
THORNDEN SCHOOL
(A company limited by guarantee)

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

THORNDEN SCHOOL
(A company limited by guarantee)

CONTENTS

| | Page |
|--|---------|
| Reference and administrative details | 1 - 2 |
| Trustees' report | 3 - 11 |
| Governance statement | 12 - 15 |
| Statement on regularity, propriety and compliance | 16 |
| Statement of Trustees' responsibilities | 17 |
| Independent auditors' report on the financial statements | 18 - 20 |
| Independent reporting accountant's assurance report on regularity | 21 - 22 |
| Consolidated statement of financial activities incorporating income and expenditure account | 23 |
| Consolidated balance sheet | 24 - 25 |
| Academy balance sheet | 26 - 27 |
| Consolidated statement of cash flows | 28 |
| Notes to the financial statements | 29 - 52 |

THORNDEN SCHOOL
(A company limited by guarantee)

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

Members

Mrs S Allen
Mr R Boden
Dr V Radford
Mr T Ricketts
Miss S Whelan

Trustees

Mrs S Allen, Vice Chair¹
Mr A Alzetani
Mrs J Beckingham, Staff Trustee
Mrs T Bevan, Staff Trustee
Mr R Boden, Chair
Mr S Bowyer (appointed 8 November 2016)
Mrs E Challand
Mrs L Fogleman-Peaston, Staff Trustee¹
Mr D Francis
Dr I Harwood (resigned 20 June 2017)¹
Mrs S Holley (resigned 3 June 2017)
Mr A Innes
Mrs M Jeffery (resigned 31 August 2017)
Prof K Jones
Dr V Radford
Mr T Ricketts¹
Mrs P Roberts, Staff Trustee
Mr P Sampson¹
Miss S Whelan, Head Teacher and Accounting Officer

¹ Audit & finance committee

Company registered number

07562918

Company name

Thornden School

Principal and registered office

Winchester Road
Chandlers Ford
Eastleigh
Hampshire
SO53 2DW

THORNDEN SCHOOL
(A company limited by guarantee)

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

Advisers (continued)

Company secretary

Mrs P Isaacs

Senior management team

Miss S Whelan, Headteacher
Mrs A Parry, Deputy Headteacher
Mr S Hicks, Deputy Headteacher
Mr R Collar, Deputy Headteacher
Dr J Evans, Assistant Headteacher
Mr S Smith, Assistant Headteacher
Mrs P Isaacs, Director of Finance

Independent auditors

Hopper Williams & Bell Limited
Statutory Auditor
Highland House
Mayflower Close
Chandlers Ford
Eastleigh
Hampshire
SO53 4AR

Bankers

Lloyds Bank Plc
PO Box 1000
BX1 1LT

Solicitors

Browne Jacobson
Victoria Square House
Victoria Square
Birmingham
West Midlands
B2 4BU

THORNDEN SCHOOL
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2017

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2016 to 31 August 2017. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The trust operates an academy for pupils aged 11 to 16 serving a catchment area in Chandlers Ford and Otterbourne. It has a pupil capacity of 1450 and had a roll of 1430 on 19 January 2017.

Structure, Governance and Management
Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust. The trustees of Thornden School are also directors of the Charitable Company for the purposes of company law. The charitable company is known as Thornden School.

Details of the trustees who served during the year are included in the Reference and Administrative Details on page 3.

Members' Liability

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

Trustees' Indemnities

Trustee's third party indemnity is covered by a policy of insurance through Marsh Ltd.

Method of Recruitment and appointment or Election of Trustees

The Board of Trustees has been formed in accordance with the Articles of Association.

The number of Trustees shall be not less than three but (unless otherwise determined by ordinary resolution) shall not be subject to any maximum.

Subject to Articles 48-49 and 64, the Academy Trust shall have the following Trustees:

- (a) up to one Governor, appointed under Article 50;
- (b) seven Parent Governors appointed under Articles 53-58;
- (c) four Staff Governors appointed under Article 58A;
- (d) up to seven Community Governors appointed under Article 58B;
- (e) the Principal;
- (f) any Additional Governors, if appointed under Article 62, 62A or 68A and
- (g) any Further Governors, if appointed under Article 63 or Article 68A.

The Academy Trust may also have any Co-opted Governor(s) appointed under Article 59.

The Headteacher shall be treated for all purposes as being an ex officio Governor.

THORNDEN SCHOOL
(A company limited by guarantee)

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

Parent Governors

Subject to Article 57, the Parent Governor(s) shall be elected by parents of registered pupils at the Academy. A Parent Governor must be a parent of a pupil at the Academy at the time when he is elected.

The Governing Body shall make all necessary arrangements for, and determine all other matters relating to, an election of Parent Governors, including any question of whether a person is a parent of a registered pupil at the Academy. Any election of Parent Governors which is contested shall be held by secret ballot.

The arrangements made for the election of a Parent Governor shall provide for every person who is entitled to vote in the election to have an opportunity to do so by post or, if he prefers, by having his ballot paper returned to the Academy Trust by a registered pupil at the Academy.

Where a vacancy for a Parent Governor is required to be filled by election, the Governing Body shall take such steps as are reasonably practical to secure that every person who is known to them to be a parent of a registered pupil at the Academy is informed of the vacancy and that it is required to be filled by election, informed that he is entitled to stand as a candidate, and vote at the election, and given an opportunity to do so.

The number of Parent Governors required shall be made up by Parent Governors appointed by the Governing Body if the number of parents standing for election is less than the number of vacancies.

In appointing a Parent Governor the Governing Body shall appoint a person who is the parent of a registered pupil at the Academy; or where it is not reasonably practical to do so, a person who is the parent of a child of compulsory school age.

Staff Governors

The Governing Body shall make all necessary arrangements for, and determine all matters relating to, the election and removal of Staff Governors.

Community Governors

The Community Governors may be appointed by the Governing Body provided that the person who is appointed as a Community Governor is:

a person who lives or works in the community served by the Academy; or
a person who, in the opinion of the Governing Body, is committed to the government and success of the Academy.

The Governors may not appoint an employee of the Academy Trust as a Community Governor if the number of Governors who are employed by the Academy Trust (including the Principal) would thereby exceed one third of the total number of Governors.

Co-opted Governors

The Governors may appoint up to 3 Co-opted Governors. A 'Co-opted Governor' means a person who is appointed to be a Governor by being Co-opted by Governors who have not themselves been so appointed. The Governors may not co-opt an employee of the Academy Trust as a Co-opted Governor if the number of Governors who are employed by the Academy Trust (including the Principal) would thereby exceed one third of the total number of Governors.

Term of Office

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 re-appointed or re-elected.

THORNDEN SCHOOL
(A company limited by guarantee)

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

Resignation and Removal

A Governor shall cease to hold office if he resigns his office by notice to the Academy Trust (but only if at least three Governors will remain in office when the notice of resignation is to take effect).

A Governor shall cease to hold office if he is removed by the person or persons who appointed him. This Article does not apply in respect of a Parent Governor.

Co-opted Governors appointed in accordance with Article 59 may be removed by a resolution of the Governing Body provided that no Co-opted Governor may vote on the removal of another Co-opted Governor.

Community Governors appointed in accordance with Article 46(d) may be removed by a resolution of the Governing Body.

Where a Governor resigns his office or is removed from office, the Governor or, where he is removed from office, those removing him, shall give written notice thereof to the Secretary.

Where an Additional or Further Governor appointed pursuant to Articles 62, 62A or 63 ceases to hold office as a Governor for any reason, other than being removed by the Secretary of State, the Secretary of State shall be entitled to appoint an Additional or Further Governor in his place.

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

All new Trustees are provided with a copy of the school prospectus, the list of Trustees and committee membership document, an up to date Governor Training Booklet and a copy of the School Development Plan and the Governors Handbook. All new Trustees are given the opportunity to meet individually with the Headteacher and be given a tour of the school (unless it is a staff Governor). Trustees can attend any training session that they feel is appropriate to them and they are encouraged to attend the designated training for new Trustees.

Opportunities to join a committee are offered and Trustees can become a Link Governor for a Department where there is a vacancy.

THORNDEN SCHOOL
(A company limited by guarantee)

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

Organisational structure

The Board of Trustees of Thornden School Academy Trust devolves the responsibility of the day to day running of the Academy to the Headteacher, who is the Accounting Officer and Senior Leadership Team. Their activities and decisions are monitored through a number of Trustee Committees. The main ones are:

| | |
|-----------------------------|-------------------------|
| Audit and Finance Committee | - Mr T Ricketts (Chair) |
| Curriculum Committee | - Dr V Radford (Chair) |
| Staffing Committee | - Mr R D Boden (Chair) |

The Audit & Finance and Curriculum committees meet twice a term and the Staffing usually termly to consider reports from the Senior Leadership Team. The Headteacher attends all of the meetings.

Audit and Finance: The School Business Manager prepares the financial data and meets with the Headteacher prior to the committee meeting. The Headteacher reports on the actual income and expenditure figures and explains any variances. Any area of material expenditure is agreed at this committee and ratified by the Full Board of Trustees. Finance policies are considered and agreed by the committee and where appropriate, taken to the Full Board of Trustees. Reports relating to Buildings or Health and Safety are reported by the Deputy Headteacher. The Chairman reports to the Full Board of Trustees.

Curriculum: The Headteacher reports to the Committee on any curriculum changes and the School Development Plan. The Headteacher also reports on targets and achievement. The Chairman reports to the Full Board of Trustees. Any significant change to the curriculum would be discussed and approved by the Trustees.

In addition to these committees, there is a Pay Committee which is chaired by the Chair of Governors. There are other committees who meet when required and report back to the Full Board of Trustees.

Arrangements for setting pay and remuneration of key management personnel

Pay for leadership personnel is set by the Pay Committee. This includes all members of the Senior Leadership Team who have delegated authority for the day to day running of the school.

Related Parties and other Connected Charities and Organisations,

Subsidiary Company

Thornden School is also the sole shareholder of a trading company – Thornden School Services Ltd (incorporated in England and Wales Registration Number: 7781857). The purpose of this company is to enable the school's facilities to be used by the wider community and for any monies raised to be donated back to the Academy.

The Academy Trust works closely with its six feeder primary schools but has no involvement with the operating policies, leadership or governance of these schools. Where links are developed they are designed to broaden the education of our future pupils and ensure a smooth transition. The Academy is also a Teaching School, currently working with 30 other partner schools. It is also the hub school for the strategic school improvement delivery for Hampshire, Southampton, Portsmouth and the Isle of Wight. Again, there is no involvement with the operating policies, leadership or governance of these schools exists. Part of the Teaching School initiative involves working with student teachers through the School Direct programme. Thornden School became a SCITT in March 2014. Audits and accountability checks are carried out by the National College of Teaching and Learning. The finances are managed within the Academy and are reported on separately.

THORNDEN SCHOOL
(A company limited by guarantee)

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

Objectives and Activities

The Academy Trust's object ("the Object") is specifically restricted to the following:

- to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum ("the Academy"); and
- to promote for the benefit of individuals living in Chandlers Ford and the surrounding area who have need by reason of their age, infirmity or disability, financial hardship or social and economic circumstances or for the public at large the provision of facilities for recreation or other leisure time activities in the interests of social welfare and with the object of improving the condition of life of the said individuals.

The School Development Plan lists the aims and objectives for the year and is reviewed annually. Every subject area contributes to the plan and the outcomes are reviewed each year.

Key objectives for the Academy Trust are published in the school development plan 2016-17, highlighting 4 key priorities for the year. In summary these are:

- To secure the highest possible achievement in Key Stage 4.
- To give high priority in all departments to the GCSE classes and especially those in Year 11.
- To deliver the new GCSE's and take a pro-active whole-school approach to the issues which are likely to arise.
- To implement the new assessment policy.
- To review the role of the tutor and implement any agreed changes.

Objectives will be achieved with the involvement of staff through the performance management cycle. Specific identified staff will have key responsibilities to ensure objectives are met. On an annual basis a detailed whole school review is undertaken.

Public Benefit

The Trustees have given due regard to the guidance on public benefit offered in the Charity Commission's general guidance on public benefit.

Thornden School Academy Trust provides an inclusive mixed education for 11-16 year old pupils within the local community. Our Admission Policy is broadly in line with Hampshire County Council and no admission is made on the basis of ability. The school works closely with Hampshire County Council for both admissions and appeals.

THORNDEN SCHOOL
(A company limited by guarantee)

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

Strategic Report

Achievements and Performance

The outcomes achieved by students in Thornden School Academy Trust continue to be outstanding both in terms of achievement and progress. In 2017, 86% achieved English and Maths at 4+, 52% achieved the English Baccalaureate measure at 4/C+ with 46% at 5+. It is anticipated that the progress 8 measure will exceed +0.25.

Performance data for 2016/17 offers evidence of consistent performances in terms of both raw data and value added performance, this data is fully supported by external benchmarks demonstrating the continued delivery of outstanding education to our students. Thornden School Academy Trust reaches targets that have been set internally as well as expectations based on National data sets. Attendance is consistently outstanding with the trend in 2016 at 95% attendance. Exclusion figures are low, with permanent exclusions being very rare.

The ethos of the Academy Trust is characterised and supported by various enrichment activities, from individual music lessons (350+ pupils) to regular sporting, musical and performance based opportunities. Educational trips and activities are undertaken by all pupils. Trips vary from short local activities to overseas trips which support the curriculum or offer enrichment activities.

At the end of the financial year there was a total balance of £750,000 invested with Lloyds Bank in a fixed term deposit account. Interest accrued during 2016-17 was £4,969, which reflects the low interest rates set by the Bank of England. No bank charges relating to cash flow were incurred.

Key Performance Indicators

The use of target setting, performance Management and Benchmarking is informed by use of data available to the school and to individual teachers. The externally generated data/targets and internal documents are considered regularly by the Trustees and Teachers. The school admission numbers remain high and there is a waiting list. This enables Thornden to acquire the best possible allocation in Grant funding. Expenses within budget headings are controlled and both the staffing and repairs and maintenance costs are within target. SCITT status has enabled the school to recruit outstanding teachers in shortage subject areas within the school and Teaching School Alliance.

Going Concern

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

Financial Review

The Board of Trustees consider that the Academy Trust is in a sound financial position.

The School Development Plan is reviewed annually and GAG funding, together with other Government grants including Teaching Schools and SCITT funding is used to fund the objectives agreed.

Trustees review and agree any balances that should be held in the account and carried forward into the following financial year. This is recorded in the minutes and reported to the Full Board of Trustees. The Headteacher and the Business Manager ensure they are up to date with funding information as well as with changes relating to Teachers Pensions contributions, the Local Government Pension Scheme and other Government initiatives including the change in National Insurance contributions. The Audit & Finance Committee also consider longer term planning.

THORNDEN SCHOOL
(A company limited by guarantee)

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

Reserves policy

Our aim is to use the allocated funding each year for the full benefit of our current pupils.

However we also consider it necessary to carry forward some reserves to:

- Provide sufficient working capital to cover delays between spending and receipt of grants;
- To invest in future years' priorities for the children of our school, for example capital projects;
- To have contingency reserve cover expenditure required for unforeseen circumstances such as urgent maintenance.
- To ensure that staffing levels and class sizes can be maintained at an appropriate ratio and that the pupils can continue to have access to the broad curriculum.
- To ensure that the increased costs to employers with regards to the minimum wage, the apprenticeship levy and cost of living pay increases can be met whilst managing the cumulative effect of flat allocations.
- Retain a small balance to account for any deficits which may occur within the Teaching Schools and SCITT budgets.

The reserves as at 31 August 2017 were as follows:

- Unrestricted (free) reserves of £775,414
- A restricted fixed asset fund of £14,333,213, which can only be realised through disposal of tangible fixed assets
- A pension deficit of £1,792,000
- Other restricted funds of £68,628
- Total funds of £13,385,255

There is a £1,792,000 deficit in respect of the Local Government Pension Scheme. This will result in increased employers' pension contributions over a period of years. We have reflected the effect of increased pension costs in our future budgets. Increased pension contributions will be met from the academy trust's budgeted annual income, and whilst the deficit might not be eliminated, there should be no actual cash flow deficit on the fund, or direct impact on the free reserves of the academy trust as a result of recognising the deficit.

Investment Policy

The objective is to maximise investment on any long term accrued balances in order to protect those balances against inflation. The school also aims to invest any other surplus cash funds, as determined by the Business Manager and Assistant Business Manager on a short term basis. All investments will be made ensuring there is no tangible risk to the loss of those funds. The policy states:

1. There will be sufficient cash balances retained in the bank account to meet the day to day running costs of the school.
2. All funds will be invested ensuring that there is no risk to the loss of those funds.
3. Capital funds will be invested to protect against inflation.
4. Other short term surplus balances will be invested to maximise returns.
5. Any other non-cash investments shall only be permissible with prior written approval of the Full Governing Body.

There are two Fixed Term Investment Accounts held with Lloyds Bank, some of which has been invested for a period of several months. The remainder of available funds is invested for between 4-6 weeks to ensure cash flow can be maintained. The maximum amount of cash is invested although a sensible contingency is retained in the bank account. Monies invested are deemed to be safe and not invested in stocks and shares where losses could be incurred.

THORNDEN SCHOOL
(A company limited by guarantee)

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

Principal risks and Uncertainties

Employer responsibility for Local Government Pension Scheme liabilities has increased and will continue to do so over a three year period.

The Academy is likely to incur further future staff costs with the introduction of the living wage as well as the Apprenticeship Levy.

The effects of Brexit and/or a change in Government could affect the cost of goods and services at a time of cash flat budgets.

Risk management and principal risks and uncertainties

The Trustees (through the Chair of the Finance Committee) together with the Deputy Headteacher and School Business Manager have considered the risks and uncertainties that the Academy faces under the following headings:

- Political (including change of Government/Government policy)
- Strategic & Reputational Risks
- Social and Technological
- Legislative and Regulatory
- Environmental and Operational Risks
- Managerial and Professional
- Compliance Risks
- Financial Risks (including grants for various initiatives)
- Legal Risks
- Contractual and Physical Risks

The risk assessment was reviewed in September 2017.

Regular Health and Safety audits are carried out and reported to the Audit & Finance Committee. Internal training and assessments take place regularly as recommended by the school's Health and Safety Advisor. Other safeguards include a Business Continuity Plan and adequate insurance cover.

Staff training aims to ensure risks to the health and safety of our pupils, staff, visitors, contractors and other stakeholders are minimised.

Plans for Future Periods

The Academy continues to strive to ensure that all pupils achieve the best possible outcome. The School Development Plan lists the key aims and objectives for the year. The document clearly states how this will be achieved.

Thornden School Academy Trust is in a fortunate position as the number of pupils has remained consistent for a number of years and we continue to be oversubscribed.

THORNDEN SCHOOL
(A company limited by guarantee)

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

Auditor

In so far as the trustees are aware:

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

The trustees' report, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 29 November 2017 and signed on the board's behalf by:



Mr R Boden
Chair of Trustees

THORNDEN SCHOOL
(A company limited by guarantee)

GOVERNANCE STATEMENT

Scope of Responsibility

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

The board of trustees has delegated the day-to-day responsibility to the Headteacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Thornden School and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

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

| | Meetings attended | Out of a possible |
|--|-------------------|-------------------|
| Mr R D Boden (Chairman) | 6 | 6 |
| Dr K Jones | 5 | 6 |
| Mrs S Allen | 6 | 6 |
| Mr A Alzetani | 4 | 5 |
| Mrs J Beckingham (staff trustee) | 4 | 6 |
| Mrs T Bevan (staff trustee) | 6 | 6 |
| Mr S Bowyer | 3 | 5 |
| Mrs E Challand | 6 | 6 |
| Mrs L Fogleman-Peaston (staff trustee) | 6 | 6 |
| Mr D Francis | 6 | 6 |
| Mrs P Roberts (staff trustee) | 6 | 6 |
| Mrs S Holley | 1 | 5 |
| Mr A J Innes | 4 | 6 |
| Mrs M C Jeffery | 5 | 6 |
| Mr I Harwood | 5 | 6 |
| Dr V M Radford | 5 | 6 |
| Mr T W Ricketts | 6 | 6 |
| Mr P Sampson | 6 | 6 |
| Miss S Whelan (Headteacher) | 6 | 6 |

Trustee Committees are reviewed annually. Trustees are consulted and given the opportunity to join a committee, change committee or resign from a committee annually. All committees have been fully staffed and a range of training has been offered. Thornden Academy Trust is fortunate that there have been no unfilled vacancies on the Board of Trustees since conversion.

THORNDEN SCHOOL
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

Governance (continued)

The Audit & Finance Committee is a sub-committee of the main Board of Trustees. Its purpose is to: Oversee the finances within the framework set by the full Board of Trustees and to receive Audit reports, monitor and make recommendations to all trustees. Attendance at meetings in the year was as follows:

| | Meetings attended | Out of a possible |
|------------------------|-------------------|-------------------|
| Mr R Boden | 1 | 1 |
| Mrs S Allen | 6 | 6 |
| Mr T Ricketts | 6 | 6 |
| Mr P Sampson | 5 | 6 |
| Mr I Harwood | 5 | 5 |
| Mrs L Fogleman-Peaston | 4 | 5 |
| Miss S Whelan | 6 | 6 |

Review of Value for Money

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

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

Financial governance and oversight: The Business Manager produces monthly accounts and these are considered by the Headteacher and the Audit & Finance Committee up to a maximum of six times per year and reported to the Full Board of Trustees. Areas of significant expenditure are proposed by the Audit & Finance Committee and ratified by the Board. Trustees are given the opportunity to make suggestions and to ask questions at all levels. The objectives listed in the School Development Plans are reviewed annually and Trustees ask the Staff representatives about feedback from the teachers and support staff. Systems work well and this is reflected in both pupil achievement and the balances held in the accounts.

Improving educational outcomes: The School Development Plan lists the objectives for the year which always includes a focus on pupils, particularly those in KS4. The teaching staff structure is reviewed annually and support staff roles are reviewed annually. The SDP is reviewed to ensure targets have been met and have represented value for money.

Reviewing controls and managing risks: There is a risk register which is reviewed. Budget information is presented in a manner which compares actual expenditure against the budget allocation and predicts the outturn at year end. The data is used as part of the decision making process. Balances available are put into a Development Fund and utilised to pay for the objectives listed in the School Development Plan or as decided by the Full Board of Trustees. The Audit & Finance Committee have set how investments should be made. There have been two investment accounts, one holding funds invested for several months, the other invests for a maximum of six weeks. However, as a better rate of interest is available in the current account, the short term investment account was closed in March 2017. Interest rates are kept under review and should there be a change, a second investment account will be re-opened. As the school now manages its own payroll in house, a healthy balance must be retained in the current account.

THORNDEN SCHOOL
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

The Purpose of the System of Internal Control

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

Capacity to Handle Risk

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

The Risk and Control Framework

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

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

The Board of Trustees has considered the need for a specific internal audit function and has decided to appoint Hopper Williams & Bell Limited to carry out a programme of internal checks.

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

- Testing of payroll systems
- Testing of purchase systems
- Testing of control account/bank reconciliation
- Testing of internal controls

The auditor has provided a written report on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities to the Business Manager who presents the report to the Audit and Finance Committee. There were no material issues found.

THORNDEN SCHOOL
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

Review of Effectiveness

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

- the work of the external auditors;
- the 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 Audit Committee and a plan to ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 29 November 2017 and signed on their behalf, by:



.....
Mr R Boden
Chair of Trustees



.....
Miss S Whelan
Accounting Officer

THORNDEN SCHOOL
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

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

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



.....
Ms S Whelan
Accounting Officer

Date: 29 November 2017

THORNDEN SCHOOL
(A company limited by guarantee)

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

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

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

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

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

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

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

Approved by order of the members of the board of trustees on 29 November 2017 and signed on its behalf by:



.....
Mr R Boden
Chair of Trustees

THORNDEN SCHOOL
(A company limited by guarantee)

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

OPINION

We have audited the financial statements of Thornden School (the 'parent academy') and its subsidiaries (the 'group') for the year ended 31 August 2017 which comprise the Group Consolidated statement of financial activities incorporating income and expenditure account, the Group Consolidated balance sheet, the Group Consolidated statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Academy's affairs as at 31 August 2017 and of the Group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

BASIS 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 Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

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

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

THORNDEN SCHOOL
(A company limited by guarantee)

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

OTHER INFORMATION

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

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

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of our knowledge and understanding of the Group and the parent Academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report including the Group 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:

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

THORNDEN SCHOOL
(A company limited by guarantee)

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

RESPONSIBILITIES OF TRUSTEES

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

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

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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



Richard Hurst FCA (Senior statutory auditor)
for and on behalf of

Hopper Williams & Bell Limited

Statutory Auditor

Highland House

Mayflower Close

Chandlers Ford

Eastleigh

Hampshire

SO53 4AR

Date: 18 December 2017

THORNDEN SCHOOL
(A company limited by guarantee)

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

In accordance with the terms of our engagement letter dated 4 September 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Thornden School during the year 1 September 2016 to 31 August 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

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

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

APPROACH

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

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

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

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

THORNDEN SCHOOL
(A company limited by guarantee)

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

SUMMARY OF WORK UNDERTAKEN

We carried out the following:

- planning of assurance procedures including identifying key risks;
- substantive testing including analytical review;
- concluding on procedures carried out.

Substantive testing included the following procedures:

- confirming that activities conform to the Academy's framework of authorities;
- considering the evidence supporting the Accounting Officer's statement on regularity, propriety and compliance;
- evaluating the general control environment of the Academy;
- testing a sample of transactions to consider whether the transaction is permissible within the Academy's framework of authorities;
- confirming whether any extra-contractual payments have been made and whether appropriate authority was obtained;
- reviewing documentation for evidence of borrowing and confirming if approval was obtained from the ESFA;
- confirming whether ESFA approval was obtained for any disposals of assets;
- reviewing the internal control procedures relating to credit cards;
- reviewing for any indication of purchases for personal use by staff or officers;
- reviewing the list of suppliers to consider whether supplies are from related parties;
- considering whether income generating activities are permissible within the Academy's charitable objects;
- reviewing whether lettings to related parties are made at favourable rates.

CONCLUSION

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



Richard Hurst FCA

Hopper Williams & Bell Limited
Statutory Auditor
Highland House
Mayflower Close
Chandlers Ford
Eastleigh
Hampshire
SO53 4AR

Date: 18 December 2017

THORNDEN SCHOOL
(A company limited by guarantee)

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

| | Note | Un- restricted funds 2017 £ | Restricted funds 2017 £ | Restricted fixed asset funds 2017 £ | Total funds 2017 £ | Total funds 2016 £ |
|---|------|---|----------------------------------|---|-----------------------------|-----------------------------|
| INCOME FROM: | | | | | | |
| Donations and capital grants | 2 | - | 7,114 | 27,861 | 34,975 | 48,505 |
| Charitable activities | 3 | - | 7,369,788 | - | 7,369,788 | 7,593,764 |
| Other trading activities | | 551,239 | - | - | 551,239 | 371,114 |
| Investments | 4 | 4,654 | - | - | 4,654 | 6,822 |
| TOTAL INCOME | | 555,893 | 7,376,902 | 27,861 | 7,960,656 | 8,020,205 |
| EXPENDITURE ON: | | | | | | |
| Raising funds | | 288,043 | - | - | 288,043 | 175,715 |
| Charitable activities | | 5,125 | 7,912,532 | 314,481 | 8,232,138 | 8,272,864 |
| TOTAL EXPENDITURE | 5 | 293,168 | 7,912,532 | 314,481 | 8,520,181 | 8,448,579 |
| NET INCOME / (EXPENDITURE) BEFORE TRANSFERS | | | | | | |
| Transfers between Funds | 20 | 262,725 (293,020) | (535,630) 293,020 | (286,620) - | (559,525) - | (428,374) - |
| NET EXPENDITURE BEFORE OTHER RECOGNISED GAINS AND LOSSES | | | | | | |
| | | (30,295) | (242,610) | (286,620) | (559,525) | (428,374) |
| Actuarial gains/(losses) on defined benefit pension schemes | 25 | - | 654,000 | - | 654,000 | (1,068,000) |
| NET MOVEMENT IN FUNDS | | (30,295) | 411,390 | (286,620) | 94,475 | (1,496,374) |
| RECONCILIATION OF FUNDS: | | | | | | |
| Total funds brought forward | | 805,709 | (2,134,762) | 14,619,833 | 13,290,780 | 14,787,154 |
| TOTAL FUNDS CARRIED FORWARD | | 775,414 | (1,723,372) | 14,333,213 | 13,385,255 | 13,290,780 |

The notes on pages 29 to 52 form part of these financial statements.

THORNDEN SCHOOL
(A company limited by guarantee)
REGISTERED NUMBER: 07562918

CONSOLIDATED BALANCE SHEET
AS AT 31 AUGUST 2017

| | Note | £ | 2017 £ | £ | 2016 £ |
|--|------|--------------------|-------------------|--------------------|-------------------|
| FIXED ASSETS | | | | | |
| Tangible assets | 13 | | 14,304,372 | | 14,586,987 |
| CURRENT ASSETS | | | | | |
| Stocks | 15 | 906 | | - | |
| Debtors | 16 | 583,514 | | 363,646 | |
| Investments | 17 | 750,000 | | 615,965 | |
| Cash at bank and in hand | | 523,568 | | 580,812 | |
| | | <u>1,857,988</u> | | <u>1,560,423</u> | |
| CREDITORS: amounts falling due within one year | 18 | <u>(860,148)</u> | | <u>(663,630)</u> | |
| NET CURRENT ASSETS | | | <u>997,840</u> | | <u>896,793</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | <u>15,302,212</u> | | <u>15,483,780</u> |
| CREDITORS: amounts falling due after more than one year | 19 | | <u>(124,957)</u> | | <u>-</u> |
| NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES | | | <u>15,177,255</u> | | <u>15,483,780</u> |
| Defined benefit pension scheme liability | 25 | (1,792,000) | | (2,193,000) | |
| NET ASSETS INCLUDING PENSION SCHEME LIABILITIES | | | <u>13,385,255</u> | | <u>13,290,780</u> |
| FUNDS OF THE ACADEMY | | | | | |
| Restricted income funds: | | | | | |
| Restricted income funds | 20 | 68,628 | | 58,238 | |
| Restricted fixed asset funds | 20 | 14,333,213 | | 14,619,833 | |
| Restricted income funds excluding pension liability | | <u>14,401,841</u> | | <u>14,678,071</u> | |
| Pension reserve | | <u>(1,792,000)</u> | | <u>(2,193,000)</u> | |
| Total restricted income funds | | | <u>12,609,841</u> | | <u>12,485,071</u> |
| Unrestricted income funds | 20 | | <u>775,414</u> | | <u>805,709</u> |
| TOTAL FUNDS | | | <u>13,385,255</u> | | <u>13,290,780</u> |

THORNDEN SCHOOL
(A company limited by guarantee)

CONSOLIDATED BALANCE SHEET (continued)
AS AT 31 AUGUST 2017

The financial statements on pages 23 to 52 were approved by the Trustees, and authorised for issue, on 29 November 2017 and are signed on their behalf, by:


.....
Mr R Boden
Chair of Trustees

The notes on pages 29 to 52 form part of these financial statements.

THORNDEN SCHOOL
(A company limited by guarantee)
REGISTERED NUMBER: 07562918

ACADEMY BALANCE SHEET
AS AT 31 AUGUST 2017

| | Note | £ | 2017 £ | £ | 2016 £ |
|--|------|--------------------|--------------------|------------------|-------------|
| FIXED ASSETS | | | | | |
| Tangible assets | 13 | | 14,304,372 | | 14,586,987 |
| Investments | 14 | | 1 | | 1 |
| | | | 14,304,373 | | 14,586,988 |
| CURRENT ASSETS | | | | | |
| Debtors | 16 | 812,634 | | 537,305 | |
| Investments | 17 | 750,000 | | 615,965 | |
| Cash at bank and in hand | | 212,696 | | 328,114 | |
| | | 1,775,330 | | 1,481,384 | |
| CREDITORS: amounts falling due within one year | 18 | (777,491) | | (584,593) | |
| NET CURRENT ASSETS | | | 997,839 | | 896,791 |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | 15,302,212 | | 15,483,779 |
| CREDITORS: amounts falling due after more than one year | 19 | | (124,957) | | - |
| NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES | | | 15,177,255 | | 15,483,779 |
| Defined benefit pension scheme liability | 25 | | (1,792,000) | | (2,193,000) |
| NET ASSETS INCLUDING PENSION SCHEME LIABILITIES | | | 13,385,255 | | 13,290,779 |
| FUNDS OF THE ACADEMY | | | | | |
| Restricted funds: | | | | | |
| Restricted funds | | 68,628 | | 58,238 | |
| Restricted fixed asset funds | | 14,333,213 | | 14,619,833 | |
| Restricted funds excluding pension asset | | 14,401,841 | | 14,678,071 | |
| Pension reserve | | (1,792,000) | | (2,193,000) | |
| Total restricted funds | | | 12,609,841 | | 12,485,071 |
| Un-restricted funds | | | 775,414 | | 805,708 |
| TOTAL FUNDS | | | 13,385,255 | | 13,290,779 |

THORNDEN SCHOOL
(A company limited by guarantee)

ACADEMY BALANCE SHEET (continued)
AS AT 31 AUGUST 2017

The financial statements were approved by the Trustees, and authorised for issue, on 29 November 2017 and are signed on their behalf, by:



.....
Mr R Boden
Chair of Trustees

The notes on pages 29 to 52 form part of these financial statements.

THORNDEN SCHOOL
(A company limited by guarantee)

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

| | Note | 2017 £ | 2016 £ |
|--|------|------------------|-----------|
| Cash flows from operating activities | | | |
| Net cash provided by operating activities | 22 | 108,657 | 73,483 |
| Cash flows from investing activities: | | | |
| Purchase of tangible fixed assets | | (31,866) | (76,998) |
| (Purchase)/sale of short term unlisted investments | | (134,035) | 296,305 |
| Net cash (used in)/provided by investing activities | | (165,901) | 219,307 |
| Change in cash and cash equivalents in the year | | (57,244) | 292,790 |
| Cash and cash equivalents brought forward | | 580,812 | 288,022 |
| Cash and cash equivalents carried forward | 23 | 523,568 | 580,812 |

THORNDEN SCHOOL
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES

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

1.1 Basis of preparation of financial statements

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

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

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

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

1.2 Fund accounting

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

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

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

THORNDEN SCHOOL
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.3 Income

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

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

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

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

Donations are recognised on a receivable basis where receipt is probable and the amount can be reliably measured.

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

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. 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 includes all expenditure incurred by the Academy to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

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

All expenditure is inclusive of irrecoverable VAT.

THORNDEN SCHOOL
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.5 Going concern

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

1.6 Basis of consolidation

The financial statements consolidate the accounts of Thornden School and all of its subsidiary undertakings ('subsidiaries').

The Academy has taken advantage of the exemption contained within 408 of the Companies Act 2006 not to present its own Income and expenditure account.

1.7 Turnover

Turnover comprises revenue recognised by the Academy in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

THORNDEN SCHOOL
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.8 Tangible fixed assets and depreciation

All assets costing more than £2,500 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

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

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

| | | |
|------------------------------|---|--|
| Long-term leasehold land | - | Not provided |
| Long-term leasehold property | - | Shorter of 50 years straight line or length of lease |
| Leasehold improvements | - | 15 & 50 years - straight line |
| Motor vehicles | - | 5 years - straight line |
| Fixtures and fittings | - | 3 & 7 years - straight line |
| Computer equipment | - | 3 years - straight line |

Long leasehold land has not been depreciated as it is similar to freehold land, which does not require depreciation.

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.

1.9 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless fair value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'Gains/(losses) on investments' in the Statement of financial activities.

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

1.10 Operating leases

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

THORNDEN SCHOOL
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.11 Stocks

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

1.12 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.

1.13 Cash at Bank and in hand

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

1.14 Liabilities and provisions

Liabilities and provisions are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.15 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 16. Prepayments are not financial instruments. Amounts due to the Academy's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in notes 18 and 19. 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 other financial instruments. Amounts due to the Academy's wholly owned subsidiary are held at face value less any impairment.

THORNDEN SCHOOL
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.16 Taxation

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

1.17 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 25, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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 and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

1.18 Agency arrangements

The academy trust acts as an agent in distributing training bursaries from the NCTL. Payments received and subsequent disbursements are excluded from the statement of financial activities as the academy does not have control over the charitable application of the funds. The funds received and paid and any balances held are disclosed in the notes to the accounts.

THORNDEN SCHOOL
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.19 Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

| | Un- restricted funds 2017 £ | Restricted funds 2017 £ | Restricted fixed asset funds 2017 £ | Total funds 2017 £ | Total funds 2016 £ |
|-------------------|---|----------------------------------|---|-----------------------------|-----------------------------|
| Donations | - | 7,114 | - | 7,114 | 20,593 |
| Capital grants | - | - | 27,861 | 27,861 | 27,912 |
| | - | 7,114 | 27,861 | 34,975 | 48,505 |
| <i>Total 2016</i> | - | 20,593 | 27,912 | 48,505 | |

THORNDEN SCHOOL
(A company limited by guarantee)

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

3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

| | Un- restricted funds 2017 £ | Restricted funds 2017 £ | Total funds 2017 £ | Total funds 2016 £ |
|--------------------------------|---|----------------------------------|-----------------------------|-----------------------------|
| DfE/ESFA grants | | | | |
| General Annual Grant (GAG) | - | 6,283,208 | 6,283,208 | 6,278,428 |
| Teaching Schools | - | 130,920 | 130,920 | 138,412 |
| Schools Direct | - | 288,822 | 288,822 | 481,936 |
| DfE/ESFA other grants | - | 100,067 | 100,067 | 108,069 |
| | - | 6,803,017 | 6,803,017 | 7,006,845 |
| Other government grants | | | | |
| Local authority grants | - | 61,551 | 61,551 | 47,160 |
| | - | 61,551 | 61,551 | 47,160 |
| Other funding | | | | |
| Trip income | - | 237,465 | 237,465 | 297,656 |
| Tuition fee income | - | 145,689 | 145,689 | 171,098 |
| Other income | - | 122,066 | 122,066 | 71,005 |
| | - | 505,220 | 505,220 | 539,759 |
| | - | 7,369,788 | 7,369,788 | 7,593,764 |
| <i>Total 2016</i> | - | 7,593,764 | 7,593,764 | |

4. INVESTMENT INCOME

| | Un- restricted funds 2017 £ | Restricted funds 2017 £ | Total funds 2017 £ | Total funds 2016 £ |
|---------------------|---|----------------------------------|-----------------------------|-----------------------------|
| Short term deposits | 4,654 | - | 4,654 | 6,822 |
| <i>Total 2016</i> | 6,822 | - | 6,822 | |

THORNDEN SCHOOL
(A company limited by guarantee)

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

5. EXPENDITURE

| | Staff costs 2017 £ | Premises 2017 £ | Other costs 2017 £ | Total 2017 £ | Total 2016 £ |
|------------------------------------|--------------------------|-----------------------|--------------------------|--------------------|--------------------|
| Expenditure on fundraising trading | 24,395 | - | 263,648 | 288,043 | 175,715 |
| Academy's educational operations: | | | | | |
| Direct costs | 4,626,164 | - | 1,339,314 | 5,965,478 | 6,128,068 |
| Support costs | 1,417,171 | 555,911 | 293,578 | 2,266,660 | 2,092,550 |
| | <u>6,067,730</u> | <u>555,911</u> | <u>1,896,540</u> | <u>8,520,181</u> | <u>8,396,333</u> |
| <i>Total 2016</i> | <u>5,842,317</u> | <u>532,442</u> | <u>2,021,574</u> | <u>8,396,333</u> | |

6. ANALYSIS OF SUPPORT COSTS

| | Educational operations £ | Total 2017 £ | Total 2016 £ |
|--------------------------|--------------------------------|--------------------|--------------------|
| Technology costs | 68,173 | 68,173 | 49,164 |
| Premises costs | 555,911 | 555,911 | 532,442 |
| Governance costs | 13,457 | 13,457 | 15,617 |
| Other costs | 170,548 | 170,548 | 198,704 |
| Wages and salaries | 945,417 | 945,417 | 931,911 |
| National insurance | 74,476 | 74,476 | 59,887 |
| Pension cost | 393,587 | 393,587 | 229,883 |
| Depreciation | 45,091 | 45,091 | 74,942 |
| | <u>2,266,660</u> | <u>2,266,660</u> | <u>2,092,550</u> |
| <i>At 31 August 2016</i> | <u>2,092,550</u> | <u>2,092,550</u> | |

7. EXPENDITURE - ANALYSIS OF SPECIFIC EXPENSES

Included within expenditure are the following transactions:

| | Total £ | Individual items above £5,000 Amount £ | Reason |
|-------------------------|------------|--|--------|
| Gifts made by the trust | 633 | - | |

THORNDEN SCHOOL
(A company limited by guarantee)

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

8. NET INCOME/(EXPENDITURE)

This is stated after charging:

| | 2017 £ | 2016 £ |
|---|----------------|----------------|
| Depreciation of tangible fixed assets: | | |
| - owned by the charitable group | 314,481 | 333,519 |
| Auditors' remuneration - audit | 9,615 | 9,335 |
| Auditors' remuneration - other services | 3,400 | 5,510 |
| Operating lease rentals | 20,338 | 14,542 |
| | <u>347,834</u> | <u>362,906</u> |

9. TURNOVER

An analysis of turnover by class of business is as follows:

| | 2017 £ | 2016 £ |
|--------------|----------------|----------------|
| Lettings | 183,895 | 157,982 |
| Ticket sales | 237,126 | 117,020 |
| Other | 130,218 | 96,112 |
| | <u>551,239</u> | <u>371,114</u> |

All turnover arose within the United Kingdom.

THORNDEN SCHOOL
(A company limited by guarantee)

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

10. STAFF COSTS

Staff costs were as follows:

| | 2017 £ | 2016 £ |
|--|------------------|------------------|
| Wages and salaries | 4,622,093 | 4,631,443 |
| Social security costs | 447,659 | 380,105 |
| Operating costs of defined benefit pension schemes | 994,287 | 830,769 |
| | <u>6,064,039</u> | <u>5,842,317</u> |
| Apprenticeship levy | 3,691 | - |
| | <u>6,067,730</u> | <u>5,842,317</u> |

Included in staff costs is one non-statutory/non-contractual severance payment of £nil (2016: £8,275).

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

| | 2017 No. | 2016 No. |
|----------------------------|-------------|-------------|
| Teachers | 85 | 81 |
| Administration and support | 54 | 54 |
| Management | 6 | 6 |
| | <u>145</u> | <u>141</u> |

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

| | 2017 No. | 2016 No. |
|--------------------------------|-------------|-------------|
| In the band £60,001 - £70,000 | 2 | 4 |
| In the band £70,001 - £80,000 | 2 | 0 |
| In the band £80,001 - £90,000 | 0 | 2 |
| In the band £90,001 - £100,000 | 1 | 0 |

The key management personnel of the academy trust comprise the senior management team as listed on page 2. The total amount of staff costs in respect of key management personnel was £537,143 (2016: £506,335).

THORNDEN SCHOOL
(A company limited by guarantee)

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

11. TRUSTEES' REMUNERATION AND EXPENSES

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

| | | 2017 | 2016 |
|-------------------------------------|----------------------------|----------------|---------|
| | | £'000 | £'000 |
| A total of four (2016 - five) staff | Remuneration | 175-180 | 255-260 |
| governors | Pension contributions paid | 25-30 | 40-45 |

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

12. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2017 was £2,678 (2016 - £2,652).

THORNDEN SCHOOL
(A company limited by guarantee)

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

13. TANGIBLE FIXED ASSETS

| Group and Academy | Long-term leasehold property £ | Motor vehicles £ | Fixtures and fittings £ | Computer equipment £ | Total £ |
|-----------------------|---|------------------------|-------------------------------|----------------------------|------------|
| Cost | | | | | |
| At 1 September 2016 | 15,873,519 | 5,000 | 2,069,070 | 827,587 | 18,775,176 |
| Additions | - | - | 19,868 | 11,998 | 31,866 |
| At 31 August 2017 | 15,873,519 | 5,000 | 2,088,938 | 839,585 | 18,807,042 |
| Depreciation | | | | | |
| At 1 September 2016 | 1,370,452 | 5,000 | 2,024,162 | 788,575 | 4,188,189 |
| Charge for the year | 269,390 | - | 21,230 | 23,861 | 314,481 |
| At 31 August 2017 | 1,639,842 | 5,000 | 2,045,392 | 812,436 | 4,502,670 |
| Net book value | | | | | |
| At 31 August 2017 | 14,233,677 | - | 43,546 | 27,149 | 14,304,372 |
| At 31 August 2016 | 14,503,067 | - | 44,908 | 39,012 | 14,586,987 |

14. FIXED ASSET INVESTMENTS

| Academy | Shares in group undertakings £ |
|--|---|
| Cost | |
| At 1 September 2016 and 31 August 2017 | 1 |

The investment represents 100% of the ordinary share capital of Thornden School Services Limited, whose principal activity is to carry out trading activities in support of the academy.

15. STOCKS

| | Group | | Academy | |
|-------------------------------------|--------------|-----------|----------------|-----------|
| | 2017 £ | 2016 £ | 2017 £ | 2016 £ |
| Finished goods and goods for resale | 906 | - | - | - |

THORNDEN SCHOOL
(A company limited by guarantee)

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

16. DEBTORS

| | Group | | Academy | |
|------------------------------------|----------------|----------------|----------------|----------------|
| | 2017 | 2016 | 2017 | 2016 |
| | £ | £ | £ | £ |
| Trade debtors | 21,811 | 37,476 | 4,637 | 16,438 |
| Amounts owed by group undertakings | - | - | 246,294 | 195,207 |
| Other debtors | 61,399 | 70,607 | 61,399 | 70,097 |
| Prepayments and accrued income | 500,304 | 255,563 | 500,304 | 255,563 |
| | 583,514 | 363,646 | 812,634 | 537,305 |

17. CURRENT ASSET INVESTMENTS

| | Group | | Academy | |
|---------------------|--------------|-------------|----------------|-------------|
| | 2017 | 2016 | 2017 | 2016 |
| | £ | £ | £ | £ |
| Fixed term deposits | 750,000 | 615,965 | 750,000 | 615,965 |

18. CREDITORS: Amounts falling due within one year

| | Group | | Academy | |
|------------------------------------|----------------|----------------|----------------|----------------|
| | 2017 | 2016 | 2017 | 2016 |
| | £ | £ | £ | £ |
| Trade creditors | 184,512 | 180,962 | 177,166 | 177,786 |
| Other taxation and social security | 115,252 | 114,357 | 113,336 | 113,243 |
| Other creditors | 152,905 | 170,292 | 106,341 | 100,290 |
| Accruals and deferred income | 407,479 | 198,019 | 380,648 | 193,274 |
| | 860,148 | 663,630 | 777,491 | 584,593 |

| | Group | | Academy | |
|--------------------------------------|----------------|----------------|----------------|----------------|
| | 2017 | 2016 | 2017 | 2016 |
| | £ | £ | £ | £ |
| Deferred income | | | | |
| Deferred income at 1 September 2016 | 198,798 | 100,426 | 128,796 | 100,426 |
| Resources deferred during the year | 298,515 | 198,798 | 276,534 | 128,796 |
| Amounts released from previous years | (198,798) | (100,426) | (128,796) | (100,426) |
| Deferred income at 31 August 2017 | 298,515 | 198,798 | 276,534 | 128,796 |

At the balance sheet date the academy was holding funds received in advance for school trips which relate to the forthcoming academic year.

THORNDEN SCHOOL
(A company limited by guarantee)

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

Agency arrangements

a) NCTL grants

At the balance sheet date the academy was holding funds received in respect of NCTL grants as follows:

| | Schools Direct £ | Training Bursaries £ | Teaching School £ |
|-----------------|---------------------------------|-------------------------------------|----------------------------------|
| Brought forward | - | - | 6,039 |
| Grants received | - | 309,000 | - |
| Expenditure | - | (303,500) | - |
| Total | - | 5,500 | 6,039 |

b) Tennis court

At the balance sheet date the academy was holding funds in respect of the future maintenance of its tennis court, as follows:

| | £ |
|-----------------|---------------|
| Brought forward | 42,343 |
| Contributions | 4,000 |
| Total | 46,343 |

19. CREDITORS: Amounts falling due after more than one year

| | <u>Group</u> | | <u>Academy</u> | |
|-----------------|--------------|------|----------------|------|
| | 2017 | 2016 | 2017 | 2016 |
| | £ | £ | £ | £ |
| Other creditors | 124,957 | - | 124,957 | - |

Included within other creditors are loans as follows:

1) £49,957 from Salix Finance which is repayable in 12 equal installments from March 2018 to September 2023.

2) £85,000 from HC3S (Hampshire County Council Catering Services). There is no set repayment date as the loan is to be repaid through profits arising from the provision of catering services.

THORNDEN SCHOOL
(A company limited by guarantee)

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

20. STATEMENT OF FUNDS

| | Balance at 1 September 2016 £ | Income £ | Expenditure £ | Transfers in/out £ | Gains/ (Losses) £ | Balance at 31 August 2017 £ |
|-------------------------------------|---|------------------|--------------------|--------------------------|-------------------------|--------------------------------------|
| Unrestricted funds | | | | | | |
| Reserves | 805,709 | 555,893 | (293,168) | (293,020) | - | 775,414 |
| Restricted funds | | | | | | |
| General Annual Grant (GAG) | - | 6,283,208 | (6,508,497) | 225,289 | - | - |
| Pupil premium | - | 90,974 | (90,974) | - | - | - |
| Other DfE/ESFA grants | - | 9,093 | (9,093) | - | - | - |
| Local authority grants | - | 61,551 | (61,551) | - | - | - |
| Other educational activities | - | 491,001 | (491,001) | - | - | - |
| Teaching Schools | - | 130,920 | (198,651) | 67,731 | - | - |
| Schools direct / SCITT | 41,585 | 288,822 | (291,210) | - | - | 39,197 |
| School fund | 16,653 | 21,333 | (8,555) | - | - | 29,431 |
| Pension reserve | (2,193,000) | - | (253,000) | - | 654,000 | (1,792,000) |
| | <u>(2,134,762)</u> | <u>7,376,902</u> | <u>(7,912,532)</u> | <u>293,020</u> | <u>654,000</u> | <u>(1,723,372)</u> |
| Restricted fixed asset funds | | | | | | |
| | Balance at 1 September 2016 £ | Income £ | Expenditure £ | Transfers in/out £ | Gains/ (Losses) £ | Balance at 31 August 2017 £ |
| Fixed asset fund | 14,586,987 | - | (314,481) | 31,866 | - | 14,304,372 |
| DfE/ESFA capital grants | 32,846 | 27,861 | - | (31,866) | - | 28,841 |
| | <u>14,619,833</u> | <u>27,861</u> | <u>(314,481)</u> | <u>-</u> | <u>-</u> | <u>14,333,213</u> |
| Total restricted funds | <u>12,485,071</u> | <u>7,404,763</u> | <u>(8,227,013)</u> | <u>293,020</u> | <u>654,000</u> | <u>12,609,841</u> |
| Total of funds | <u>13,290,780</u> | <u>7,960,656</u> | <u>(8,520,181)</u> | <u>-</u> | <u>654,000</u> | <u>13,385,255</u> |

THORNDEN SCHOOL
(A company limited by guarantee)

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

20. STATEMENT OF FUNDS (continued)

STATEMENT OF FUNDS - PRIOR YEAR

| | Balance at 1 September 2015 £ | Income £ | Expenditure £ | Transfers in/out £ | Gains/ (Losses) £ | Balance at 31 August 2016 £ |
|-------------------------------------|--|------------------|--------------------|--------------------------|-------------------------|--------------------------------------|
| Unrestricted funds | | | | | | |
| Reserves | 872,381 | 377,936 | (181,453) | (263,155) | - | 805,709 |
| | <u>872,381</u> | <u>377,936</u> | <u>(181,453)</u> | <u>(263,155)</u> | <u>-</u> | <u>805,709</u> |
| Restricted funds | | | | | | |
| General Annual Grant (GAG) | - | 6,278,428 | (6,496,306) | 217,878 | - | - |
| Pupil premium | - | 99,069 | (99,069) | - | - | - |
| Other DfE/ESFA grants | - | 92,500 | (92,500) | - | - | - |
| Local authority grants | - | 47,160 | (47,160) | - | - | - |
| Other educational activities | 22,984 | 460,356 | (483,340) | - | - | - |
| Teaching Schools | - | 86,166 | (86,166) | - | - | - |
| Schools direct / SCITT | 28,901 | 480,982 | (468,298) | - | - | 41,585 |
| School fund | 14,725 | 17,450 | (15,522) | - | - | 16,653 |
| Pension reserve | (1,032,000) | - | (93,000) | - | (1,068,000) | (2,193,000) |
| | <u>(965,390)</u> | <u>7,562,111</u> | <u>(7,881,361)</u> | <u>217,878</u> | <u>(1,068,000)</u> | <u>(2,134,762)</u> |
| Restricted fixed asset funds | | | | | | |
| | Balance at 1 September 2015 £ | Income £ | Expenditure £ | Transfers in/out £ | Gains/ (Losses) £ | Balance at 31 August 2016 £ |
| Fixed asset fund | 14,843,508 | - | (333,519) | 76,998 | - | 14,586,987 |
| DfE/ESFA capital grants | 36,655 | 27,912 | - | (31,721) | - | 32,846 |
| | <u>14,880,163</u> | <u>27,912</u> | <u>(333,519)</u> | <u>45,277</u> | <u>-</u> | <u>14,619,833</u> |
| Total restricted funds | <u>13,914,773</u> | <u>7,590,023</u> | <u>(8,214,880)</u> | <u>263,155</u> | <u>(1,068,000)</u> | <u>12,485,071</u> |
| Total of funds | <u>14,787,154</u> | <u>7,967,959</u> | <u>(8,396,333)</u> | <u>-</u> | <u>(1,068,000)</u> | <u>13,290,780</u> |

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

20. STATEMENT OF FUNDS (continued)

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

General annual grant

This includes all funding received from the ESFA to carry out the objectives of the academy. It includes the school budget share, minimum funding guarantee, education services grant, insurance, rates, and pre/post-16 high need funding.

Pupil premium and other DfE/ESFA grants

This is funding received from the ESFA for specific purposes.

Teaching School

Teaching schools are outstanding schools that work with others to provide high quality training and development to new and experienced school staff. This is funding received from the DfE/ESFA for this purpose.

Schools Direct & SCITT

This is funding received from the DfE/ESFA in respect of initial teacher training.

Local authority grants

This is funding received from the local authority for specific purposes, for example Special Educational Needs funding.

Other educational activities

This includes all other educational income/expenditure.

Pension reserve

This represents the negative reserve in respect of the liability on the LGPS pension scheme which was transferred to the academy on conversion.

Fixed asset fund

The fund includes the value of the tangible fixed assets of the academy on conversion, and amounts transferred from GAG or other restricted funds specifically for expenditure on tangible fixed assets, and the annual charges for depreciation of these assets.

DfE/ESFA capital grants

This is money received from the DfE/ESFA specifically for expenditure on tangible fixed assets.

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

THORNDEN SCHOOL
(A company limited by guarantee)

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

21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

| | Un- restricted funds 2017 £ | Restricted funds 2017 £ | Restricted fixed asset funds 2017 £ | Total funds 2017 £ |
|-------------------------------------|---|----------------------------------|---|-----------------------------|
| Tangible fixed assets | - | - | 14,304,372 | 14,304,372 |
| Current assets | 858,071 | 971,076 | 28,841 | 1,857,988 |
| Creditors due within one year | (82,657) | (777,491) | - | (860,148) |
| Creditors due in more than one year | - | (124,957) | - | (124,957) |
| Pension reserve | - | (1,792,000) | - | (1,792,000) |
| | <u>775,414</u> | <u>(1,723,372)</u> | <u>14,333,213</u> | <u>13,385,255</u> |

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

| | Un-restricted funds 2016 £ | Restricted funds 2016 £ | Restricted fixed asset funds 2016 £ | Total funds 2016 £ |
|-------------------------------|-------------------------------------|----------------------------------|---|-----------------------------|
| Tangible fixed assets | - | - | 14,586,987 | 14,586,987 |
| Current assets | 884,746 | 642,831 | 32,846 | 1,560,423 |
| Creditors due within one year | (79,037) | (584,593) | - | (663,630) |
| Pension reserve | - | (2,193,000) | - | (2,193,000) |
| | <u>805,709</u> | <u>(2,134,762)</u> | <u>14,619,833</u> | <u>13,290,780</u> |

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

| | Group |
|---|----------------|
| | 2017 £ |
| | 2016 £ |
| Net expenditure for the year (as per Statement of Financial Activities) | (559,525) |
| Adjustment for: | |
| Depreciation charges | 314,481 |
| Increase in stocks | (906) |
| (Increase)/decrease in debtors | (219,868) |
| Increase in creditors | 321,475 |
| Defined benefit pension scheme cost less contributions payable | 253,000 |
| Net cash provided by operating activities | <u>108,657</u> |
| | <u>73,483</u> |

THORNDEN SCHOOL
(A company limited by guarantee)

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

23. ANALYSIS OF CASH AND CASH EQUIVALENTS

| | Group | |
|--------------------------------------|----------------|-------------|
| | 2017 | 2016 |
| | £ | £ |
| Cash in hand | 3,169 | 405 |
| Notice deposits (less than 3 months) | 520,399 | 580,407 |
| Total | 523,568 | 580,812 |

24. CAPITAL COMMITMENTS

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

| | Group | | Academy | |
|---|----------------|-------------|----------------|-------------|
| | 2017 | 2016 | 2017 | 2016 |
| | £ | £ | £ | £ |
| Contracted for but not provided in these financial statements | 554,285 | - | 554,285 | - |

25. PENSION COMMITMENTS

The Group's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Hampshire County Council. Both are Multi-employer defined benefit pension schemes.

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

Contributions amounting to £100,765 were payable to the schemes at 31 August 2017 (2016 - £100,255) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

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

25. PENSION COMMITMENTS (continued)

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the period amounted to £570,102 (2016 - £570,120).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2017 was £284,000 (2016 - £269,000), of which employer's contributions totalled £214,000 (2016 - £201,000) and employees' contributions totalled £70,000 (2016 - £68,000). The agreed contribution rates for future years are 13.1% for employers and between 5.5% and 12.5% for employees.

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

THORNDEN SCHOOL
(A company limited by guarantee)

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

25. PENSION COMMITMENTS (continued)

Principal actuarial assumptions:

| | 2017 | 2016 |
|--|--------|--------|
| Discount rate for scheme liabilities | 2.50 % | 2.00 % |
| Rate of increase in salaries | 3.60 % | 3.50 % |
| Rate of increase for pensions in payment / inflation | 2.10 % | 2.00 % |
| Inflation assumption (CPI) | 2.10 % | 2.00 % |

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

| | 2017 | 2016 |
|----------------------|------|------|
| Retiring today | | |
| Males | 24.0 | 24.6 |
| Females | 27.0 | 26.4 |
| Retiring in 20 years | | |
| Males | 26.0 | 26.7 |
| Females | 29.3 | 28.7 |

| | At 31 August 2017 £ | At 31 August 2016 £ |
|--|---------------------------|---------------------------|
| Sensitivity analysis | | |
| Discount rate +0.1% | 4,964,000 | 4,793,000 |
| Discount rate -0.1% | 5,172,000 | 4,981,000 |
| Mortality assumption - 1 year increase | 4,916,000 | 4,731,000 |
| Mortality assumption - 1 year decrease | 5,218,000 | 5,042,000 |

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

| | Fair value at 31 August 2017 £ | Fair value at 31 August 2016 £ |
|-------------------------------------|---|---|
| Equities | 2,004,000 | 1,527,000 |
| Property | 213,000 | 199,000 |
| Government bonds | 812,000 | 708,000 |
| Corporate bonds | 36,000 | 48,000 |
| Cash and other liquid assets | 98,000 | 140,000 |
| Other | 112,000 | 71,000 |
| Total market value of assets | 3,275,000 | 2,693,000 |

The actual return on scheme assets was £350,000 (2016 - £444,000).

THORNDEN SCHOOL
(A company limited by guarantee)

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

25. PENSION COMMITMENTS (continued)

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

| | 2017 £ | 2016 £ |
|----------------------|------------------|------------------|
| Current service cost | (425,000) | (259,000) |
| Net interest cost | (42,000) | (35,000) |
| Total | <u>(467,000)</u> | <u>(294,000)</u> |

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

| | 2017 £ | 2016 £ |
|------------------------------------|------------------|------------------|
| Opening defined benefit obligation | 4,886,000 | 3,137,000 |
| Current service cost | 425,000 | 259,000 |
| Interest cost | 98,000 | 118,000 |
| Employee contributions | 70,000 | 68,000 |
| Actuarial (gains)/losses | (360,000) | 1,429,000 |
| Benefits paid | (52,000) | (125,000) |
| Closing defined benefit obligation | <u>5,067,000</u> | <u>4,886,000</u> |

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

| | 2017 £ | 2016 £ |
|-------------------------------------|------------------|------------------|
| Opening fair value of scheme assets | 2,693,000 | 2,105,000 |
| Interest income | 56,000 | 83,000 |
| Actuarial losses | 294,000 | 361,000 |
| Employer contributions | 214,000 | 201,000 |
| Employee contributions | 70,000 | 68,000 |
| Benefits paid | (52,000) | (125,000) |
| Closing fair value of scheme assets | <u>3,275,000</u> | <u>2,693,000</u> |

THORNDEN SCHOOL
(A company limited by guarantee)

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

26. OPERATING LEASE COMMITMENTS

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

| Group and Academy | 2017 £ | 2016 £ |
|--------------------------|-------------------|-------------------|
| Amounts payable: | | |
| Within 1 year | 18,781 | 16,488 |
| Between 1 and 5 years | 23,834 | 31,657 |
| After more than 5 years | - | 1,560 |
| Total | 42,615 | 49,705 |

27. 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.

28. RELATED PARTY TRANSACTIONS

Owing to the nature of the Academy's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trust has an interest.

The Silk Route Club - A club which helps to run and support education and activities for all ages within the Chandlers Ford community, in which Dr A Alzetani (a trustee) is involved. The trustee paid the trust £4,712 (2016: £1,085) during the period for room hire for Arabic language courses. There were no amounts outstanding as at 31 August 2017 (2016: £nil). These transactions are made at a 20% discount as a number of Thornden School students attend the courses. For this reason, the same discount would have been offered were Dr Alzetani not a trustee.