Mrs T Gibson, Staff Governor Dr J Holmes, Vice Chair of Governors from 19 September 2016 to 31 August 2017 Mrs A Kotek, Staff Governor (resigned 2 October 2017) Mrs K Merchant Ms T O'Brien (appointed 19 April 2017) Mrs P Robinson Reverend Canon A Robson (appointed 19 September 2016) Mrs N Thomas Sgt S Walker Mr P Ward (appointed 20 November 2017)
Company Registered Number	07690250
Company Name	Sir Robert Pattinson Academy
Principal and Registered Office	Moor Lane North Hykeham Lincoln Lincolnshire LN6 9AF
Company Secretary	A Goffe
Senior Leadership Team	Mrs H Renard, Head Teacher Mr N Honey, Deputy Head Teacher (to May 2017) Mrs S Bentley, Assistant Head Teacher Mr J Griifiths, Assistant Head Teacher Mr P Ward, Assistant Head Teacher Miss C Davis, Assistant Head Teacher Mrs L Hitchcock, Assistant Head Teacher Mr A Dickens, Assistant Head Teacher
Independent Auditors	Streets Audit LLP Chartered Accountant & Statutory Auditor Tower House Lucy Tower Street Lincoln LN1 1XW

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS GOVERNORS AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2017**

Advisers (continued)

Bankers HSBC Bank plc
 221 High Street
 Lincoln
 LN1 1TS

Solicitors Andrew & Co Solicitors
 St Swithin's Court
 1 Flavian Road
 Nettleham Road
 Lincoln
 LN2 4GR

SIR ROBERT PATTINSON ACADEMY
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GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2017

The governors present their annual report together with the financial statements and auditor's report of Sir Robert Pattinson Academy (the Academy) for the period 1 September 2016 to 31 August 2017. The annual report serves the purposes of both a trustees' report for charity law and a directors' report under company law.

The Academy operates a school for pupils aged 11 to 19 serving a catchment area in Lincoln. It has a pupil capacity of 1,409.

Structure, Governance and Management

Constitution

Sir Robert Pattinson Academy began trading as a charitable company on 1 August 2011, when Robert Pattinson School ceased and was incorporated as Sir Robert Pattinson Academy. The Academy is a company limited by guarantee and an exempt charity. The Academy's memorandum and articles of association are the primary governing documents.

The governors act as the trustees for the charitable activities of the Academy and are also the directors for the purposes of company law. Details of the governors who served throughout the period except as noted are included in the Reference and Administrative Details on page 1.

Members' Liability

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

Governors' Indemnities

The Academy has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business and provides cover up to £10,000,000. It is not possible to quantify the governors and officers indemnity element from the overall cost of the RPA scheme.

Method of Recruitment and Appointment or Election of Governors

The Academy currently has 15 governors including the Head Teacher and is required to have a minimum of three and is not subject to a maximum. Parent governors are elected by paper ballot of parents and candidates must be parents at the time of their election. Staff governors are elected by staff at the Academy. Community governors must live or work in the community served by the Academy or is a person, who in the opinion of the Governing Body, is committed to the government and success of the Academy. The governors may appoint up to six co-opted governors. All governors (except the Head Teacher) are appointed for four years and may be re-elected or re-appointed.

Policies and Procedures Adopted for the Induction and Training of Governors

All governors are provided with access to the governor portal where there are copies of policies, procedures, minutes, budgets, plans and other documents which they need to fulfil their role. Any induction required is tailored specifically to the needs of the individual.

In addition, all governors are provided with access to NGA Governor online training ensuring everyone has up to date current information. As part of wider professional development purchased for the Academy governors also have access to the Governor Support Programme through Lincolnshire County Council organised by the LTSA, the Academy has provided training on Safeguarding and individual governors have attended specific training courses.

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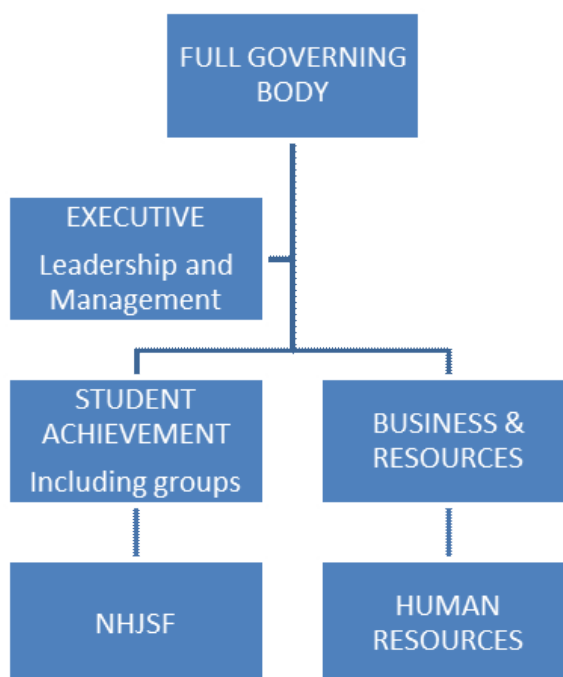
GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

Organisational Structure

The organisational structure is set out in the Code of Governance. The governors are responsible for setting general policy, adopting an annual plan and budget ensuring funding is spent in line with the funding agreement and working within any restrictions. Expenditure is monitored by reports to the Business and Resources Committee and Full Governing Body. The governors make major decisions in relation to expenditure and capital.

The senior leadership team 2016/17 comprised the Head Teacher, a Deputy Head Teacher and six Assistant Head Teachers (one being the Financial Director). The senior leadership team manage the control of the Academy at an executive level implementing the policies laid down by the governors and reporting back to them. The head teacher is the Accounting Officer. Other leaders in the school including other members of SLT, Heads of Department and some support staff managers are responsible for the authorisation of spending within agreed budgets. All limits on expenditure are set in the Financial Regulations and these also show time frames relating to when the head teacher or governors must be made aware of proposed expenditure. The regulations also indicate when the Academy needs to obtain three quotes or conduct a formal tender process.

There are three main committees which are Executive, Business & Resources and Student Achievement. The latter two are fed by the following sub committees: Community Learning, Human Resources and Joint Sixth Form.



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

Arrangements for Setting Pay and Remuneration of Key Management Personnel

Senior Leadership Team (SLT) – Head Teacher - Setting the Individual School Range (ISR)

The ISR is a scale of 7 consecutive salary points (e.g. 14 to 20) within the Leadership pay spine, which represents the salary scale for the Head Teacher. The ISR is initially established by calculating the 'Group Size' of the school, based on pupil numbers and age range weightings prescribed in the STP&CD. The 7-point scale is usually selected from the range for the school's group size and reflects the Governing Body's assessment of the level of challenge and responsibility carried by the post of Headteacher. The Governing Body must formally minute the rationale used to establish the ISR and may, in exceptional circumstances, exceed the range for the school's calculated group.

Senior Leadership Team (SLT) – Deputy Head and Assistant Head - Setting the Point Range

The Pay Committee will ensure that the scale selected is within the range specified by the STP&CD and adequately reflects the level of duties and responsibilities required of the Deputy Heads and Assistant Heads.

The Deputy Heads' and Assistant Heads' salary range is a scale of 5 consecutive salary points (e.g. 14 to 18) on the Leadership Scale. The bottom of both ranges must be set above the salary for the highest paid classroom teacher (calculated as UPS3, plus any SEN allowances and/or teaching and learning responsibility payments). For Deputy Heads, the top of the range must be below the minimum of the ISR of the Head. For Assistant Heads, the top of the range must be set below the minimum of the Deputy Head's salary range.

Related Parties and Other Connected Charities and Organisations

The Academy has a partnership with North Kesteven School (Academy) and operates a joint provision for post 16 delivery. This partnership ensures the broad balance of courses at post 16 provision is sustainable. The two academies have a joint sixth form committee made up of governors from both academies which feeds back to each Governing Body for ratification of any decisions. The partnership ensures value for money and financially viable courses post 16.

The Academy has a partnership with Lincolnshire County Council to support the delivery of a programme of education and recreational classes to the local community and this is reviewed on an annual basis in accordance with funding and targets.

The Academy works in collaboration with other schools to improve outcomes for students and share professional learning opportunities. The Academy is part of Lincolnshire Learning Partnership and as such the Heads from a cluster of Secondary Schools regularly meet. School Improvement work is also supported across the cluster. The sharing of expertise and resources has resulted in staff development, GCSE maths revision days, student competition and financial directors sharing knowledge and procurement.

The Academy is part of St George's Academy Partnership Programme to be able to offer SCITT training. The Academy also works with other Teacher Training providers in Nottingham and at Bishop Grosseteste University.

Objectives and Activities

Objects and Aims

As set out in our Funding Agreement and articles of association the Academy's object is specifically restricted to advance for the public benefit education in the United Kingdom by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum. This includes providing educational facilities and services to all students of all ages and the wider community for public benefit.

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

Objectives, Strategies and Activities

The principal activity of the Academy is the operation of Sir Robert Pattinson Academy to provide education for students of all abilities between the ages of 11 and 19. The main objectives of the Academy during the period ended 31 August 2017 are summarised as:

Priority 1: To improve student outcomes (specifically science, humanities, the more able & disadvantage groups and increase the proportion of top grades):

- Teaching: to improve assessment and schemes of learning.
- Raising student and teacher aspiration.

Priority 2: To continue the improvement of leadership at all levels across the Academy:

- Clear student/group intervention monitored for impact at all levels of leadership including key groups (disadvantaged/more able).
- Robust evaluation.

Priority 3: To continue to drive improvements in core communication skills across the school.

Priority 4: To sustain student safety/behaviour and improve attendance (specifically disadvantaged).

The Academy promotes high academic standards supported by pastoral care and guidance ensuring students are well rounded and able to contribute to the community.

The Academy has the following aims and values which it shares with staff, parents and students:

“The essential purpose of the school is to enable students to fulfil their potential, not merely as separate personalities but also as contributory members of the community.”

- The creation of a social ethos that encourages a sense of security, mutual respect and tolerance for all.
- The provision of effective courses & learning experiences which provide the maximum opportunity for all students to develop their academic, physical and other abilities, to achieve the best qualifications possible and enable students to progress further in education and employment.
- The recruitment of high quality staff and a continuing investment in their training and development.
- The encouragement of a wide range of extracurricular activities, which will enrich the experience of the individual and the community as a whole.
- The maintenance of a safe and pleasant physical environment, which supports the learning and other activities of the school community.
- The development of links with the wider community to enable students to place the work of the school within a proper context.
- The support of Community Learning and the utilisation of the school facilities to further recreation and education within the locality.

The Academy has a curriculum to meet the needs of its intake and offers a range of academic and vocational courses. The curriculum is reviewed annually to ensure it is meeting the needs of all its learners and ensures that the objects of the Academy are met. Staffing organisation within the Academy supports the Academy objective with a focus on learning and teaching.

The Academy operates an equal opportunities policy. The Academy is able to accommodate student or staff with disability with automatic doors, lift to the second floor and ramps.

The Academy works with employers and other educational partners to support achieving its objects.

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

Public Benefit

The governors have given careful consideration to the Charity Commission's general guidance on public benefit and have complied with the duty bestowed on them. The Academy provides education for the public benefit in the South Lincolnshire area as well as a community learning programme for the wider community. Facilities can be booked by the community at large for social, recreational and pleasure activities. A building owned by the MOD on the Academy land also provides a place from which Army and RAF cadet squadrons operate.

Strategic Report

Achievements and Performance

Going Concern

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

Key Performance Indicators

- Student achievement is the Academy's key performance indicator as this is the core purpose of the enterprise.
- Student recruitment and destination data also indicates Academy performance.
- Financial performance is monitored monthly against budget and established expenditure profiles.
- All staff undertake performance management.
- Staff turnover recruitment.

Review of Activities

Student achievement at the end of compulsory school is in line with national average in a number of the performance measures used by DfE and Ofsted. The outcomes in 2017 cannot be compared to previous years due to changes to GCSEs in English and mathematics and new grades. There have also been changes to A levels with many courses being linear for the first time in 2017.

At the end of Key Stage 4 in 2017, 58% achieved five A*-C including English and maths and the English Baccalaureate was achieved by 19% of students consisting of six GCSEs in English, maths, two sciences, history or geography and a language. Both of these are in line with national performance.

A large proportion of students completed a qualification in languages and exceptional performance was seen in ECDL, Financial Capability, Engineering, construction, music and art.

Performance at A level remains good with 95% pass rate. Vocational courses post 16 are exceptional and within the top 25% nationally according to ALPs data.

The Academy has a curriculum which allows students to follow traditional academic routes or to access one or more vocational options. Students are guided towards choices through a personalised approach to options ensuring high achievement for all students regardless of ability. This is demonstrated by the Academy's destination data. The Academy has positive destination data above the local and national performance measures. The percentage of students gaining apprenticeships is significantly above the national.

The Academy continues to offer students wider opportunities to broaden their education. There is the opportunity to complete Duke of Edinburgh and last year eighteen students achieved silver and three students completed gold. The Academy continues to work with World Challenge with students going to Nicaragua in August 2017.

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

We have seen wider provision within music and drama. We saw success within music with students participating in the showcase final (Lincoln schools competition). The standard of performance was high and our students did extremely well. Our school production of Bugsy was a huge success. The school worked with four primary partners in this venture too providing teaching within the year in music, singing and dance for them to join in the performances in the evening.

Following the Academy fund raising in March 2017 the new library was officially opened by Danny and Nicky Cowley of Lincoln City Football Club. This provides a new and appropriate space to encourage reading for all students and staff at the Academy.

The Academy was re-accredited with the Gold Career Mark in April 2017 and we remain as an example of best practice with Careers England. Our links with employers remains strong with a number of events through the year where employers visit the Academy and work with students including Snack Bar Idol competition, Next Steps week and Workwise day.

This year we launched a family learning programme which has been a huge success in its first year providing parents of students with information and guidance on how to help their child with changes to qualifications, revision strategies, applying to University, E-safety and settling into secondary school.

We have seen sporting successes: Fourteen students from our school participated in the Lincoln and Gainsborough district cross country. With one of our female students going on to the North Midlands Cross Country Championship and won the U17s trophy along with being awarded the most outstanding female athlete of the series. A male student also came second in his race in the same series collecting the second U17s trophy.

The Y11 football and netball teams finished second in their leagues. Sixteen students competed in the athletics district trials at Yarborough Athletics Track in difficult conditions earlier this year. With outstanding individual performances in 3000m, hurdles, 300 and 800metres.

A group of Year 8 students participated in the Lincoln Knights project. A project organized by EBP with schools and businesses across Lincoln. Students designed a model based on Sir Geoffrey Luttrell as the SRPA Knight which they then painted and our knight went proudly on display in the Grafton centre in Lincoln during the summer. He now takes pride of place in our reception.

Six students from year 8 & 9 took part in Spark Engineering Festival. Students had worked on a ten week environmental project linking maths, technology, engineering and science supported by an industrial mentor, from Lincat and on the day students had to present their project to a panel of judges gaining a bronze Industrial Cadet Qualification. We continue to apply to Arkwright and were successful with another scholar this year.

Our team of Year 10 students came second in 'Maths Feast' a competition against 15 other schools across Lincolnshire.

There have been numerous residential and educational visits over the year including a successful ski trip where 39 students developed their skiing and snowboarding skills in Italy. Shorter one day visits to the Art galleries, The Lincolnshire show, participation in construction week, University and STEM activities have seen SRPA students work with others and gain wonderful experiences.

We have also continued positive work in raising funds to support others. The Academy has continued to support local and national charity including raising £1,200 for children in need, £1,120 for Comic Relief and £210 for Macmillan cancer charity. In response to visit from a representative from Lepra students in Year 7 went onto organise a cake sale raising £86. Our annual Christmas party for the North Hykeham Day Centre was a huge success. And a Girls active group organised a summer tea party which was enjoyed by all who attended.

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

The Academy continues to work with other schools and partners to provide teacher training: Nottingham University, Bishop Grotteste University, Lincoln University and St George's partnership. The Academy has also continues to work with the Princes Teaching Institute (PTI) Schools Leadership Programme.

Evaluation of Academy activities during this period has been very positive and involved a range of stakeholder views.

Financial Review

Financial and Risk Management Objectives and Policies

The Academy has a risk register which highlights potential risks. Along with the risk being identified, controls are put in place to minimise the risk and any on-going treatment or action is identified. The risk plan is reviewed annually by governors and monitored by the Academy management team.

Principal Risks and Uncertainties

The principal risks and uncertainties to the Academy are:

- fluctuating rolls which impact on the financial aspect of the Academy - the Academy has taken pro-active steps in ensuring value for money and financial viability but the low birth years and student numbers remain a risk to cashflow;
- risks relating to staffing absence, recruitment and skillset;
- future funding changes; and
- changes to curriculum and accountability measures.

The above risks have been discussed at governors meetings and actions taken to minimise these risks to the Academy.

Reserves Policy

The governors review the reserve levels of the Academy annually. The review includes nature of income and expenditure with the need to match income with commitments. The governors have determined an appropriate level of reserves to cover capital expenditure and unexpected emergencies.

The Academy held fund balances at 31 August 2017 of £8,228,247 comprising £224,051 of restricted funds, a pension reserve deficit of £1,513,000, restricted fixed asset funds of £9,517,196 and unrestricted funds of £nil.

Note 15 shows the summary of the level of reserves and the uses for which they are retained.

The governors are also aware of Academy's liability in relation to the Local Government Pension Scheme which showed a deficit of £1,513,000 at 31 August 2017. This is being addressed by means of employer contributions, the current rate of 18.8% plus a deficit repayment amount of £21,000 per annum for the next three years.

The amount that can realised by disposing of tangible fixed assets is £9,509,531.

Principal Funding

Most of the Academy's income is obtained from the DfE, the use of which is restricted to particular purposes. The income received from the DfE during the period ended 31 August 2017 and the associated expenditure are shown in the restricted funds in the Statement of Financial Activities.

Investments Policy

The Academy's investment policy is set out in the Financial Regulations (812) and states that investments must only be made in risk averse, ethical funds. There were no funds invested at 31 August 2017.

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

Risk Management

The Academy has a risk register and the governors have assessed the major risks to which the Academy is exposed and this policy is reviewed annually with risk treatment identified. The governors have ensured appropriate control measures are in place to minimise risk. For example, there are policies for recruitment, bullying, school visits and policies related to facilities and Health and Safety. Financial risk is also carefully managed and careful consideration given to staffing. Where significant risk remains the Academy has ensured adequate insurance cover

Plans for Future Periods

Future Developments

The Academy is committed to maintaining its performance, to improve the opportunities on offer and the Academy facilities.

Strategic Intent:

1. To promote high expectations and a success culturing ensuring the Academy continues to improve its performance in relation to student achievement
 - a. To develop learning and teaching
 - b. Outstanding behaviour for learning displayed by all students
 - c. The school caters for the diverse needs of students to enable them to achieve success

2. To ensure the Academy maintains good financial health
 - a. To ensure responsible financial management including managing expenditure/value for money including working in partnership
 - b. To be financially secure and invest in first class facilities
 - c. To develop income strands
 - d. To ensure maintain funding through student recruitment

3. To develop a culture of leadership, responsibility and accountability for learning and standards at all levels within the school
 - a. To develop an aspirational and inspiration curriculum alongside wider provision
 - b. To remain a good equal opportunity employer, promote diversity and staff development
 - c. To further develop collaborative/partnership working including reviewing the benefits of the North Hykeham Joint Sixth Form
 - d. To ensure the well-being and safety of all students
 - e. To ensure that senior leaders and governors monitor key performance indicators and take appropriate action to ensure student success

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

Auditor

Insofar as the governors are aware

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the governors have taken all the 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.

The governors' report, incorporating the strategic report, was approved by order of the members of the Governing Body, as the company directors, on 4 December 2017 and signed on the board's behalf by:

Mrs H Lee, Chair of Governors

SIR ROBERT PATTINSON ACADEMY
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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As governors, we acknowledge we have overall responsibility for ensuring that Sir Robert Pattinson Academy 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 Governing Body has delegated the day-to-day responsibility to the Head Teacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Sir Robert Pattinson Academy and the Secretary of State for Education. They are also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Governors' report and in the Statement of governors' responsibilities. The Governing Body has formally met 4 times during the year. Attendance during the year at meetings of the Governing Body was as follows:

Governor	Meetings attended	Out of a possible
Mrs H Lee, Chair of Governors	3	4
Dr N Appleby	3	4
Mrs H Renard, Head Teacher and Accounting Officer	4	4
Mr N Chambers	3	4
Mrs J Clift-Bowmar	0	1
Professor P Fenton	1	1
Mr D Gaskell	2	2
Mrs T Gibson, Staff Governor	4	4
Dr J Holmes, Vice Chair of Governors	4	4
Mrs A Kotek, Staff Governor	3	4
Mrs K Merchant	4	4
Ms T O'Brien	1	1
Mrs P Robinson	4	4
Reverend Canon A Robson	2	3
Mrs N Thomas	4	4
Sgt S Walker	3	4

Governance Reviews:

A skills audit is undertaken when a governor joins the Academy. The information is entered into a master spreadsheet so that the overall skills picture is clear for the executive committee. The spreadsheet informs the executive committee if the Academy needs specific skills and also gives information in order for governors to be placed onto the most appropriate committee. The schedule is reviewed at executive meetings.

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GOVERNANCE STATEMENT (continued)

The Business and Resources Committee is a sub-committee of the main Governing Body. Its purpose is to consider and manage the Academy financial plan and annual budgets ensuring all funds are used for the purposes of the Academy and in accordance with the terms of the funding agreement, monitor premises and maintenance plan, consider capital expenditure and review and amend health and safety. This sub-committee met six times during the period.

Attendance at meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
Mrs H Renard	6	6
Mr N Chambers	6	6
Dr J Holmes	5	6
Mrs A Kotek	6	6
Ms T O'Brien	2	2
Reverend Canon A Robson	5	6
Mrs N Thomas	4	6
Sgt S Walker	4	6

REVIEW OF VALUE FOR MONEY

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

The Accounting Officer considers how the Academy's use of its resources has provided good value for money during each academic year, and reports to the Governing Body where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the Academy has delivered improved value for money during the year by:

- strengthening the governance of the Academy as a result of robust discussion and challenge following the restructure of the Governing Body and consideration of skillset;
- extending their partnership working in order to incorporate enhanced professional learning opportunities for staff;
- building on previous links with employers to ensure enhanced career opportunities for students including work experience, careers advice and apprenticeships; and
- obtaining funding in order to create a new library.

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Sir Robert Pattinson Academy for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements.

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GOVERNANCE STATEMENT (continued)

CAPACITY TO HANDLE RISK

The Governing Body has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Governing Body is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks, that has been in place for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Body.

THE RISK AND CONTROL FRAMEWORK

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Governing Body;
- regular reviews by the Business 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 Governing Body has considered the need for a specific internal audit function and has decided to appoint ACSL Internal Audit as internal auditor.

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

- testing of payroll systems;
- testing of purchase systems; and
- testing of control account / bank reconciliations.

The report from the Internal Auditor on the operation of the systems of control and on the discharge of the governing body's financial responsibilities is shared with the governing body at the meeting following the termly visits.

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GOVERNANCE STATEMENT (continued)

REVIEW OF EFFECTIVENESS

As Accounting Officer, the Head Teacher 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 auditor;
- the work of the external auditors;
- the work of the executive managers within the Academy who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Business 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 Governing Body on 4 December 2017 and signed on their behalf, by:

Mrs H Lee, Chair of Governors

**Mrs H Renard, Head Teacher and
Accounting Officer**

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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

I confirm that I and the Academy Governing Body are able to identify any material irregular or improper use of funds by the Academy, or material non-compliance with the terms and conditions of funding under the Academy's funding agreement and the Academies Financial Handbook 2016.

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

Mrs H Renard
Accounting Officer

Date: 4 December 2017

SIR ROBERT PATTINSON ACADEMY
(A company limited by guarantee)

STATEMENT OF GOVERNORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2017

The governors (who act as governors of Sir Robert Pattinson Academy and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Strategic report, the Governors' report and the financial statements in accordance with the Annual Accounts Direction issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the governors to prepare financial statements for each financial year. Under company law the governors 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 governors are required to:

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

The governors 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 governors 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 ESFA/DfE have been applied for the purposes intended.

The governors 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 4 December 2017 and signed on its behalf by:

Mrs H Lee, Chair of Governors

SIR ROBERT PATTINSON ACADEMY
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF SIR
ROBERT PATTINSON ACADEMY**

OPINION

We have audited the financial statements of Sir Robert Pattinson Academy for the year ended 31 August 2017 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

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

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2017 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 2016 to 2017 issued by the Education and Skills Funding Agency.

BASIS OF OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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

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

SIR ROBERT PATTINSON ACADEMY
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF SIR
ROBERT PATTINSON ACADEMY**

OTHER INFORMATION

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

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

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, based on the work undertaken in the course of the audit, the information given in the Governors' report including the Strategic report 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 in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

RESPONSIBILITIES OF TRUSTEES

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

In preparing the financial statements, the governors are responsible for assessing the Academy's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the governors either intend to liquidate the Academy's or to cease operations, or have no realistic alternative but to do so.

SIR ROBERT PATTINSON ACADEMY
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF SIR
ROBERT PATTINSON ACADEMY**

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

Robert Anderson (Senior statutory auditor)

for and on behalf of

Streets Audit LLP

Chartered Accountant & Statutory Auditor

Tower House
Lucy Tower Street
Lincoln
LN1 1XW
8 December 2017

SIR ROBERT PATTINSON ACADEMY
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO SIR
ROBERT PATTINSON ACADEMY AND THE EDUCATION FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 14 September 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Sir Robert Pattinson Academy during the year 1 September 2016 to 31 August 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

**RESPECTIVE RESPONSIBILITIES OF SIR ROBERT PATTINSON ACADEMY'S ACCOUNTING OFFICER
AND THE REPORTING ACCOUNTANT**

The accounting officer is responsible, under the requirements of Sir Robert Pattinson Academy's funding agreement with the Secretary of State for Education dated 1 August 2011, and the Academies Financial Handbook extant from 1 September 2016, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

APPROACH

We conducted our engagement in accordance with the Academies Accounts Direction 2016 to 2017 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- A review of the Academy's systems and controls and confirmation of the operation and effectiveness during the year;
- A review of expenditure to confirm the appropriateness and value for money; and
- A review of connected party arrangements, transactions and balances.

SIR ROBERT PATTINSON ACADEMY
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO SIR
ROBERT PATTINSON ACADEMY AND THE EDUCATION FUNDING AGENCY (continued)**

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2016 to 31 August 2017 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Robert Anderson FCA

Streets Audit LLP

Chartered Accountant & Statutory Auditor

Tower House
Lucy Tower Street
Lincoln
LN1 1XW

8 December 2017

SIR ROBERT PATTINSON ACADEMY
(A company limited by guarantee)

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

	Note	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
INCOME FROM:						
Donations and capital grants	2	13,479	-	46,936	60,415	31,856
Charitable activities	3	193,167	5,597,815	-	5,790,982	6,059,147
Other trading activities	4	14,759	-	-	14,759	19,153
TOTAL INCOME		221,405	5,597,815	46,936	5,866,156	6,110,156
EXPENDITURE ON:						
Raising funds		643	-	-	643	743
Charitable activities		197,489	6,135,826	367,873	6,701,188	6,945,060
TOTAL EXPENDITURE	5	198,132	6,135,826	367,873	6,701,831	6,945,803
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS						
Transfers between Funds	15	23,273 (166,885)	(538,011) 166,885	(320,937) -	(835,675) -	(835,647) -
NET EXPENDITURE BEFORE OTHER RECOGNISED GAINS AND LOSSES						
		(143,612)	(371,126)	(320,937)	(835,675)	(835,647)
Actuarial gains/(losses) on defined benefit pension schemes	19	-	1,112,000	-	1,112,000	(833,000)
NET MOVEMENT IN FUNDS		(143,612)	740,874	(320,937)	276,325	(1,668,647)
RECONCILIATION OF FUNDS:						
Total funds brought forward		143,612	(2,029,823)	9,838,133	7,951,922	9,620,569
TOTAL FUNDS CARRIED FORWARD		-	(1,288,949)	9,517,196	8,228,247	7,951,922

SIR ROBERT PATTINSON ACADEMY
(A company limited by guarantee)
REGISTERED NUMBER: 07690250

BALANCE SHEET
AS AT 31 AUGUST 2017

	Note	£	2017 £	£	2016 £
FIXED ASSETS					
Tangible assets	11		9,509,531		9,812,803
CURRENT ASSETS					
Stocks	12	3,073		18,929	
Debtors	13	149,262		111,933	
Cash at bank and in hand		192,807		517,603	
			<u>345,142</u>		<u>648,465</u>
CREDITORS: amounts falling due within one year	14	(113,426)		(110,346)	
NET CURRENT ASSETS			<u>231,716</u>		<u>538,119</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>9,741,247</u>		<u>10,350,922</u>
Defined benefit pension scheme liability	19		(1,513,000)		(2,399,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u><u>8,228,247</u></u>		<u><u>7,951,922</u></u>
FUNDS OF THE ACADEMY					
Restricted income funds:					
Restricted income funds	15	224,051		369,177	
Restricted fixed asset funds	15	9,517,196		9,838,133	
Restricted income funds excluding pension liability		9,741,247		10,207,310	
Pension reserve		(1,513,000)		(2,399,000)	
Total restricted income funds			<u>8,228,247</u>		<u>7,808,310</u>
Unrestricted income funds	15		-		143,612
TOTAL FUNDS			<u><u>8,228,247</u></u>		<u><u>7,951,922</u></u>

The financial statements on pages 23 to 47 were approved by the governors, and authorised for issue, on 4 December 2017 and are signed on their behalf, by:

Mrs H Lee, Chair of Governors

SIR ROBERT PATTINSON ACADEMY
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2017

	Note	2017 £	2016 £
Cash flows from operating activities			
Net cash used in operating activities	17	(338,243)	(388,238)
Cash flows from investing activities:			
Purchase of tangible fixed assets		(33,489)	(95,013)
Capital grants from DfE/ESFA		34,873	25,330
Capital funding received from sponsors and others		12,063	-
Net cash provided by/(used in) investing activities		13,447	(69,683)
Cash flows from financing activities:			
Repayments of borrowings		-	(26,506)
Net cash used in financing activities		-	(26,506)
Change in cash and cash equivalents in the year		(324,796)	(484,427)
Cash and cash equivalents brought forward		517,603	1,002,030
Cash and cash equivalents carried forward	18	192,807	517,603

SIR ROBERT PATTINSON ACADEMY
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES

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

1.1 Basis of preparation of financial statements

The financial statements of the academy 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 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Sir Robert Pattinson Academy constitutes a public benefit entity as defined by FRS 102.

1.2 Fund accounting

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

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

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

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

SIR ROBERT PATTINSON ACADEMY
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.3 Income

All income is recognised once the Academy 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.

Donations are recognised on a receivable basis where receipt is probable 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.

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.

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

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

All expenditure is inclusive of irrecoverable VAT.

SIR ROBERT PATTINSON ACADEMY
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.5 Going concern

The governors assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy to continue as a going concern. The governors 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's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements. Additional disclosure has been included in the governors' report.

1.6 Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

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

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

Freehold property	-	2% straight line
Fixtures and fittings	-	10% - 20% straight line
Computer equipment	-	25% straight line

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.

1.7 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.8 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

SIR ROBERT PATTINSON ACADEMY
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.9 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.

1.10 Liabilities and provisions

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

1.11 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 13. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in note 14. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments.

1.12 Taxation

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

SIR ROBERT PATTINSON ACADEMY
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.13 Pensions

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Governments Pension Scheme ("LGPS"). These are defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 19, 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.

SIR ROBERT PATTINSON ACADEMY
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.14 Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 19, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Tangible fixed assets are recognised at cost, less accumulated depreciation and any impairments. Depreciation takes place over the estimated useful life, down to the assessed residual value. The carrying amount of the Academy's fixed assets is tested as soon as changed conditions show that a need for impairment has arisen.

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total 2017 £	<i>Total 2016 £</i>
Donations	13,479	-	13,479	6,526
Capital Grants	-	46,936	46,936	25,330
	13,479	46,936	60,415	<i>31,856</i>
<i>Total 2016</i>	<i>746</i>	<i>31,110</i>	<i>31,856</i>	

SIR ROBERT PATTINSON ACADEMY
(A company limited by guarantee)

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

3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total 2017 £	Total 2016 £
ESFA Grants				
GAG Income	-	5,059,292	5,059,292	5,358,244
Other ESFA Income	-	264,736	264,736	200,813
	<u>-</u>	<u>5,324,028</u>	<u>5,324,028</u>	<u>5,559,057</u>
Other Government Grants				
Local Authority Grants	-	131,101	131,101	91,877
Other Government Grants	-	-	-	3,492
	<u>-</u>	<u>131,101</u>	<u>131,101</u>	<u>95,369</u>
Other Funding				
Other Income	193,167	-	193,167	203,123
School Fund Income	-	142,686	142,686	201,598
	<u>193,167</u>	<u>142,686</u>	<u>335,853</u>	<u>404,721</u>
	<u>193,167</u>	<u>5,597,815</u>	<u>5,790,982</u>	<u>6,059,147</u>
<i>Total 2016</i>	<u>203,123</u>	<u>5,856,024</u>	<u>6,059,147</u>	

4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total 2017 £	Total 2016 £
Lettings Income	14,759	-	14,759	19,153
<i>Total 2016</i>	<u>19,153</u>	<u>-</u>	<u>19,153</u>	

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

5. EXPENDITURE

	Staff costs	Premises	Other costs	Total	<i>Total</i>
	2017	2017	2017	2017	<i>2016</i>
	£	£	£	£	£
Expenditure on fundraising trading	-	-	643	643	743
Educational operations:					
Direct costs	4,366,326	-	443,754	4,810,080	5,038,325
Support costs	972,623	285,951	632,534	1,891,108	1,906,735
	5,338,949	285,951	1,076,931	6,701,831	6,945,803
<i>Total 2016</i>	5,346,083	296,898	1,302,822	6,945,803	

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NOTES TO THE FINANCIAL STATEMENTS
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6. CHARITABLE ACTIVITIES

	Total 2017 £	<i>Total 2016 £</i>
DIRECT COSTS - EDUCATIONAL OPERATIONS		
Wages and Salaries	3,377,211	3,404,441
National Insurance	328,298	283,165
Pension Cost	537,618	538,493
Educational Materials and Supplies	135,538	207,691
Supply Staff	87,019	193,351
Exam Costs	100,345	113,506
Direct ICT Costs	39,309	49,408
Other Direct Staff Costs	50,380	46,741
Other Direct Costs	154,362	201,529
	4,810,080	<i>5,038,325</i>
SUPPORT COSTS - EDUCATIONAL OPERATIONS		
Wages and Salaries	642,886	680,980
National Insurance	41,698	37,717
Pension Cost	283,169	166,649
Depreciation	336,761	343,070
Pension Finance Cost	50,000	55,000
Other Support Staff Costs	18,171	41,638
Rates	43,461	43,033
Utilities	93,968	105,620
Maintenance and Cleaning	115,467	106,210
Insurance	33,055	42,035
Catering	82,313	83,056
Transport	2,169	5,650
Support ICT Costs	51,015	75,287
Legal Costs	28,984	33,323
Governance Costs	11,385	17,222
Other Support Costs	56,606	70,245
	1,891,108	<i>1,906,735</i>
	6,701,188	<i>6,945,060</i>

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

7. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2017	2016
	£	£
Depreciation of tangible fixed assets:		
- owned by the Academy	336,761	343,070
Auditors' remuneration - audit	4,000	5,450
Auditors' remuneration - other services	3,000	6,580
Operating lease rentals	17,324	16,696
	=====	=====

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

8. STAFF COSTS

Staff costs were as follows:

	2017 £	2016 £
Wages and salaries	4,020,097	4,085,421
Social security costs	369,996	320,882
Operating costs of defined benefit pension schemes	820,787	705,142
	<u>5,210,880</u>	<u>5,111,445</u>
Apprenticeship levy	2,120	-
Supply staff costs	91,889	217,155
Staff restructuring costs	34,060	17,483
	<u><u>5,338,949</u></u>	<u><u>5,346,083</u></u>

Staff restructuring costs comprise:

Redundancy payments	15,560	-
Severance payments	18,500	17,483
	<u>34,060</u>	<u>17,483</u>

The non-contractual severance payments disclosed above represent one payment made during the year.

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

	2017 No.	2016 No.
Teachers	78	78
Admin and Support	81	85
Management	7	8
	<u>166</u>	<u>171</u>

Average headcount expressed as a full time equivalent:

	2017 No.	2016 No.
Teachers	69	71
Admin and Support	55	60
Management	7	8
	<u>131</u>	<u>139</u>

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

8. STAFF COSTS (continued)

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

	2017	<i>2016</i>
	No.	<i>No.</i>
In the band £60,001 - £70,000	1	<i>1</i>
In the band £90,001 - £100,000	1	<i>1</i>

The above employees participated in the Teachers' Pension Scheme.

The key management personnel of the Academy comprise the governors and the senior leadership 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 was £614,000 (2016 - £580,000).

9. STAFF GOVERNORS' REMUNERATION AND EXPENSES

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

		2017	<i>2016</i>
		£	<i>£</i>
Mrs H Renard	Remuneration	95,000-100,000	<i>95,000-100,000</i>
	Pension contributions paid	15,000-20,000	<i>15,000-20,000</i>
Mrs A Kotek	Remuneration	30,000-35,000	<i>30,000-35,000</i>
	Pension contributions paid	5,000-10,000	<i>5,000-10,000</i>
Mrs T Gibson	Remuneration	15,000-20,000	<i>5,000-10,000</i>
	Pension contributions paid	0-5,000	<i>0-5,000</i>

During the year ended 31 August 2017, no governors received any reimbursement of expenses (2016 - £nil).

10. GOVERNORS' AND OFFICERS' INSURANCE

The Academy has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business, and provides cover up to £10,000,000. It is not possible to quantify the governors and officers indemnity element from the overall cost of the RPA scheme.

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

11. TANGIBLE FIXED ASSETS

	Freehold Property £	Fixtures and Fittings £	Computer Equipment £	Total £
Cost				
At 1 September 2016	9,441,395	1,549,981	219,335	11,210,711
Additions	-	17,726	15,763	33,489
At 31 August 2017	<u>9,441,395</u>	<u>1,567,707</u>	<u>235,098</u>	<u>11,244,200</u>
Depreciation				
At 1 September 2016	780,430	449,050	168,428	1,397,908
Charge for the year	153,527	156,676	26,558	336,761
At 31 August 2017	<u>933,957</u>	<u>605,726</u>	<u>194,986</u>	<u>1,734,669</u>
Net book value				
At 31 August 2017	<u>8,507,438</u>	<u>961,981</u>	<u>40,112</u>	<u>9,509,531</u>
At 31 August 2016	<u>8,660,965</u>	<u>1,100,931</u>	<u>50,907</u>	<u>9,812,803</u>

Included within Freehold Property is land with a cost of £1,765,031 (2016 - £1,765,031) which is not depreciated.

12. STOCKS

	2017 £	2016 £
Educational resources	<u>3,073</u>	<u>18,929</u>

13. DEBTORS

	2017 £	2016 £
Trade debtors	16,069	1,559
VAT recoverable	19,000	42,709
Other debtors	58	400
Prepayments and accrued income	114,135	67,265
	<u>149,262</u>	<u>111,933</u>

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NOTES TO THE FINANCIAL STATEMENTS
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14. CREDITORS: Amounts falling due within one year

	2017	2016
	£	£
Trade creditors	40,233	9,673
Other creditors	11,546	712
Accruals and deferred income	61,647	99,961
	<hr/> 113,426 <hr/>	<hr/> 110,346 <hr/>
	2017	2016
	£	£
Deferred income		
Deferred income at 1 September	69,427	80,175
Resources deferred during the year	34,410	69,427
Amounts released from previous years	(69,427)	(80,175)
	<hr/> 34,410 <hr/>	<hr/> 69,427 <hr/>

At the year-end, the Academy has deferred income in respect of school fund income received in advance.

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

15. STATEMENT OF FUNDS

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
Unrestricted Funds						
General Fund	143,612	221,405	(198,132)	(166,885)	-	-
Restricted Funds						
General Annual Grant (GAG)	262,829	5,059,292	(5,311,065)	159,132	-	170,188
Other ESFA Grants	88,049	264,736	(203,179)	(109,267)	-	40,339
Other Government Grants	13,588	131,101	(258,133)	126,968	-	13,524
School Fund	-	142,686	(132,738)	(9,948)	-	-
Restricted Donations	4,711	-	(4,711)	-	-	-
Pension Reserve	(2,399,000)	-	(226,000)	-	1,112,000	(1,513,000)
	<u>(2,029,823)</u>	<u>5,597,815</u>	<u>(6,135,826)</u>	<u>166,885</u>	<u>1,112,000</u>	<u>(1,288,949)</u>
Restricted Fixed Asset Funds						
NBV of Fixed Assets	9,812,803	-	(336,761)	33,489	-	9,509,531
Unspent Capital Grants	25,330	46,936	(31,112)	(33,489)	-	7,665
	<u>9,838,133</u>	<u>46,936</u>	<u>(367,873)</u>	<u>-</u>	<u>-</u>	<u>9,517,196</u>
Total Restricted Funds	<u>7,808,310</u>	<u>5,644,751</u>	<u>(6,503,699)</u>	<u>166,885</u>	<u>1,112,000</u>	<u>8,228,247</u>
Total Funds	<u><u>7,951,922</u></u>	<u><u>5,866,156</u></u>	<u><u>(6,701,831)</u></u>	<u><u>-</u></u>	<u><u>1,112,000</u></u>	<u><u>8,228,247</u></u>

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 September 2015 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2016 £
Unrestricted Funds						
General Fund	82,864	223,022	(199,098)	36,824	-	143,612
	<u>82,864</u>	<u>223,022</u>	<u>(199,098)</u>	<u>36,824</u>	<u>-</u>	<u>143,612</u>

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

Restricted Funds

General Annual Grant (GAG)	712,602	5,358,244	(5,593,751)	(214,266)	-	262,829
Other ESFA Grants	138,004	200,813	(242,323)	(8,445)	-	88,049
Other Government Grants	26,124	95,369	(246,896)	138,991	-	13,588
School Fund	6,535	201,598	(201,598)	(6,535)	-	-
Restricted Donations	-	5,780	(1,069)	-	-	4,711
Pension Reserve	(1,448,000)	-	(118,000)	-	(833,000)	(2,399,000)
	<u>(564,735)</u>	<u>5,861,804</u>	<u>(6,403,637)</u>	<u>(90,255)</u>	<u>(833,000)</u>	<u>(2,029,823)</u>

Restricted Fixed Asset Funds

NBV of Fixed Assets	10,060,858	-	(343,068)	95,013	-	9,812,803
Unspent Capital Grants	41,582	25,330	-	(41,582)	-	25,330
	<u>10,102,440</u>	<u>25,330</u>	<u>(343,068)</u>	<u>53,431</u>	<u>-</u>	<u>9,838,133</u>
Total restricted funds	<u>9,537,705</u>	<u>5,887,134</u>	<u>(6,746,705)</u>	<u>(36,824)</u>	<u>(833,000)</u>	<u>7,808,310</u>
Total of funds	<u><u>9,620,569</u></u>	<u><u>6,110,156</u></u>	<u><u>(6,945,803)</u></u>	<u><u>-</u></u>	<u><u>(833,000)</u></u>	<u><u>7,951,922</u></u>

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

Unrestricted Funds:

General Funds - those resources which may be used towards meeting any of the objects of the Academy at the discretion of the Governors. It is now the policy of the Academy to use unrestricted funds in preference to GAG.

Restricted Funds:

General Annual Grant (GAG) - made up of a number of different funding streams from the ESFA, all of which are to be used to cover the running costs of the Academy.

Other ESFA Grants - represent ESFA grants received for specific purposes. The transfer has been made in respect of cost allocations.

Other Government Grants - represent grants from the Local Authority and other Government bodies received for specific purposes.

School Fund - represents income received into the separate School Fund account maintained by the Academy.

Restricted Donations - represents donations received for specific projects.

Pension Reserve - represents the current deficit balance of the Local Government Pension Scheme (LGPS).

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

15. STATEMENT OF FUNDS (continued)

Restricted Fixed Asset Funds:

Unspent Capital Grants - represents unspent grants from the ESFA and Local Authority received for which the specific purpose of capital expenditure has been imposed by the funder.

NBV of Fixed Assets - represents the net book value of land, buildings and other assets transferred to the Academy on conversion and subsequently acquired from Academy funds.

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

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	9,509,531	9,509,531
Current assets	-	337,477	7,665	345,142
Creditors due within one year	-	(113,426)	-	(113,426)
Provisions for liabilities and charges	-	(1,513,000)	-	(1,513,000)
	<u>-</u>	<u>(1,288,949)</u>	<u>9,517,196</u>	<u>8,228,247</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	<i>Unrestricted funds 2016 £</i>	<i>Restricted funds 2016 £</i>	<i>Restricted fixed asset funds 2016 £</i>	<i>Total funds 2016 £</i>
Tangible fixed assets	-	-	9,812,803	9,812,803
Current assets	143,612	479,523	25,330	648,465
Creditors due within one year	-	(110,346)	-	(110,346)
Provisions for liabilities and charges	-	(2,399,000)	-	(2,399,000)
	<u>143,612</u>	<u>(2,029,823)</u>	<u>9,838,133</u>	<u>7,951,922</u>

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

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

	2017 £	2016 £
Net expenditure for the year (as per Statement of Financial Activities)	(835,675)	(835,647)
Adjustment for:		
Depreciation charges	336,761	343,068
Decrease in stocks	15,856	5,319
(Increase)/decrease in debtors	(37,329)	351,274
Increase/(decrease) in creditors	3,080	(344,922)
Capital grants from DfE and other capital income	(46,936)	(25,330)
Defined benefit pension scheme cost less contributions payable	176,000	63,000
Defined benefit pension scheme finance cost	50,000	55,000
Net cash used in operating activities	(338,243)	(388,238)

18. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2017 £	2016 £
Cash in hand	192,807	517,603
Total	192,807	517,603

19. PENSION COMMITMENTS

The Academy'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 Lincolnshire County Council. Both are Multi-employer defined benefit pension schemes.

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

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

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.

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

Valuation of the Teachers' Pension Scheme

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

- employer contribution rates set at 16.48% of pensionable pay, including a 0.08% employer administration charge (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 is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £447,000 (2016 - £436,000).

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.

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2017 was £254,000 (2016 - £261,000), of which employer's contributions totalled £198,000 (2016 - £206,000) and employees' contributions totalled £56,000 (2016 - £55,000). The agreed contribution rates for future years are 18.8% for employers and a maximum of 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.

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

Principal actuarial assumptions:

	2017	<i>2016</i>
Discount Rate	2.50 %	<i>2.00 %</i>
Salary Increase Rate	2.80 %	<i>3.60 %</i>
Pension Increase Rate	2.40 %	<i>2.10 %</i>

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

	2017	<i>2016</i>
Retiring today		
Males	22.1 years	<i>22.2 years</i>
Females	24.4 years	<i>24.4 years</i>
Retiring in 20 years		
Males	24.1 years	<i>24.5 years</i>
Females	26.6 years	<i>26.8 years</i>

	At 31 August 2017	<i>At 31 August 2016</i>
Sensitivity analysis	£	<i>£</i>
0.5% decrease in Real Discount Rate	526,000	<i>573,000</i>
0.5% increase in Salary Increase Rate	88,000	<i>176,000</i>
0.5% increase in Pension Increase Rate	430,000	<i>380,000</i>

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

	Fair value at 31 August 2017	<i>Fair value at 31 August 2016</i>
	£	<i>£</i>
Equities	2,342,000	<i>1,919,000</i>
Bonds	360,000	<i>324,000</i>
Property	270,000	<i>249,000</i>
Cash	30,000	<i>-</i>
Total market value of assets	3,002,000	<i>2,492,000</i>

The actual return on scheme assets was £301,000 (2016 - £395,000).

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

The amounts recognised in the Statement of financial activities incorporating income and expenditure account are as follows:

	2017 £	2016 £
Current service cost	(374,000)	(269,000)
Interest income	52,000	73,000
Interest cost	(102,000)	(128,000)
	<u>(424,000)</u>	<u>(324,000)</u>

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

	2017 £	2016 £
Opening defined benefit obligation	4,891,000	3,324,000
Current service cost	374,000	269,000
Interest cost	102,000	128,000
Employee contributions	56,000	55,000
Remeasurements	(863,000)	1,155,000
Benefits paid	(45,000)	(40,000)
	<u>4,515,000</u>	<u>4,891,000</u>

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

	2017 £	2016 £
Opening fair value of scheme assets	2,492,000	1,876,000
Interest income	52,000	73,000
Return on assets excluding amounts included in net interest	249,000	322,000
Employer contributions	198,000	206,000
Employee contributions	56,000	55,000
Benefits paid	(45,000)	(40,000)
	<u>3,002,000</u>	<u>2,492,000</u>

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NOTES TO THE FINANCIAL STATEMENTS
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20. OPERATING LEASE COMMITMENTS

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

	2017 £	2016 £
Amounts payable:		
Within 1 year	16,596	14,819
Between 1 and 5 years	11,431	22,459
Total	<u>28,027</u>	<u>37,278</u>

21. 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.

22. RELATED PARTY TRANSACTIONS

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

Relatives of Governors:

A spouse of a governor is employed by the Academy. Their employment predates the appointment of the governor. The governors confirm that the individual was fairly recruited and their performance has been managed in the normal way; their employment is considered to be of benefit to the Academy.