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**AYLESFORD SCHOOL AND SIXTH FORM COLLEGE**

(A Company Limited by Guarantee)

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ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2019

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**AYLESFORD SCHOOL AND SIXTH FORM COLLEGE**  
**(A Company Limited by Guarantee)**

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**CONTENTS**

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	Page
<b>Reference and Administrative Details</b>	1 - 2
<b>Governors' Report</b>	3 - 13
<b>Governance Statement</b>	14 - 17
<b>Statement on Regularity, Propriety and Compliance</b>	18
<b>Statement of Governors' Responsibilities</b>	19
<b>Independent Auditors' Report on the Financial Statements</b>	22
<b>Independent Reporting Accountant's Report on Regularity</b>	23 - 24
<b>Statement of Financial Activities Incorporating Income and Expenditure Account</b>	25
<b>Balance Sheet</b>	26 - 27
<b>Statement of Cash Flows</b>	28
<b>Notes to the Financial Statements</b>	29 - 53

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# AYLESFORD SCHOOL AND SIXTH FORM COLLEGE (A Company Limited by Guarantee)

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## REFERENCE AND ADMINISTRATIVE DETAILS

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<b>Members</b>	P Booty (resigned 23 September 2019) S Hall R Lyttle D Savage D Clarke
<b>Trustees</b>	R Lyttle, Chairman S Hall, Headteacher and Accounting Officer P Booty (resigned 23 September 2018) A Tonner <sup>1</sup> (resigned 31 August 2019) S Clark D Clarke <sup>1</sup> T Hodgson, Staff Governor <sup>1</sup> S Grinnell (appointed 4 October 2019) S Hood <sup>1</sup> J Levett <sup>1</sup> D Savage, Staff Governor M Swallow, Responsible Officer L Kenyon (resigned 20 September 2018) N MacRae, Staff Governor <sup>1</sup> B Parsons

<sup>1</sup> members of the Finance and Premises Committee

**Company registered number** 07848367

**Company name** Aylesford School and Sixth Form College

**Principal and registered office** Tapping Way  
Warwick  
Warwickshire  
CV34 6XR

**Company secretary** A Timson (appointed 1 September 2019)  
S Grinnell (resigned 29 August 2019)

**Senior leadership team**  
S Hall, Headteacher  
T Hodgson, Deputy Headteacher  
M Payne, Assistant Headteacher  
A Scopes, Director of Learning  
N MacRae, Director of Student Development  
I Shaw, Director of Sixth Form  
K McDonagh, Director of Inclusive Practice

**Independent auditors** BDO LLP  
Two Snowhill  
Birmingham  
B4 6GA

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**AYLESFORD SCHOOL AND SIXTH FORM COLLEGE**  
**(A Company Limited by Guarantee)**

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**REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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<b>Bankers</b>	Lloyds Bank plc 12 Swan Street Warwick CV34 4BJ
<b>Solicitors</b>	Brown Jacobson Victoria Square House Birmingham B2 4BU

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# AYLESFORD SCHOOL AND SIXTH FORM COLLEGE

## (A Company Limited by Guarantee)

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### GOVERNORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2019

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The Governors present their annual report together with the financial statements and auditors' report of the charitable company for the year 1 September 2018 to 31 August 2019. The annual report serves the purposes of both a Governors' report and a directors' report under company law.

Aylesford School and Sixth Form College was incorporated on 15th November 2011 and opened to students as an academy in January 2012 when the assets and activities of the former maintained school were transferred into the new legal entity.

The trust operates as an all through primary and secondary academy for pupils aged 5 to 19 serving a catchment area of West Warwick. It currently has 1062 pupils on roll (school census October 2019).

The financial statements have been prepared in accordance with the accounting policies (on pages 30 to 35 of the attached financial statements), and comply with the Charitable Company's Memorandum and Articles of Association, the Companies Act 2006 and the requirements of the Statement of Recommended Practice 'Accounting and Reporting by Charities' and the Academies Financial Handbook.

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

##### **a. Constitution**

Aylesford School and Sixth Form College, hereafter referred to as the Academy, is a company limited by guarantee and an exempt charity.

The Charitable Company's Memorandum and Articles of Association dated 14 November 2011 are the prime governing documents of the academy.

The Governors of Aylesford School and Sixth Form College are also the directors of the charitable company for the purposes of company law.

The charitable company is known as Aylesford School and Sixth Form College.

Details of the Governors who served during the year, and to the date these accounts are approved are included in the Reference and administrative details on page 1.

##### **b. 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.

##### **c. Governors' indemnity**

Subject to the provisions of the Companies Act 2006, every Governor or other officer or auditor of the Academy shall be indemnified out of the assets of the Academy against any liability incurred by them in that capacity in defending any proceedings, whether civil or criminal, in which judgement is given in favour or in which they are acquitted or in connection with any application in which relief is granted to them by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Academy

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# AYLESFORD SCHOOL AND SIXTH FORM COLLEGE (A Company Limited by Guarantee)

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## GOVERNORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

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### Structure, governance and management (continued)

#### **d. Method of recruitment and appointment or election of Governors**

The management of the Academy is the responsibility of the Governors who are elected and co opted under the terms of the Academy deed. The Governors are directors of the charitable company for the purposes of the Companies Act 2006 and trustees for the purposes of the charity legislation.

The term of office for any Governor shall be four years, save that this time limit shall not apply to the Headteacher. Subject to remaining eligible to be a particular type of Governor any Governor may be reappointed or re elected. The Governors who served during the year are listed on page 1.

The existing membership of the governing body complies with the memorandum and articles of association. The recruitment and appointment of new governors is determined by the category, with members appointing up to six Governors using a skills audit and parent governors being appointed by election. When a vacancy arises all reasonable and practical measures are taken to inform all eligible to vote

#### **e. Policies adopted for the induction and training of Governors**

The training and induction provided for new Governors will depend on their existing experience. There is a policy in place to support the induction of all new governors that enables them to undertake their role in monitoring and reviewing educational, legal and financial matters.

#### **f. Organisational structure**

The Academy is set up with a management structure to support the Education Brief. The organisational structure consists of three levels: the Academy Trust Members, the Governors (Trustees) and the Senior Leadership Team.

The members of the academy trust are responsible for key decisions, have accountability and residual control, appoint new members and governing body (Trustees) and convene an AGM.

The Governors/Trustees are responsible for the business of the trust, setting general policy, adopting an annual plan and budget, monitoring its financial and operational performance and making strategic decisions about the direction of the Academy, approving major items of expenditure and making senior staff appointments.

For the period up to August 2019 the Governing Body operated a committee structure reporting into the main Governing Body. Committees include Finance and Premises Committee, Standards, Personnel and Curriculum Committee. Both Committees have approved terms of reference.

During the year ended 31 August 2019 the full Governing Body met four times.

The Governors have approved a scheme of financial delegation which clearly sets out the level of financial authority delegated to the Headteacher and his representatives.

The Senior Leadership Team (SLT) control the Academy at an executive level, implement the policies laid down by the Governors and report back to them. The SLT is headed by the Headteacher who is the Accounting Officer. Members of the SLT are responsible for developing and implementing Academy plans which seek to deliver the best possible education for its students within the agreed budget and scheme of delegation approved by Governors. Members of the SLT are set out on page 1.

Heads of Subject report to their line manager on the SLT and these managers contribute to the day to day

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# AYLESFORD SCHOOL AND SIXTH FORM COLLEGE

## (A Company Limited by Guarantee)

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### GOVERNORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

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#### **Structure, governance and management (continued)**

operation of the academy, organising their staff, facilities and the students in their course. Heads of Subject have delegated budget management responsibilities.

#### **g. Arrangements for setting pay and remuneration of key management personnel**

The Headteacher's Appraisal is conducted by a panel of three Governors and an external school improvement advisor. The Headteacher appraises all other members of the Senior Leadership Team. Any recommendations on pay go to the salaries committee which according to policy is the Standards, Personnel and Curriculum Committee, which acts with full delegated powers as the responsible body in carrying out determinations of pay in accordance with the policy.

#### **Objectives and activities**

##### **a. Objects and aims**

The Academy objective is set out in its Articles of Association. In summary it is to establish, maintain, manage and develop a school offering a broad and balanced curriculum. It seeks to deliver this object through The Academy which opened to students in January 2012 on premises leased from Warwickshire County Council previously occupied by the existing school but maintained by the local authority.

In accordance with the Articles of Association the Academy has adopted a Funding Agreement approved by the Secretary of State for Education. The Funding Agreement specifies, amongst other things, the basis for admitting students to the Academy, the catchment area from which students are drawn, and that the curriculum should comply with the substance of the National Curriculum.

##### **b. Objectives, strategies and activities**

The Academy has a vision that all children have potential and that the education it provides nurtures students and supports them in making that potential a reality.

The Academy seeks to inspire in students a passion for lifelong learning; to work in partnership with them and others so as to provide an exciting, engaging and enjoyable experience in a happy and secure environment.

We seek to ensure that Aylesford School and Sixth Form College offers a caring and supportive place for students to learn, grow and aspire combined with a safe environment that makes young people want to take pride in themselves, their House and their Academy.

The Academy's Development Plan is reviewed annually by Governors. It has established specific targets in Standards, Teaching and Learning and the Curriculum. It plans intended performance across phases in the school and in individual departments. These plans and targets are in line with the current OFSTED framework and form the basis for self-evaluation under the following headings:

- Quality of education
- Behaviour and attitudes
- Personal development
- Leadership and management

#### Safeguarding

The Academy recognises its commitment to students, staff, parents/carers and Governors and to the wider

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# AYLESFORD SCHOOL AND SIXTH FORM COLLEGE

## (A Company Limited by Guarantee)

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### GOVERNORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

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#### Objectives and activities (continued)

community based on the principle of promotion of self respect and the respect of others. Our values centre on four principles: wonder, aspiration, respect and discipline. In meeting our aims, all our actions embody our key principles and values which include:

- Encouraging young people to develop into good citizens to aim for excellence in all they attempt, to communicate effectively, work well in teams and to enjoy life.
- Striving to make the best possible provision for all students, staff, governors and those connected with the Academy regardless of disability, ethnicity, culture, religious belief, national origin or status, gender or sexual orientation.
- Respecting diversity. We know that treating everyone equally is not simply a matter of treating everyone the same. We always seek to do our best to make reasonable adjustments for disability, recognise and celebrate cultural differences and understand the different needs and experiences of boys and girls.
- Knowing that equality is not simply about protecting the potentially vulnerable. We believe that all students may be disadvantaged by the holding of prejudicial views, and seek to promote good relationships between all groups, and positive attitudes towards disabled people, people from different ethnic or cultural groups or faith backgrounds and people of different gender or sexual orientation.
- Valuing our staff for their ability and potential to help us make the best possible provision for the students in the Academy regardless of disability, ethnicity, culture, religious belief, national origin, gender or sexual orientation.
- Being proactive in our efforts to identify and minimise existing barriers or inequalities.
- Seeking the views of all groups affected by the policies and work of our Academy and involving them in policy review where appropriate.
- Recognising our role in promoting community cohesion and actively encouraging the participation in public life of all in the Academy.

#### Disabled Persons

The Academy recognises its responsibilities under the Disability Discrimination Act. The general duty to promote disability equality is owed to all disabled people which means that we have due regard to:

- Promote equality of opportunity between disabled people and other people.
- Eliminate unlawful discrimination.
- Eliminate disability related harassment.
- Promote positive attitudes towards disabled people.
- Encourage participation by disabled people in public life.
- Take steps to take account of disabled people's disabilities, even where that involves treating disabled people more favourably than other people.

#### **c. Public benefit**

In setting objectives and planning for activities, the Governors have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

#### **Strategic report**

#### **Achievements and performance**

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# AYLESFORD SCHOOL AND SIXTH FORM COLLEGE

## (A Company Limited by Guarantee)

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### GOVERNORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

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#### Strategic report (continued)

#### Achievements and performance (continued)

##### a. Key performance indicators

#### 2019 GCSE (Provisional)

Provisional overall attainment score was 49.5. The school expects this to be good compared to other schools based on the information available to us at this time. Nonetheless, the score exceeded target of 47 for the cohort.

English grade 4+ 80%: Maths grade 4+ 80%

English/Maths grade 4+ combination 70%

The school understands these results to be above national statistics on the information available to us at this time.

The gap between English/Maths passes at grade 4+ for disadvantaged students against non disadvantaged students was 22% (75% against 52%). A widening from 8% in 2018. Further analysis of this group using IDACI socio-economic indicators shows that for schools like ours the national Average Point Score gap is 16 points, whilst ours is only 14. What this demonstrates is that the gap is harder to close when there are generally lower levels of deprivation amongst the non-disadvantaged cohort.

Provisional GCSE Progress Score overall is expected to be in the region of 0.00 – 0.2 when data is published, which shows that the school is above national and students make progress slightly above expectations.

Most recent destination figures indicate a high level of positive outcomes 100% of most recent Year 11 cohort gaining placements Post 16.

Attainment at A level demonstrates an average pass grade of C- with a GCE Attainment score of 28.1. Again positive destination figures show that students achieved a 99% destination rate for either further education, training or employment.

#### Academic Performance Indicators

The school remains a 'good' school according to OFSTED. The school was inspected in April 2018. Results remain at or above national across a range of exam performance indicators.

The school continues to grow in terms of real student numbers and anticipated student numbers in the next 3 years. In October 2018 the census recorded 973 pupils on roll. September 2019 records an admission number of 1058.

Attendance data demonstrate a good level of attendance across the school (94.06%) and exclusions for fixed term are lower than national and permanent exclusions are in line with national statistics.

Positive destinations for both Year 11 and Year 13 are high and NEET numbers are very low.

#### Financial Performance Indicators

Reference has been made to academic performance indicators, in addition governors also measure financial key performance indicators during the year to monitor and assess financial position.

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# AYLESFORD SCHOOL AND SIXTH FORM COLLEGE

## (A Company Limited by Guarantee)

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### GOVERNORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

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#### Strategic report (continued)

#### Achievements and performance (continued)

#### Staff costs as a % of total income:

A target of 80% is nominally set although allowance must be made for maintaining operational staffing levels during current periods of reduced revenue income. This figure has been increased to 84% for 19/20 taking into account the recent large increases in on-costs.

In 18/19 the staffing cost as a % of total income exceeded the target with a figure of 82.77% .

Our three year budget plan with anticipated further rises in student numbers continues to indicate that our current reserves are sufficient to maintain effective staffing levels and the three year budget plan ratified by governors in June 2019 indicate an in year balance to be achieved both in 20/21 and 21/22.

#### Monitoring of revenue and capital management accounts with close scrutiny on variance of expenditure against budget set:

The governors have reviewed detailed capital and revenue year end expenditure reports for 18/19 compared to budget set and are comfortable with the expenditure levels and processes in place for controlling and monitoring.

#### Unrestricted income from facility lettings to at least meet if not exceed target budget set:

In 2018/19 unrestricted income from facility lettings was £68,000 against a budget set of £75,000. The academy facility lettings team continue to proactively market the available facility opportunities for hire and has been successful in securing additional regular indoor conference room facility bookings from a local History Society for 19/20.

#### b. Going concern

After making appropriate enquiries, the board of Governors has a reasonable expectation that the academy has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue 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.

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# AYLESFORD SCHOOL AND SIXTH FORM COLLEGE

## (A Company Limited by Guarantee)

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### GOVERNORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

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#### Strategic report (continued)

#### Achievements and performance (continued)

#### c. Financial review

The Governors have reviewed the financial performance and position of the Academy during the period September 18 to August 19 and are satisfied that the key principles of performance and financial planning have been upheld namely to ensure that high standards are maintained within a framework of a budget that is sustainable.

Key principles specifically identified in terms of financial planning during the year include:

- Maintaining a sharp focus on standards in the following areas:
  - o the effectiveness of leadership and management
  - o the quality of teaching, learning and assessment
  - o personal development, behaviour and welfare
  - o outcomes for pupils
- Planning for the long term
- Investing for quality and efficiency
- Developing a proactive response to funding challenges

Key financial policies reviewed and adopted this year include Financial Responsibilities and Schemes of Delegation which establishes the framework for financial management, including the key financial responsibilities of the Governors, its committees and the key officers of the academy, as well as delegated authority for spending decisions. Other policies include Procurement Policy, Asset Capitalisation and Depreciation Policy, Anti Corruption Policy, Reserves and Investment Policy, Charges and Remissions Policy. We have also conducted an annual review of the Financial Procedures Handbook.

These financial statements reflect the eighth period of operational activity for the Academy.

Most of the School's income is obtained from the DfE via the ESFA in the form of its General Annual Grant (GAG), the use of which is restricted to particular purposes i.e. the objects of the Academy Trust. The GAG received during the period covered by this report and the associated expenditure are shown as restricted funds in the Statement of Financial Activities. The total GAG income for the period 18/19 was £4,589,000.

The Academy received a Devolved Formula Capital Grant from the ESFA to the value of £19,000, with an additional £44,000. This was to provide fixed assets during the period covered by this report.

The Academy also received some additional growth funding for our Primary School to the value of £49,000.

Expenditure covered by this report totalled £5,759,000 and is detailed in the Statement of Financial Activities. It has been successfully used to support the key objectives of the academy trust as stated in the Objectives and Activities section and reviewed in the Strategic Report Section.

For the year 18/19 Governors set a revenue budget using reserves to the value of £112,000. On the 31 August 2019 the in year surplus against the budget was £21,000 resulting in the actual value of reserves used to balance the budget being £91,000.

The Academy made two grant applications for Condition Improvement Funding for the 18/19 period; one to the value of £305,000 for Boiler House Refurbishment and another to the value of £137,000 for Cold Water Tank Removal. The Boiler House Refurbishment grant application was unsuccessful, however the Academy was pleased to receive news that the grant application for Cold Water Tank removal was successful. The funding for

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# AYLESFORD SCHOOL AND SIXTH FORM COLLEGE

## (A Company Limited by Guarantee)

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### GOVERNORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

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#### Strategic report (continued)

#### Achievements and performance (continued)

the project will include a £5,000 contribution from the Academy reserves. The timeline for the project is likely to run until January 2020.

Governors would also like to express their gratitude for the multiple grants received from the King Henry VIII Trust for the 18/19 period. Grants include £5,000 for science, drama and music resources and a £10,000 contribution towards our new Primary School ICT suite.

In accordance with the Charities SORP 2015 the total restricted fixed asset funds received for 2018/19 were £217,000.

The effect of public sector pay rises and increases in NI and Employer Pension Contributions continues to put significant pressure on the school budget. Consequently governors are seeing a continual reduction in reserve balances. This has therefore, been reflected in a very cautious three year budget plan set for 19/20 through to 21/22.

The period September 2018 to August 2019 saw the fourth full year of operation of the Academy Primary School. Most of the capital start up funds have now been expended with a much reduced carry forward balance of £860 to take to 19/20.

The Academy Trust's non teaching staff are entitled to membership of the Local Government Pension Scheme. The Academy Trust's share of the scheme's assets is currently assessed to be less than its liabilities. Under Accounting Standard FRS 102 it is necessary to charge projected deficits to a reserve. As at 31st August 2019 the deficit on this reserve amounted to £1,592,000. It should be noted, however, that this does not present the Academy with a currently liquidity problem. The contribution rate to reduce the liability is calculated by an independent actuary and is included within the budget each year.

#### a. Reserves policy

The Governing Body reviews the reserve levels of the Academy annually at the year end and as a part of its medium term budget planning. This review encompasses the nature of the income and expenditure streams, the need to match income with commitments and the nature of reserves. Governors determine what the level of uncommitted reserves should be. The aim is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. Reserves are also held to 'smooth out' any year by year variation in student numbers so as to secure a stable and committed staff body.

As at 31st August 2019, the Academy held total restricted general reserves of £55,000 and an unrestricted general reserve of £357,000. The total reserve of £412,000 is 7.5% of the annual expenditure budget set for 19/20 and falls within the terms of the Academy's reserves policy.

As part of its monitoring of in year financial performances the Governing Body reviews the forecast impact on reserves as part of its in year and medium term financial planning. Governors were assured that during 18/19 the forecasted level of restricted and unrestricted reserve would remain at a sufficient level to balance further anticipated budget shortfalls in 19/20 and 20/21. These shortfalls are due to the lagged effect of student numbers and also the 18/19 budget continuing to see the impact of rising staffing on costs for pension contributions and national insurance contributions.

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# AYLESFORD SCHOOL AND SIXTH FORM COLLEGE

## (A Company Limited by Guarantee)

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### GOVERNORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

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#### Strategic report (continued)

#### (continued)

In addition the Academy held £17,726,000 restricted fixed asset funds as at 31st August 2019. The fixed asset fund reflects both the funding received for capital investment purposes and the depreciated costs of assets.

#### b. Investment policy

The Governing Body has reviewed and approved an Investment and Reserves Policy which authorises the investment of any cash flow surpluses for a limited period in order to generate a higher return on any cash balances. However, in balancing risk against return the Academy policy is clearly geared towards avoiding risk than to maximising return.

#### c. Principal risks and uncertainties

The Academy has implemented a Risk Management Policy. It has established a risk register which is reviewed and updated annually by the Finance and Premises committee. Particular attention is paid to those areas considered to be high risk/high impact and measures of control and mitigation are put in place to manage these.

Such areas considered include risks associated with fraud, compliance, damage to reputation and failure to maintain academic standards.

The main risk to income is ESFA GAG funding linked to pupil numbers and consequently falling rolls is considered a principle risk. Equally the additional pressures of inflationary staffing costs is now regarded by Governors as a principle risk.

The Governing Body acknowledges the defined benefit pension scheme deficit which is set out at Note 24 to the annual report. It considers that the Academy Trust is able to meet its known contribution commitments for the foreseeable future.

#### Fundraising

The Academy Trust does not work with any professional fundraisers and has not entered into any fundraising agreements with any commercial or external fundraisers.

The trust does raise additional funds through two established internal arrangements:

1. An annual whole school Sponsored Walk where students are encouraged to obtain voluntary sponsorship. This event normally raises in the region of £7,500 for school fund which facilitates the purchase of additional learning resources for departments that ESFA/GAG funded capitation budgets could not support.
2. A recently established Primary School PTA registered as Friends of Aylesford Primary, charity number 1173401. Their fund raising activities have been most successful this year, raising funds in the region of £10,000, much of this has been used to fund the installation of a new ICT suite in the Primary School.

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# AYLESFORD SCHOOL AND SIXTH FORM COLLEGE

## (A Company Limited by Guarantee)

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### GOVERNORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

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#### Plans for future periods

#### Key aims and objectives

Key aims and objectives are outlined in the School Development Plan Strategic priorities area:

#### Development Plan 2019-2021

<b>School Vision:</b>	'From potential to reality'
<b>School Values:</b>	Wonder, Aspiration, Respect, Discipline
<b>School Mission:</b>	To inspire in students a passion for lifelong learning; to work in partnership with them and others so as to provide an exciting, engaging and enjoyable experience in a happy and secure environment.

#### **STRATEGIC PRIORITIES:       Headteacher and School Leadership**

##### **Standards**

- Close the attainment gap for disadvantaged groups
- Maintain high levels of attendance overall and improve attendance for disadvantaged children. Reduce persistent absence levels
- Improve progress in writing in the Primary Phase
- Develop reading and writing across the curriculum for lower ability students and/or those with low reading ages against national norms
- Ensure that in all subjects all students and all student groups achieve at least expected progress.
- Ensure attainment in all subjects is at least in line with to the national average or above
- Implement revised strategies to support attendance for FSM & SEN students
- Improve Sixth Form VA outcomes at A-Level
- Keep up to date with current personnel requirements (OFSTED 2018)

##### **Teaching and Learning**

- Plan a meaningful and relevant CPD programme to support the delivery of consistently high levels of teaching in an ethos and culture of high expectations with particular emphasis on disadvantaged students (OFSTED 2018)
- Develop good and outstanding lessons across the school through effective training and development
- Secure consistent teaching and learning across all subjects through embedded leadership across departments.
- Support high quality planning, teaching, assessment and marking of classwork/homework and feedback.
- Continue to work in partnership with other schools to improve teaching and learning
- Consolidate early years assessment & year 1 reading
- Share good practice taking place between phases (OFSTED 2018)

##### **Curriculum**

- Develop the English and maths curriculum time and 1to1/small group provision for identified students in KS3 and through into KS4 to improve literacy/numeracy.
- Promote the ongoing development and security of knowledge and understanding of on-going subject curriculum changes
- Ensure careers education supports student learning and destinations
- Develop and revise strategies to reduce exclusions for SEN K support (K)
- Develop 6th Form courses to meet student requirements.
- Develop the executive strategy that facilitates the continued establishment of primary education within a 4-18 framework (OFSTED 2018)

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# AYLESFORD SCHOOL AND SIXTH FORM COLLEGE

## (A Company Limited by Guarantee)

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### GOVERNORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

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#### Disclosure of information to auditors

Insofar as the Governors are aware:

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

#### Auditors

On 1 February 2019 Moore Stephens LLP merged its business with BDO LLP. As a result, Moore Stephens LLP has resigned as auditor and the Governors have appointed BDO LLP as auditor in their place. BDO LLP has indicated its willingness to continue in office.

The Governors' Report, incorporating a strategic report, was approved by order of the board of Governors, as the company directors, on 2 December 2019 and signed on its behalf by:

R Lyttle  
Chair of Trustees

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# AYLESFORD SCHOOL AND SIXTH FORM COLLEGE

## (A Company Limited by Guarantee)

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### GOVERNANCE STATEMENT

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#### Scope of responsibility

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

The board of Governors has delegated the day-to-day responsibility to the Headteacher, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Aylesford School and Sixth Form College and the Secretary of State for Education. They are also responsible for reporting to the board of Governors 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 board of Governors has formally met 4 times during the year.

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

Governor	Meetings attended	Out of a possible
R Lyttle, Chairman	4	4
S Hall, Headteacher and Accounting Officer	4	4
P Booty	4	4
A Tonner	4	4
S Clark	4	4
D Clarke	2	4
T Hodgson, Staff Governor	4	4
B Parsons	3	4
S Hood	3	4
J Levett	4	4
D Savage, Staff Governor	3	4
M Swallow, Responsible Officer	4	4
L Kenyon	0	0
N MacRae, Staff Governor	4	4

#### Governance review and key changes

Governance review is undertaken on an annual basis in September and this done during the first meeting of the academic year. Areas of focus are determined and governor strengths are considered in allocating responsibility for development.

Andrew Tonner resigned from the Board of Trustees at the end of the academic year. No new appointments were made. The Board has examined:

- examination outcomes at GCSE and A level and critically assessed performance in the early years class and phonics in Year One and reading, writing and maths at Key Stage 1.
- growth of the Primary Phase and integration into the Academy
- staffing capacity and growth potential
- financial constraints and managing growth
- aspects of SMSC such as trips, visits, activities
- curriculum planning decisions on their impact of learning

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# AYLESFORD SCHOOL AND SIXTH FORM COLLEGE

## (A Company Limited by Guarantee)

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### GOVERNANCE STATEMENT (CONTINUED)

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#### Governance (continued)

- the quality of the data provided both externally through the DfE and internally through tracking mechanisms to inform progress and have found the data informative and helpful in assessing the strategic decision making

The Finance and Premises Committee is also a sub committee of the main board of Governors. Its purpose is identified in its terms of reference.

Attendance during the year at meetings was as follows:

Governor	Meetings attended	Out of a possible
D Clarke (Chair)	4	5
S Hall (headteacher and Accounting Officer)	5	5
T Hodgson	5	5
S Hood	2	5
J Levett	4	5
N MacRae	5	5
A Tonner	4	5

#### Review of value for money

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

The accounting officer considers how the academy's use of its resources has provided good value for money during each academic year, and reports to the board of Governors 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:

The accounting officer continues to review and look for further opportunity to deliver value for money.

This can be exemplified by: overall assessments in the Primary Phase, examination outcomes at both GCSE and A Level, parental perception questionnaires (where over 90% expressed satisfaction), good levels of attendance and positive destination measures.

#### Better Purchasing

The Academy is constantly looking for new ways of achieving value for money from all contracts and purchases.

The Academy continues with a procurement policy of obtaining better value through quotation with all purchases over £2000 requiring three quotes if at all possible, and regardless first quotes are normally challenged and suppliers/service providers encouraged to discount before orders are confirmed.

Our catering and cleaning contracts are now entering year three of contract, both being regularly reviewed and monitored to strive for high levels of service and obtaining value for money.

In September 2019 we will have 144 Primary School students on roll from reception through to year 4 with shared teaching expertise, delivery and support services well established and therefore we are now beginning to benefit from the economies of scale that an all through school offers.

Our site maintenance reactive and planned programmes prove to be challenging and costly. We have a very proactive site team that are constantly adapting their approach with in house repair and maintenance in order to

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# AYLESFORD SCHOOL AND SIXTH FORM COLLEGE

## (A Company Limited by Guarantee)

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### GOVERNANCE STATEMENT (CONTINUED)

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#### Review of value for money (continued)

reduce costs.

#### The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy 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 Aylesford School and Sixth Form College for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements.

#### Capacity to handle risk

The board of Governors has reviewed the key risks to which the academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of Governors 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 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Governors.

#### The risk and control framework

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

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

The board of Governors has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Governors have appointed Mr Mike Swallow, a Governor, to carry out a programme of internal checks.

The reviewer's role includes giving advice on financial matters and performing a range of checks on the academy's financial systems. In 2018/19 the reviewer has delivered his schedule of work as planned and there were no material control issues arising. Checks carried out during the period 18/19 were:

- Review of Investments
- Follow up review of Asset Management and strategic responses to the 2019 CIF awards.
- Follow up review of Lettings.

On a quarterly basis, the reviewer reports to the board of Governors through the finance and general purposes

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# AYLESFORD SCHOOL AND SIXTH FORM COLLEGE

## (A Company Limited by Guarantee)

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### GOVERNANCE STATEMENT (CONTINUED)

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#### The risk and control framework (continued)

committee on the operation of the systems of control and on the discharge of the Governors' financial responsibilities.

#### Review of effectiveness

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

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

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

Approved by order of the members of the board of Governors on 2 December 2019 and signed on their behalf by:

R Lyttle  
Chair of Trustees

S Hall  
Accounting Officer

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**AYLESFORD SCHOOL AND SIXTH FORM COLLEGE**  
**(A Company Limited by Guarantee)**

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**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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As accounting officer of Aylesford School and Sixth Form College I have considered my responsibility to notify the academy board of Governors and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy, 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 2018.

I confirm that I and the academy board of Governors are able to identify any material irregular or improper use of all 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 2018.

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

S Hall  
Accounting Officer  
Date: 2 December 2019

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# AYLESFORD SCHOOL AND SIXTH FORM COLLEGE

## (A Company Limited by Guarantee)

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### STATEMENT OF GOVERNORS' RESPONSIBILITIES FOR THE YEAR ENDED 31 AUGUST 2019

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

Company law requires the 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 2018 to 2019;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the 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 board of Governors on 2 December 2019 and signed on its behalf by:

R Lyttle  
Chair of Trustees

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# AYLESFORD SCHOOL AND SIXTH FORM COLLEGE

## (A Company Limited by Guarantee)

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### INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF AYLESFORD SCHOOL AND SIXTH FORM COLLEGE

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#### Opinion

We have audited the financial statements of Aylesford School and Sixth Form College (the 'academy') for the year ended 31 August 2019 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 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 academy's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law; we do not accept or assume responsibility to anyone other than the academy and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2019 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 2018 to 2019 issued by the Education and Skills Funding Agency.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the 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.

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# AYLESFORD SCHOOL AND SIXTH FORM COLLEGE

## (A Company Limited by Guarantee)

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### INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF AYLESFORD SCHOOL AND SIXTH FORM COLLEGE (CONTINUED)

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

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

We have nothing to report in this regard.

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

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

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

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

In the light of our knowledge and understanding of the academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Governors' Report including the Strategic Report.

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

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

#### **Responsibilities of Governors**

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 or to cease operations, or have no realistic alternative but to do so.

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# AYLESFORD SCHOOL AND SIXTH FORM COLLEGE

## (A Company Limited by Guarantee)

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### INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF AYLESFORD SCHOOL AND SIXTH FORM COLLEGE (CONTINUED)

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

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

#### **Use of our report**

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

Nicholas Simkins (Senior Statutory Auditor)  
For and on behalf of BDO LLP, Statutory Auditor

Birmingham

Date:

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

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## **AYLESFORD SCHOOL AND SIXTH FORM COLLEGE (A Company Limited by Guarantee)**

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### **INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO AYLESFORD SCHOOL AND SIXTH FORM COLLEGE AND THE EDUCATION & SKILLS FUNDING AGENCY**

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In accordance with the terms of our engagement letter dated 18 February 2019 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Aylesford School and Sixth Form College during the year 1 September 2018 to 31 August 2019 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 Aylesford School and Sixth Form College and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Aylesford School and Sixth Form College and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Aylesford School and Sixth Form College and ESFA, for our work, for this report, or for the conclusion we have formed.

#### **Respective responsibilities of Aylesford School and Sixth Form College's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Aylesford School and Sixth Form College's funding agreement with the Secretary of State for Education dated 21 December 2011 and the Academies Financial Handbook, extant from 1 September 2018, 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 2018 to 2019. 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 2018 to 31 August 2019 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

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## **AYLESFORD SCHOOL AND SIXTH FORM COLLEGE (A Company Limited by Guarantee)**

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### **INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO AYLESFORD SCHOOL AND SIXTH FORM COLLEGE AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)**

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#### **Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2018 to 2019 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

Our procedures included, but not limited to, the following:

- Reviewing minutes of meetings, management accounts and making enquiries of management;
- Sample testing of expenditure to ensure items are for the academy's purposes and are appropriately authorised;
- Sample testing of credit card expenditure;
- Reviewing the procedures for identifying and declaring related parties and other business interests;
- Scrutinising journals and other adjustments posted during the year for evidence of unusual entries and making further enquiries into any such items where relevant;
- Reviewing a selection of nominal ledger accounts for evidence of unusual entries and making further enquiries into any such items where relevant; and
- Performing an evaluation of the general control environment of the academy.

#### **Conclusion**

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

#### **BDO LLP**

#### **Reporting Accountant**

Birmingham

Date: 2 December 2019

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

**AYLESFORD SCHOOL AND SIXTH FORM COLLEGE**  
**(A Company Limited by Guarantee)**

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Restricted fixed assets funds 2019 £000	Total funds 2019 £000	Total funds 2018 £000
Note					
<b>Income from:</b>					
Donations and capital grants	3	-	-	217	217
Charitable activities	4	-	5,050	-	5,050
Other trading activities	5	89	140	-	229
Investments	6	1	-	-	1
		<u>90</u>	<u>5,190</u>	<u>217</u>	<u>5,497</u>
<b>Total income</b>					
<b>Expenditure on:</b>					
Raising funds		1	15	-	16
Charitable activities	8	49	5,306	388	5,743
		<u>50</u>	<u>5,321</u>	<u>388</u>	<u>5,759</u>
<b>Total expenditure</b>					
<b>Net movement in funds before other recognised gains/(losses)</b>					
		<u>40</u>	<u>(131)</u>	<u>(171)</u>	<u>(262)</u>
<b>Other recognised gains/(losses):</b>					
Actuarial losses on defined benefit pension schemes	24	-	(475)	-	(475)
		<u>40</u>	<u>(606)</u>	<u>(171)</u>	<u>(266)</u>
<b>Net movement in funds</b>					
<b>Reconciliation of funds:</b>					
Total funds brought forward		317	(930)	17,897	17,285
Net movement in funds		40	(606)	(171)	(266)
<b>Total funds carried forward</b>		<u>357</u>	<u>(1,536)</u>	<u>17,726</u>	<u>17,285</u>

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 29 to 53 form part of these financial statements.

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**AYLESFORD SCHOOL AND SIXTH FORM COLLEGE**  
**(A Company Limited by Guarantee)**  
REGISTERED NUMBER: 07848367

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**BALANCE SHEET**  
**AS AT 31 AUGUST 2019**

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	Note	2019 £000	2018 £000
<b>Fixed assets</b>			
Tangible assets	14	17,585	17,860
		17,585	17,860
<b>Current assets</b>			
Debtors	15	166	139
Cash at bank and in hand		565	548
		731	687
Creditors: amounts falling due within one year	16	(178)	(306)
		553	381
<b>Net current assets</b>			
		18,138	18,241
<b>Total assets less current liabilities</b>			
		18,138	18,241
<b>Net assets excluding pension liability</b>			
Defined benefit pension scheme liability	24	(1,592)	(957)
		16,546	17,284
<b>Total net assets</b>		16,546	17,284

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**AYLESFORD SCHOOL AND SIXTH FORM COLLEGE**  
**(A Company Limited by Guarantee)**

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**BALANCE SHEET (CONTINUED)**  
**AS AT 31 AUGUST 2019**

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	Note	2019	2019 £000	2018	2018 £000
<b>Funds of the academy</b>					
<b>Restricted funds:</b>					
Fixed asset funds	18	17,726		17,897	
Restricted income funds	18	55		27	
		<hr/>		<hr/>	
Restricted funds excluding pension asset	18	17,781		17,924	
Pension reserve	18	(1,592)		(957)	
		<hr/>		<hr/>	
<b>Total restricted funds</b>	18		<b>16,189</b>		16,967
<b>Unrestricted income funds</b>	18		<b>357</b>		317
			<hr/>		<hr/>
<b>Total funds</b>			<b>16,546</b>		17,284
			<hr/> <hr/>		<hr/> <hr/>

The financial statements on pages 25 to 53 were approved by the Governors, and authorised for issue on 02 December 2019 and are signed on their behalf, by:

R Lyttle  
Chair of Trustees

The notes on pages 29 to 53 form part of these financial statements.

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**AYLESFORD SCHOOL AND SIXTH FORM COLLEGE**  
**(A Company Limited by Guarantee)**

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**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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	<b>Note</b>	<b>2019</b> <b>£000</b>	<b>2018</b> <b>£000</b>
<b>Cash flows from operating activities</b>			
Net cash used in operating activities	20	<b>(89)</b>	(229)
<b>Cash flows from investing activities</b>	21	<b>106</b>	(100)
<b>Change in cash and cash equivalents in the year</b>		<b>17</b>	(329)
Cash and cash equivalents at the beginning of the year		<b>548</b>	877
<b>Cash and cash equivalents at the end of the year</b>	22	<b>565</b>	548

The notes on pages 29 to 53 from part of these financial statements

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# AYLESFORD SCHOOL AND SIXTH FORM COLLEGE

## (A Company Limited by Guarantee)

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

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#### 1. Accounting policies

Aylesford School and Sixth Form College is a private limited company, limited by guarantee, incorporated in England and Wales and domiciled in England.

The company registration number is 0784367 and the registered office is Tapping Way, Warwick, Warwickshire, CV34 6XR.

The financial statements are prepared in Sterling, rounded to the nearest £1,000.

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

#### 1.1 Basis of preparation of financial statements

The financial statements of the academy, which is a public benefit entity under FRS 102, have been prepared under the historic 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 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Aylesford School and Sixth Form College meets the definition of a public benefit entity under FRS 102.

#### 1.2 Going concern

The Governors assess whether the use of going concern is appropriate 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 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.

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# AYLESFORD SCHOOL AND SIXTH FORM COLLEGE

## (A Company Limited by Guarantee)

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

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#### 1. Accounting policies (continued)

##### 1.3 Income

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

- **Grants**

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

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the year is deducted from income and recognised as a liability.

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

- **Donations**

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

- **Other income**

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

##### 1.4 Expenditure

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

- **Expenditure on raising funds**

This 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.

- **Charitable activities**

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

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# AYLESFORD SCHOOL AND SIXTH FORM COLLEGE

## (A Company Limited by Guarantee)

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

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#### 1. Accounting policies (continued)

##### 1.4 Expenditure (continued)

All resources expended are inclusive of irrecoverable VAT.

##### 1.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the academy; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

##### 1.6 Tangible fixed assets

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

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

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

Depreciation is provided on the following bases:

Long-term leasehold buildings	- 2% per annum
Long-term leasehold land	- 0.8% per annum (over the life of the lease)
Furniture and equipment	- 20% per annum
Computer equipment	- 33% per annum

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

##### 1.7 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.

##### 1.8 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

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# AYLESFORD SCHOOL AND SIXTH FORM COLLEGE

## (A Company Limited by Guarantee)

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

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#### 1. Accounting policies (continued)

##### 1.9 Liabilities

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

##### 1.10 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 bases are as follows:

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

*Financial liabilities* - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

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# AYLESFORD SCHOOL AND SIXTH FORM COLLEGE

## (A Company Limited by Guarantee)

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

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#### 1. Accounting policies (continued)

##### 1.11 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 23, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

##### 1.12 Fund accounting

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

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

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

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

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## AYLESFORD SCHOOL AND SIXTH FORM COLLEGE (A Company Limited by Guarantee)

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

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

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, 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 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

#### 3. Income from donations and capital grants

	<b>Restricted funds 2019 £000</b>	<b>Total funds 2019 £000</b>	<b>Total funds 2018 £000</b>
Capital Grants	217	217	350
	217	217	350

#### 4. Funding for the academy's educational operations

	<b>Restricted funds 2019 £000</b>	<b>Total funds 2019 £000</b>	<b>Total funds 2018 £000</b>
<b>DfE/ESFA grants</b>			
General annual grant	4,589	4,589	4,122
Other DfE/ESFA grants	406	406	302
Local authority grants	55	55	90
	5,050	5,050	4,514

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**AYLESFORD SCHOOL AND SIXTH FORM COLLEGE**  
**(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**5. Income from other trading activities**

	<b>Unrestricted funds 2019 £000</b>	<b>Restricted funds 2019 £000</b>	<b>Total funds 2019 £000</b>	<b>Total funds 2018 £000</b>
Uniform sales	-	-	-	32
Other activities	-	129	<b>129</b>	98
Music tuition	-	6	<b>6</b>	11
Lettings	69	-	<b>69</b>	60
Departmental activities	20	5	<b>25</b>	14
	<u>89</u>	<u>140</u>	<u><b>229</b></u>	<u>215</u>
<b>Total 2018</b>	<u>89</u>	<u>126</u>	<u>215</u>	

**6. Investment income**

	<b>Total funds 2019 £000</b>	<b>Total funds 2018 £000</b>
Investment income	<u>1</u>	<u>1</u>

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**AYLESFORD SCHOOL AND SIXTH FORM COLLEGE**  
**(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**7. Expenditure**

	<b>Staff Costs</b>	<b>Premises</b>	<b>Other</b>	<b>Total</b>	<b>Total</b>
	<b>2019</b>	<b>2019</b>	<b>2019</b>	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Expenditure on fundraising trading activities:					
Direct costs	-	-	16	<b>16</b>	59
Educational operations:					
Direct costs	3,939	388	379	<b>4,706</b>	4,563
Allocated support costs	475	372	190	<b>1,037</b>	967
	<u>4,414</u>	<u>760</u>	<u>585</u>	<u><b>5,759</b></u>	<u>5,589</u>
<b>Total 2018</b>	<u>4,089</u>	<u>740</u>	<u>760</u>	<u>5,589</u>	

**8. Analysis of expenditure on charitable activities**

**Summary by fund type**

	<b>Unrestricted funds</b>	<b>Restricted funds</b>	<b>Total funds</b>	<b>Total funds</b>
	<b>2019</b>	<b>2019</b>	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Educational operations	49	5,665	<b>5,714</b>	5,503
Pension cost	-	29	<b>29</b>	28
<b>Total 2019</b>	<u>49</u>	<u>5,694</u>	<u><b>5,743</b></u>	<u>5,531</u>
<b>Total 2018</b>	<u>50</u>	<u>5,481</u>	<u>5,531</u>	

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**AYLESFORD SCHOOL AND SIXTH FORM COLLEGE**  
**(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**9. Analysis of expenditure by activities**

	<b>Activities undertaken directly 2019 £000</b>	<b>Support costs 2019 £000</b>	<b>Total funds 2019 £000</b>	<b>Total funds 2018 £000</b>
Educational operations	4,706	1,037	<b>5,743</b>	5,530
<b>Total 2018</b>	<b>4,563</b>	<b>967</b>	<b>5,530</b>	

**Analysis of support costs**

	<b>Educational operations 2019 £000</b>	<b>Total funds 2019 £000</b>	<b>Total funds 2018 £000</b>
Pension income	29	<b>29</b>	28
Staff costs	475	<b>475</b>	460
Maintenance of premises and equipment	100	<b>100</b>	71
Cleaning	97	<b>97</b>	97
Rent and rates	45	<b>45</b>	43
Energy costs	102	<b>102</b>	88
Insurance	27	<b>27</b>	26
Security and transport	1	<b>1</b>	1
Other support costs	66	<b>66</b>	73
Legal and professional	49	<b>49</b>	49
Catering	45	<b>45</b>	30
Other	1	<b>1</b>	1
	<b>1,037</b>	<b>1,037</b>	<b>967</b>

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**AYLESFORD SCHOOL AND SIXTH FORM COLLEGE**  
**(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**10. Net income/(expenditure)**

Net income/(expenditure) for the year includes:

	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
Operating lease rentals	9	5
Depreciation of tangible fixed assets	388	415
Loss on disposal of fixed assets	4	-
Fees paid to auditors for:		
- audit	10	10
- other services	7	4
	<b>4</b>	<b>19</b>

**11. Staff costs**

**a. Staff costs**

Staff costs during the year were as follows:

	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
Wages and salaries	3,359	3,055
Social security costs	318	287
Pension costs	689	651
	<b>4,366</b>	<b>3,993</b>
Agency staff costs	48	96
	<b>4,414</b>	<b>4,089</b>

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**AYLESFORD SCHOOL AND SIXTH FORM COLLEGE**  
**(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**11. Staff costs (continued)**

**b. Staff numbers**

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

	<b>2019</b>	<b>2018</b>
	<b>No.</b>	<b>No.</b>
Teachers	<b>64</b>	62
Administration and support	<b>51</b>	50
Management	<b>8</b>	7
	<b>123</b>	119
	<b>123</b>	119

**c. Higher paid staff**

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

	<b>2019</b>	<b>2018</b>
	<b>No.</b>	<b>No.</b>
In the band £60,001 - £70,000	<b>1</b>	1
In the band £70,001 - £80,000	<b>1</b>	1
In the band £100,001 - £110,000	-	1
In the band £110,001 - £120,000	<b>1</b>	-
	<b>1</b>	-
	<b>1</b>	-

**d. Key management personnel**

The key management personnel of the academy trust comprise the governors and the senior management team listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £296,000 (2018: £310,000).

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## AYLESFORD SCHOOL AND SIXTH FORM COLLEGE (A Company Limited by Guarantee)

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

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#### 12. Governors' remuneration and expenses

One or more Governors has been paid remuneration or has received other benefits from an employment with the academy. The principal and other staff Governors only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment. The value of Governors' remuneration and other benefits was as follows:

		2019 £000	2018 £000
S Hall, Headteacher and Accounting Officer	Remuneration	115 - 120	105 - 110
	Pension contributions paid	15 - 20	15 - 20
T Hodgson, Staff Governor	Remuneration	70 - 75	70 - 75
	Pension contributions paid	10 - 15	10 - 15
D Savage, Staff Governor	Remuneration	25 - 30	25 - 30
	Pension contributions paid	0 - 5	5 - 10
N MacRae, Staff Governor	Remuneration	50 - 55	50 - 55
	Pension contributions paid	5 - 10	5 - 10

During the year, retirement benefits were accruing to 4 Governors (2018 - 4) in respect of defined benefit pension schemes.

During the year ended 31 August 2019, no Governor expenses have been incurred (2018 - £NIL).

#### 13. Governors' and Officers' insurance

In accordance with normal commercial practice, the academy has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2019 was £183 (2018 - £182). The cost of this insurance is included in the total insurance cost.

#### 14. Tangible fixed assets

	Long-term leasehold property £000	Furniture and equipment £000	Computer equipment £000	Motor vehicles £000	Total £000
<b>Cost or valuation</b>					
At 1 September 2018	19,744	245	267	43	20,299
Additions	66	3	43	-	112
Disposals	-	-	-	(18)	(18)
At 31 August 2019	19,810	248	310	25	20,393

**AYLESFORD SCHOOL AND SIXTH FORM COLLEGE**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**14. Tangible fixed assets (continued)**

	Long-term leasehold property £000	Furniture and equipment £000	Computer equipment £000	Motor vehicles £000	Total £000
<b>Depreciation</b>					
At 1 September 2018	1,969	200	226	43	2,438
Charge for the year	340	19	28	-	387
On disposals	-	-	-	(18)	(18)
At 31 August 2019	<u>2,309</u>	<u>219</u>	<u>254</u>	<u>25</u>	<u>2,807</u>
<b>Net book value</b>					
At 31 August 2019	<u>17,501</u>	<u>29</u>	<u>56</u>	-	<u>17,586</u>
At 31 August 2018	<u>17,775</u>	<u>45</u>	<u>40</u>	-	<u>17,860</u>

**15. Debtors**

	2019 £000	2018 £000
<b>Due within one year</b>		
Trade debtors	11	3
Other debtors	34	69
Prepayments and accrued income	121	67
	<u>166</u>	<u>139</u>

**16. Creditors: Amounts falling due within one year**

	2019 £000	2018 £000
Trade creditors	23	197
Accruals and deferred income	155	109
	<u>178</u>	<u>306</u>

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**AYLESFORD SCHOOL AND SIXTH FORM COLLEGE**  
**(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**17. Financial instruments**

	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
<b>Financial assets</b>		
Financial assets measured at fair value through income and expenditure	<b>565</b>	548
Financial assets that are debt instruments measured at amortised cost	<b>11</b>	3
	<u><b>576</b></u>	<u>551</u>
	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	<b>(66)</b>	(255)
	<u><b>(66)</b></u>	<u>(255)</u>

Financial assets measured at fair value through income and expenditure comprise cash at bank and in hand.

Financial assets that are debt instruments measured at amortised cost comprise trade debtors.

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

**AYLESFORD SCHOOL AND SIXTH FORM COLLEGE**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**18. Statement of funds**

	Balance at 1 September 2018 £000	Income £000	Expenditure £000	Gains/ (Losses) £000	Balance at 31 August 2019 £000
<b>Unrestricted funds</b>					
General Funds	317	90	(50)	-	357
<b>Restricted general funds</b>					
General annual grant (GAG)	-	4,589	(4,570)	-	19
School fund	27	67	(58)	-	36
Other ESFA/DfE grants	-	406	(406)	-	-
Local authority grants	-	55	(55)	-	-
Other restricted funds	-	73	(73)	-	-
Pension reserve	(957)	-	(160)	(475)	(1,592)
	<u>(930)</u>	<u>5,190</u>	<u>(5,322)</u>	<u>(475)</u>	<u>(1,537)</u>
<b>Restricted fixed asset funds</b>					
Restricted Fixed Asset Funds	17,897	217	(388)	-	17,726
<b>Total Restricted funds</b>	<u>16,967</u>	<u>5,407</u>	<u>(5,710)</u>	<u>(475)</u>	<u>16,189</u>
<b>Total funds</b>	<u>17,284</u>	<u>5,497</u>	<u>(5,760)</u>	<u>(475)</u>	<u>16,546</u>

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

The General Annual Grant (GAG) has been provided by the DfE in order to fund the normal running costs of the Academy. During the period, the Academy's GAG expenditure exceeded GAG income and a transfer was completed from unrestricted funds. Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2019.

School fund represent the income and expenditure in relation to school trips that have been operated during the period. The balance at the period end represents the balance held for trips which are still to take place along with any remaining surplus which is to be used for future private fund purposes.

Other restricted funds include further grants received from the DfE/ESFA including pupil premium, insurance grants and 16-19 Bursary income. It also includes donations from local organisations along with special needs income from the local authority All of the income received was fully expensed during the period.

The restricted Pension reserve represents the deficit on the Academy's share of the Local Government

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# AYLESFORD SCHOOL AND SIXTH FORM COLLEGE

## (A Company Limited by Guarantee)

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

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#### 18. Statement of funds (continued)

Pension Scheme as at 31 August 2019.

Restricted fixed asset funds include the tangible fixed assets which are owned by the Academy. They also include any capital grants that have been received but not yet expended.

#### Total funds analysis by academy

Fund balances at 31 August 2019 were allocated as follows:

	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
Aylesford School and Sixth Form College	<b>412</b>	344
Restricted fixed asset fund	<b>17,726</b>	17,897
Pension reserve	<b>(1,592)</b>	(957)
<b>Total</b>	<b>16,546</b>	17,284

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**AYLESFORD SCHOOL AND SIXTH FORM COLLEGE**  
**(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**18. Statement of funds (continued)**

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

	<b>Balance at 1 September 2017 £000</b>	<b>Income £000</b>	<b>Expenditure £000</b>	<b>Transfers in/out £000</b>	<b>Balance at 31 August 2018 £000</b>
<b>Unrestricted funds</b>					
General Fund	657	93	(42)	(391)	317
<b>Restricted general funds</b>					
General annual grant (GAG)	-	4,122	(4,467)	345	-
School fund	30	67	(70)	-	27
Other ESFA/DfE grants	-	393	(393)	-	-
Local authority grants	-	56	(56)	-	-
Pension reserve	(1,053)	-	(148)	244	(957)
	<u>(1,023)</u>	<u>4,638</u>	<u>(5,134)</u>	<u>589</u>	<u>(930)</u>
<b>Restricted fixed asset funds</b>					
Restricted Fixed Asset Funds	17,916	350	(415)	46	17,897
<b>Total Restricted funds</b>	<u>16,893</u>	<u>4,988</u>	<u>(5,549)</u>	<u>635</u>	<u>16,967</u>
<b>Total funds</b>	<u><u>17,550</u></u>	<u><u>5,081</u></u>	<u><u>(5,591)</u></u>	<u><u>244</u></u>	<u><u>17,284</u></u>

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**AYLESFORD SCHOOL AND SIXTH FORM COLLEGE**  
**(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**19. Analysis of net assets between funds**

**Analysis of net assets between funds - current year**

	<b>Unrestricted funds 2019 £000</b>	<b>Restricted funds 2019 £000</b>	<b>Restricted fixed assets funds 2019 £000</b>	<b>Total funds 2019 £000</b>
Tangible fixed assets	-	-	17,585	<b>17,585</b>
Current assets	535	55	141	<b>731</b>
Creditors due within one year	(178)	-	-	<b>(178)</b>
Provisions for liabilities and charges	-	(1,592)	-	<b>(1,592)</b>
<b>Total</b>	<u>357</u>	<u>(1,537)</u>	<u>17,726</u>	<u><b>16,546</b></u>

**Analysis of net assets between funds - prior year**

	<b>Unrestricted funds 2018 £000</b>	<b>Restricted funds 2018 £000</b>	<b>Restricted fixed assets funds 2018 £000</b>	<b>Total funds 2018 £000</b>
Tangible fixed assets	-	-	17,860	17,860
Current assets	623	27	37	687
Creditors due within one year	(306)	-	-	(306)
Provisions for liabilities and charges	-	(957)	-	(957)
<b>Total</b>	<u>317</u>	<u>(930)</u>	<u>17,897</u>	<u>17,284</u>

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**AYLESFORD SCHOOL AND SIXTH FORM COLLEGE**  
**(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**20. Reconciliation of net expenditure to net cash flow from operating activities**

	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
Net expenditure for the year (as per Statement of Financial Activities)	<b>(262)</b>	(510)
<b>Adjustments for:</b>		
Depreciation	<b>387</b>	415
Capital grants from DfE and other capital income	<b>(217)</b>	(343)
Interest receivable	<b>(1)</b>	(1)
Defined benefit pension scheme cost less contributions payable	<b>133</b>	120
Defined benefit pension scheme finance cost	<b>29</b>	28
Decrease in stocks	<b>-</b>	34
(Increase)/decrease in debtors	<b>(27)</b>	51
Decrease in creditors	<b>(131)</b>	(23)
<b>Net cash used in operating activities</b>	<b>(89)</b>	(229)

**21. Cash flows from investing activities**

	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
Dividends, interest and rents from investments	<b>1</b>	1
Purchase of tangible fixed assets	<b>(112)</b>	(444)
Capital grants from DfE	<b>217</b>	343
<b>Net cash provided by/(used in) investing activities</b>	<b>106</b>	(100)

**22. Analysis of cash and cash equivalents**

	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
Cash in hand	<b>565</b>	548
<b>Total cash and cash equivalents</b>	<b>565</b>	548

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**AYLESFORD SCHOOL AND SIXTH FORM COLLEGE**  
**(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**23. Capital commitments**

	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
<b>Contracted for but not provided in these financial statements</b>		
Acquisition of tangible fixed assets	-	20
	<u>          </u>	<u>          </u>

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# AYLESFORD SCHOOL AND SIXTH FORM COLLEGE

## (A Company Limited by Guarantee)

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

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#### 24. Pension commitments

The academy's employees belong to two principal pension schemes: the Teachers' 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 Warwickshire County Council. Both are multi-employer defined benefit schemes.

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

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

#### Teachers' Pension Scheme

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

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

#### Valuation of the Teachers' Pension Scheme

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

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

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## AYLESFORD SCHOOL AND SIXTH FORM COLLEGE (A Company Limited by Guarantee)

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

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#### 24. Pension commitments (continued)

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 September 2019.

The employer's pension costs paid to TPS in the year amounted to £400,000 (2018 - £383,000).

A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#).

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

#### Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £197,000 (2018 - £186,000), of which employer's contributions totalled £157,000 (2018 - £148,000) and employees' contributions totalled £ 40,000 (2018 - £38,000). The agreed contribution rates for future years are 19.8% per cent for employers and 5.5% - 7.5% per cent for employees.

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

#### Principal actuarial assumptions

	<b>2019</b>	<b>2018</b>
	%	%
Rate of increase in salaries	<b>2.90</b>	3.00
Rate of increase for pensions in payment/inflation	<b>2.30</b>	2.40
Discount rate for scheme liabilities	<b>1.80</b>	2.80

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

	<b>2019</b>	<b>2018</b>
	Years	Years
<i>Retiring today</i>		
Males	<b>21.4</b>	22.5
Females	<b>23.6</b>	24.7
<i>Retiring in 20 years</i>		
Males	<b>22.4</b>	24.3
Females	<b>25.0</b>	26.7

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**AYLESFORD SCHOOL AND SIXTH FORM COLLEGE**  
**(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**24. Pension commitments (continued)**

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

	At 31 August 2019 £000	At 31 August 2018 £000
Equities	1,355	1,216
Corporate bonds	578	425
Property	267	232
Cash and other liquid assets	22	57
<b>Total market value of assets</b>	<b>2,222</b>	<b>1,930</b>

The actual return on scheme assets was £124,000 (2018 - £80,000).

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

	2019 £000	2018 £000
Current service cost	(258)	(268)
Past service cost	(30)	-
Interest income	56	44
Interest cost	(85)	(72)
<b>Total amount recognised in the Statement of Financial Activities</b>	<b>(317)</b>	<b>(296)</b>

Changes in the present value of the defined benefit obligations were as follows:

	2019 £000	2018 £000
<b>At 1 September</b>	<b>2,887</b>	<b>2,746</b>
Interest cost	85	72
Employee contributions	40	38
Actuarial losses/(gains)	543	(208)
Benefits paid	(29)	(29)
Current service cost	258	268
Past service costs	30	-
<b>At 31 August</b>	<b>3,814</b>	<b>2,887</b>

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**AYLESFORD SCHOOL AND SIXTH FORM COLLEGE**  
**(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**24. Pension commitments (continued)**

Changes in the fair value of the academy's share of scheme assets were as follows:

	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
<b>At 1 September</b>	<b>1,930</b>	1,693
Interest income	<b>56</b>	44
Actuarial gains	<b>68</b>	36
Employer contributions	<b>157</b>	148
Employee contributions	<b>40</b>	38
Benefits paid	<b>(29)</b>	(29)
<b>At 31 August</b>	<b>2,222</b>	1,930

**25. Operating lease commitments**

At 31 August 2019 the academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	<b>academy</b>	<b>academy</b>
	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
Not later than 1 year	<b>9</b>	5
Later than 1 year and not later than 5 years	<b>18</b>	2
	<b>27</b>	7

**26. Members' liability**

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

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**AYLESFORD SCHOOL AND SIXTH FORM COLLEGE**  
**(A Company Limited by Guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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**27. Related party transactions**

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

No related party transactions took place in the period of account, other than certain trustees' remuneration as already disclosed in note 12.