

Company Registration No. 08257461 (England and Wales)

**SALISBURY SIXTH FORM COLLEGE**  
**(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT AND AUDITED ACCOUNTS**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

# **SALISBURY SIXTH FORM COLLEGE**

## **CONTENTS**

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	<b>Page</b>
Reference and administrative details	1 - 2
Trustees' report	3 - 10
Governance statement	11 - 15
Statement on regularity, propriety and compliance	16
Statement of trustees' responsibilities	17
Independent auditor's report on the accounts	18 - 19
Independent reporting accountant's report on regularity	20 - 21
Statement of financial activities	22
Balance sheet	23
Cash flow statement	24
Notes to the accounts	25 - 39

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# **SALISBURY SIXTH FORM COLLEGE**

## **REFERENCE AND ADMINISTRATIVE DETAILS**

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### **Trustees**

Mr N Owen (Chair of Governors)  
Mrs S McKinley (Vice Chair of Governors)  
Mr S Firth (Accounting Officer and Principal)  
Dr A Banks (Appointed 7 October 2014)  
Dr J Harrison (Appointed 7 October 2014)  
Mr J Martin (Appointed 1 October 2014)  
Mrs A Esser (Resigned 10 October 2014)  
Ms T Verrall (Appointed 1 October 2014)  
Mr J King (Appointed 1 October 2014)  
Mr S Dickenson (Resigned 1 July 2015)

### **Members**

Mrs A Esser  
Mrs S McKinley  
Mr N Owen  
Miss S Busby

### **Senior management team**

- Principal and Accounting Officer	Mr S Firth
- Assistant Principal (STEM)	Mrs L Henderson
- Assistant Principal (Arts and Humanities)	Richard Davies
- College Business Manager	Kathryn Clarkson
- Student Services Manager	Rosemarie Roberts

### **Company secretary**

Miss H Boddy

### **Company registration number**

08257461 (England and Wales)

### **Registered office**

Wylle Building  
Southampton Road  
Salisbury  
Wiltshire  
SP1 2LW

### **Independent auditor**

Moore Stephens (South) LLP  
33 The Clarendon Centre  
Salisbury Business Park  
Dairy Meadow Lane  
Salisbury  
Wiltshire  
SP1 2TJ

# **SALISBURY SIXTH FORM COLLEGE**

## **REFERENCE AND ADMINISTRATIVE DETAILS**

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### **Bankers**

Lloyds Bank Plc  
38 Blue Boar Row  
Salisbury  
Wiltshire  
SP1 1DB

# **SALISBURY SIXTH FORM COLLEGE**

## **TRUSTEES' REPORT**

### ***FOR THE YEAR ENDED 31 AUGUST 2015***

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The trustees present their annual report together with the accounts of the charitable company for the period 1 September 2014 to 31 August 2015. 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 16 to 19 wishing to undertake a program of 'A' level study in the Salisbury area. Opened in September 2014 and currently in temporary accommodation, the college plans to move into a purpose built Sixth Form College in 2016 and for a gradual growth of pupil numbers to capacity of 400 by September 2019. The college currently has a roll of 199 in the school census on 8th October 2015.

#### **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 Salisbury Sixth Form College are also the directors of the charitable company for the purposes of company law. Details of the trustees who served during the year are included in the Reference and Administrative Details on page 1.

##### Members' liability

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

##### Trustees' indemnities

There are no qualifying third party indemnity provisions.

##### Method of recruitment and appointment or election of trustees

As highlighted in pages 50-60 of the Articles of Association; governors, staff governors, parent governors and coopted governors shall be appointed by the members or; where appropriate, elected to become part of the governing body by the body of which they hope to sit, i.e. parents/ staff.

##### Policies and procedures adopted for the induction and training of trustees

New Trustees are inducted by the Clerk to Governors; ensuring the relevant documentation for DBS checks are submitted along with signing of the Governors' Code of Contact, Companies House Directors forms and registers of interest as agreed by the Governing Body, and the distribution of material in order to assist in governor training, such as the Governors' Handbook and Articles of Association.

# **SALISBURY SIXTH FORM COLLEGE**

## **TRUSTEES' REPORT (CONTINUED)**

### **FOR THE YEAR ENDED 31 AUGUST 2015**

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#### Organisational structure

Salisbury Sixth Form College has a management structure of a Senior Leadership Team lead by the Principal and a Board of Governors.

The Board of Governors is responsible for appointing the Principal, making major strategic decisions, setting general policy, adopting an annual budget and appointing senior staff.

The Principal, Mr Simon Firth, is the trust's Accounting Officer and is also responsible for the day to day running of the college. Operational management of the college is the responsibility of the Principal and the Senior Leadership Team.

College policies are developed by senior members of the college staff to reflect the strategic direction agreed by the governors and also any statutory requirements. These policies are reviewed and approved by specialist sub-committees, comprising governors and college staff, before adoption and approval by the Board of Governors. The Senior Leadership Team and other designated staff, implement procedures and systems to ensure these policies are adhered to.

#### Related parties and other connected charities and organisations

Each year a form is signed by Governors to declare their business or pecuniary interests, these are reviewed at the start of every full Governors meeting. The following Governors disclosed a business interest; Neil Owen as of 24/10/2014 is a co-owner and director of Speedboard, Sharon Mckinley as of 24/10/2014 is an employee of Salisbury Medical Practice and James Martin from 07/10/2014 to 01/08/2015 was an employee of Aid Vocation Training. Finally, two co-opted Governors were appointed during the year, Henry Head is the Associate Vice Chair at Wyvern School and John Hawkins is the Vice Chair of Governors at St Josephs. All transactions with the related parties are disclosed in note 22.

#### **Objectives and activities**

##### Objects and aims

It is estimated that up to 700 students leave the Salisbury area on a daily basis, travelling up to an hour and a half each way in order to access a suitable 'A' level education. Salisbury Sixth Form College's objective is to fill this gap and to create a world class learning community where all students can flourish, both personally and academically.

In order to achieve the core purpose, a strategic plan for 2014 – 2017 has been developed. As a new academy, the plan focuses on establishing the college in the local community, delivery of the learning environment (new building) and achieving excellent results for students. The strategic objectives are;

- To ensure that all our students achieve outstanding results on all of their courses
- To ensure that every student is given the best opportunity to achieve their career aims in a culture of high aspirations and excellent pastoral support
- To secure outstanding leadership at all levels within the college
- To ensure the learning environment is fit for purpose and enhances the curriculum delivery over time

Key performance indicators have been set to underpin these objectives, headline targets include;

- A2 subjects to achieve ALPS level 1-4 measure
- All students achieve at or above their target grades in subsidiary diplomas
- Achieve 92.5% attendance and retention on all courses
- 100% students that must complete work experience placement for vocational qualifications do so successfully
- Effective student recruitment leading to at least 300 applications by 31/01/16

# **SALISBURY SIXTH FORM COLLEGE**

## **TRUSTEES' REPORT (CONTINUED)**

### **FOR THE YEAR ENDED 31 AUGUST 2015**

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#### Objectives, strategies and activities

The college opened on 1st September 2014 and the main activities during the 2014/15 academic year have focused on building an effective team of teaching and support staff; implementing good or better teaching; and developing and embedding operational procedure and policies. Headline targets from the strategic plan specific to the year were;

- A2 grades to match target setting for all students
- All students achieve at or above their target grades in subsidiary diplomas
- Achieve 92.50% attendance and retention on all courses
- 100% students studying vocational qualifications will secure work experience placements
- Effective student recruitment leading to at least 250 applications by 31/01/15

#### Public benefit

In setting the objectives for the college, the trustees have given careful consideration to the Charity Commission's general guidance on public benefit.

S6C was opened to bridge a gap in post 16 places in Salisbury as follows:

- To provide places for students who, rather than attending an FE college, are seeking provision different from the academic pressures of the city grammar schools
- To address the low 16-19 participation and high percentage of NEETs relative to other areas of Wiltshire
- Reduce the number of students leaving the city to be educated out of Wiltshire
- The impact of raising of the participation age (RPA)
- The prospect of an additional 4200 army personnel leaving Germany between 2016 – 2019, whose families are likely to re-locate to the area surrounding Tidworth, Ludgershall, Bulford Down and Lark Hill.

A report on further education in the Salisbury area produced by a task group from the Children's Services Select Committee in May 2012 highlights key issues linked to local attainment and participation:

"At Key Stage 4 the Salisbury district consistently exceeds Wiltshire, South West and England averages in terms of the percentage of students attaining 5+A\*-C GCSEs including English and maths, and Wiltshire overall consistently exceeds the South West and England."

However, post-16 attainment in the area shows a different attainment pattern, with learners' attainment relative to comparators appearing to dip: "57% of students at Salisbury secondary schools go on to achieve a level 3 qualification by the age of 19, still higher than the regional and national averages, but slightly lower than the Wiltshire average". This reflects the wider economic indicators in the City and the need for S6C to raise participation and aspirations at level 3.

#### **Strategic report**

##### Achievements and performance

A highly motivated and hard-working staff has been recruited and the college opened in September 2014. The staff have developed and delivered a high quality curriculum in temporary accommodation, with significant resource and environmental challenges with good-humor and professionalism.

# **SALISBURY SIXTH FORM COLLEGE**

## **TRUSTEES' REPORT (CONTINUED)**

### **FOR THE YEAR ENDED 31 AUGUST 2015**

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#### Key performance indicators

Very good progress has been made in the following subjects, who have achieved good success rates;

#### Vocational Subjects;

- ICT Programming and Network Systems
- Health and Social Care
- Sport
- Forensic Science

#### AS Levels;

- History
- Religious Studies
- Art and Design
- Drama
- English Language
- English Literature
- Food and Nutrition
- Geography
- Photography

Frequent and systematic use of past papers as well as mock exams, have been used to provide useful information for students and teachers in order to address areas of weakness.

Learners without GCSE Maths or GCSE English Language have made outstanding progress towards securing a C grade or higher.

Attendance and punctuality is very good across all subjects with a clear 'readiness to learn'. The whole college attendance was 91.3% last year, a positive result given that the college has supported a number of vulnerable students with bereavement and/or health issues.

The number of applications received for the college indicates that, once the new building is open, the college will reach capacity;

Applications 2014/15 - 210 (Places available 153)

Applications 2015/16 - 323 (Places available 160)



# **SALISBURY SIXTH FORM COLLEGE**

## **TRUSTEES' REPORT (CONTINUED)**

### **FOR THE YEAR ENDED 31 AUGUST 2015**

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#### **Objective 1 - Achieving Outstanding Results**

Students and staff share high expectations of themselves and of the learning process which results in students being part of a whole-College learning community in which staff and students work and learn together. Main Achievements are;

- The majority of teaching, learning and assessment is observed to be good or better.
- Vocational expertise is excellent and some staff are 'dual professionals' – bringing both occupational experience and pedagogical expertise to the learning process.
- Student satisfaction is very high.
- The college has implemented good systems for tracking and monitoring student progress resulting in timely interventions.
- "The intellectual engagement of the students is striking" DFE Review (Nov'14)
- Progress is outstanding in Level 3 vocational courses in ICT: Computing (Programming and Network Systems), Health and Social Care (BTEC), and in the OCR National Sport. These subject areas are projecting high value added by the end of the learning programmes for students.
- AS progress was exceptional in History and Religious Studies (Philosophy and Ethics) where a large number of students who are low to mid ability on entry exceeded target grades by 1 to 2 grades.
- Progress is good and improving in Art, English Language, English Literature, Food and Nutrition (Home Economics), Forensic Science, Geography, and Photography.
- Collaboration with other institutions in the area has been positive and is growing e.g. South Wilts Grammar School was successful in delivering a good outcome in AS Drama.

#### **Objective 2 – Student Opportunities**

- A comprehensive careers programme has been developed and the IAG provided to students has been identified from 2 external visits as a real strength of the students' study programme. Students are offered a wide range of opportunities to think about the future and are well advised about the opportunities available both locally and nationally.
- Students have a good understanding of British values and have been provided with a range of opportunities to discuss and debate the issues.
- Enrichment and PSHE programmes has been developed to encourage healthy living through practical workshops, class based discussions and exam performance seminars.
- Learners enjoy their learning and demonstrate consistently high levels of satisfaction with their programmes of study for both enjoyment and support throughout transition to A Level. As a result they exhibit the development of very good personal, social and employability skills.
- Students have started to play an active role in the community; developing volunteering skills, enhancing their creativity and artistic development as well as their economic well-being. Many of the art and design students make work of saleable quality and have participated in local art events in Salisbury and held their own gallery of work in the college.
- A well-supported SEN provision for lower attaining learners and students has been implemented, with individual student needs identified, supported and tracked.

# **SALISBURY SIXTH FORM COLLEGE**

## **TRUSTEES' REPORT (CONTINUED)**

### **FOR THE YEAR ENDED 31 AUGUST 2015**

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#### **Objective 3 - Outstanding Leadership**

Recruitment of an aspirational and motivated senior team who have high expectations of all staff and students has resulted in;

- A highly effective focus on teaching, learning and assessment which nurtures a culture of professional dialogue and the development of consistently good teaching with a high proportion of teaching which is outstanding.
- Highly effective CPD which enables staff to develop their practice and potential
- Excellent partnership working which is expanding and leading to new opportunities.
- As evidenced in ASCL report and audits there is strong financial management.
- Development of a very good safeguarding practice which is underpinned by systems which are discrete, known and effectively experienced by students.
- Rigorous and robust self-assessment that is underpinned by effective systems of accountability and very good use of external subject specialists.
- The Governing Body are actively involved in the life of the college and combine their professional knowledge and insight with a very good range of technical skills. They have developed effective working practices with the Senior Leadership Team to provide challenge, support and a clear focus on 'future-proofing' the College offer through growth and innovation.

#### **Objective 4 – Learning Environment**

Staff have found creative means of operating in a challenging temporary environment, making best use of local and free venues and shared accommodation.

Staff and students have contributed ideas and suggestions to the architect and builders of the new building. Despite planning delays and challenges the new building is now proceeding. The technical team commented that the S6C staff have gone 'above and beyond' what would be expected of a client in input to the project and timely return of reviews and feedback.

#### 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 the board of trustees continues to adopt the going concern basis in preparing the accounts. Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies.

#### **Financial review**

Most of the trust's funds are acquired through recurrent grants from the EFA (Education Funding Agency) and are restricted to particular use. These funds are shown as restricted funds in the statement of financial activities.

The trust has also received Capital funding from the EFA, associated with the acquisition of land, constructing the building and equipping the college. These funds are shown in the restricted funds in the income section in the fixed asset fund. This fund is depreciated through the application of a depreciation charge over the useful life of the assets.

A small amount of additional, unrestricted income has been generated through donations, parental contributions and sale of vended goods to students.

The college is currently working with the EFA to re-profile the Pupil Number Adjustment for 2014/15 and to receive increased funding to compensate the College for additional expenditure resulting from the new build delays.

# **SALISBURY SIXTH FORM COLLEGE**

## **TRUSTEES' REPORT (CONTINUED)**

### **FOR THE YEAR ENDED 31 AUGUST 2015**

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During 2014/15 the trust has adopted the following financial policies;

- Financial Regulation Manual
- Depreciation Policy
- Expenses Policy
- Teaching and Support Staff Pay Policies
- Bursary Funding guide
- Procurement and tendering policy
- Anti-Fraud and Corruption Policy
- Charges and Remissions Policy

The outturn for the year shows that trust's expenditure has been tightly controlled and there are no areas of abnormally high expenditure.

As the actual number of students on roll is lower than estimated, the trust is subject to an EFA proposed pupil number adjustment (PNA) of £233,087. In a sixth form college, pupil numbers are difficult to predict and are not fixed until census in October. As a result, the trust estimated, recruited and planned a curriculum based on the estimated number of students agreed as a shared risk with the EFA. Planning and contractual delays on the new building have hampered recruitment and a recent survey found that the primary reason for students choosing to go elsewhere was the lack of facilities. The trust's financial reports show a deficit caused by this claw-back figure but, the trust is working with the EFA on how they can support the college through the start-up phase and lessen the impact of the claw-back. Independent financial review by ASCL (Association of School and College Leaders) has confirmed that the college is viable once full.

#### Reserves policy

As 2014/15 was the first year of operation for the trust, there has not been sufficient time to build up a reserve. The reserve policy is to allocate 3% of general grant per year (subject to in-year affordability) for essential asset replacement and contingency purposes. It is the trust's aim to use the majority of annual grant to focus on teaching and learning and for the benefit of the students studying within the year in which it is received.

#### Investment policy and powers

The academy holds no investments other than instant access UK bank accounts in which surplus cash is deposited until needed.

#### Principal risks and uncertainties

The trustees are aware of the principal risks and uncertainties to which the trust is exposed.

A risk register has been implemented which is regularly reviewed as part of the operational running of the College and periodically reviewed by governors. Mitigating actions and systems are put in place where practical, and the college has risk prevention cover in the form of the EFA risk protection arrangement. The college has a system of risk assessments in place for areas such as trips and visits and health and safety.

The principal risk to which the college is exposed is the impact of the delay to the new building on student recruitment and enrolment. This has a knock-on effect to the funding it will receive and the rate of growth towards capacity. The trust is actively working with the EFA on mitigating this risk.

The trust has other risks listed such as; key-staff dependencies during the start-up phase, decanting into the new building (especially ICT), curriculum changes and the facilities and challenges of temporary accommodation.

# **SALISBURY SIXTH FORM COLLEGE**

## **TRUSTEES' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2015**

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### **Plans for future periods**

Salisbury Sixth Form College has made a positive start and aims to become an outstanding 'A' level provider, with a proven record of successful results, making it the destination of first choice for Salisbury school leavers who are unable to access, or unsuited to, the grammar school provision.

Additionally, the college's aim is to move seamlessly into the new purpose built sixth form college and grow to capacity by September 2019.

### **Auditor**

In so far as the trustees are aware:

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

Moore Stephens (South) LLP was appointed auditor to the charitable company. A resolution proposing re-appointment will be put to the members.

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 16 December 2015 and signed on its behalf by:



Mr N Owen  
Chair of Governors

# **SALISBURY SIXTH FORM COLLEGE**

## **GOVERNANCE STATEMENT**

**FOR THE YEAR ENDED 31 AUGUST 2015**

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### **Scope of responsibility**

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

The board of trustees has delegated the day-to-day responsibility to the principal, 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 Salisbury Sixth Form College and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

### **Governance**

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

<b>Trustees</b>	<b>Meetings attended</b>	<b>Out of possible</b>
Mr N Owen (Chair of Governors)	6	6
Mrs S McKinley (Vice Chair of Governors)	4	6
Mr S Firth (Accounting Officer and Principal)	6	6
Dr A Banks (Appointed 7 October 2014)	5	6
Dr J Harrison (Appointed 7 October 2014)	4	6
Mr J Martin (Appointed 1 October 2014)	4	6
Mrs A Esser (Resigned 10 October 2014)	0	0
Ms T Verrall (Appointed 1 October 2014)	5	6
Mr J King (Appointed 1 October 2014)	6	6
Mr S Dickenson (Resigned 1 July 2015)	3	5

The trust has faced some challenges in recruiting parent governors and also in the provision of suitable governor training due to budget constraints.

The trust undertook a self-assessment as part of the mandatory FMGS (Financial Management and Governance Self-Assessment) review in Autumn 2014. The outcome from this was audited via a visit from the Education Funding Agency (EFA) and National Audit Office, where the trust was found to be compliant in all but 2 mandatory areas;

- The provision for an internal audit committee - the trust had made this responsibility part of the Finance and Premises scheme of delegation, however, the committee included staff governors. As the audit committee must not contain staff governors, this was moved to the HR scheme of delegation.
- Although the trust had a system to record conflicts of interest at each governor's meeting, a recommendation to implement a governor's code of conduct and a more effective system of management was made.

# **SALISBURY SIXTH FORM COLLEGE**

## **GOVERNANCE STATEMENT (CONTINUED)**

### **FOR THE YEAR ENDED 31 AUGUST 2015**

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The finance and premises committee is a sub-committee of the main board of trustees. Its purpose is to:

- Agree and monitor the budgetary and financial issues along with premises issues and how these reflect on the budget.

Attendance at meetings in the year was as follows:

<b>Trustees</b>	<b>Meetings attended</b>	<b>Out of possible</b>
Mr N Owen (Chair of Governors)	5	5
Mr S Firth (Accounting Officer and Principal)	5	5
Mr J Martin (Appointed 1 October 2014)	4	5
Mr J King (Appointed 1 October 2014)	5	5

The HR and audit committee is a sub-committee of the main board of trustees. Its purpose is to:

- Monitor HR issues within the college, relating to staffing and future staffing. Along with filling the audit function.

Attendance at meetings in the year was as follows:

<b>Trustees</b>	<b>Meetings attended</b>	<b>Out of possible</b>
Mrs S McKinley (Vice Chair of Governors)	5	5
Mr S Firth (Accounting Officer and Principal)	5	5
Mr S Dickenson (Resigned 1 July 2015)	4	4

#### **Review of value for money**

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

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

#### **Improving Outcomes**

The Trust has played an important role in holding the College to account over the budget and how the money is spent on teaching and learning. Subject budgets are tightly controlled, however, there is a focus from the staff on putting the resources needed to support students at the fore-front of expenditure. The college supports students experiencing financial hardship through the bursary fund, where equipment such as chrome-books, books, educational trips and travel expenses are paid for by the college. The college has made a good start and will continue to work hard to grow the curriculum provision in the future.

# **SALISBURY SIXTH FORM COLLEGE**

## **GOVERNANCE STATEMENT (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2015**

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The college has been fortunate to recruit an entirely new team, with a rigorous recruitment and selection process resulting in a balance between experience and development potential. All staff signed up to a 2 year wage freeze on appointment in order to support the start-up phase and are finding innovative ways to drive CPD and self-development.

### **Financial Governance**

The trust has implemented a full set of financial controls and processes to monitor income and expenditure. Consultation with internal and external auditors, the EFA and ASCL (Association of School and College Leaders) has provided a number of recommendations which have resulted in amendment to controls and fine tuning of processes. The trust has implemented appropriate financial software, digital payment through Parentpay, and dual authorisation of payments through BACS to limit risk. The trust has also procured budgeting software to aid with future planning, analysis of spending and effective comparison of scenarios.

### **Effective Procurement**

Salisbury Sixth Form College has been creative in acquiring resources throughout the year, making full use of second-hand goods and offers of surplus equipment from other institutions in order to support learning outcomes. The college has ensured that there is a balance between the price of the goods and the service supplied, with relationships with local suppliers proving successful in acquiring furniture and equipment for the new college. Buying locally not only supports the local community but, often a mid-priced local contract comes with greater speed of delivery, quality and additional service when compared to a cheaper non-local alternative e.g. better quality signage, furniture with unpacking and placement included in price.

There is a culture of challenge within the college and all staff are fully aware of the need to spend wisely. Benchmarking and comparison data from peers is used, where available, to establish the competitiveness of quotes. The college has also sought to enter into fixed term deals in order to secure discount.

The college has worked closely with the EFA regarding the new building and followed their guidance and procurement processes diligently to achieve an affordable scheme.

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

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The system of internal control has been in place in Salisbury Sixth Form College for the period 1 September 2014 to 31 August 2015 and up to the date of approval of the annual report and accounts.

### **Capacity to handle risk**

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2014 to 31 August 2015 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the board of trustees.

# **SALISBURY SIXTH FORM COLLEGE**

## **GOVERNANCE STATEMENT (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2015**

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### **The risk and control framework**

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the finance and premises 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 Wiltshire Council as internal auditor

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 financial procedures at start-up
- testing of payroll systems
- testing of ordering, invoicing and payment systems

On a quarterly basis, the auditor reports to the board of trustees through the HR and audit committee on the operation of the systems of control and on the discharge of the financial responsibilities of the board of trustees.

One visit has been deferred due to sickness of the auditor, the outstanding item is a review of procurement which will be carried over to the next period.

### **Review of effectiveness**

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

- the work of the internal auditor;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the senior leadership team within the academy trust who have responsibility for the development and maintenance of the internal control framework.



# **SALISBURY SIXTH FORM COLLEGE**

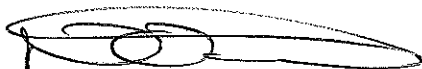
## **GOVERNANCE STATEMENT (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2015**

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

Approved by order of the members of the board of trustees on.....and signed on its behalf by:



Mr N Owen  
Chair of Governors



Mr S Firth  
Accounting Officer and Principal

# **SALISBURY SIXTH FORM COLLEGE**

## **STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

***FOR THE YEAR ENDED 31 AUGUST 2015***

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

I confirm that I and the academy trust's 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.

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

Approved on 16 December 2015 and signed by:



Mr S Firth  
**Accounting Officer**

# **SALISBURY SIXTH FORM COLLEGE**

## **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

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The trustees (who also act as governors for Salisbury Sixth Form College and are also the directors of Salisbury Sixth Form College for the purposes of company law) are responsible for preparing the Trustees' Report and the accounts in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

In preparing these accounts, the trustees are required to:

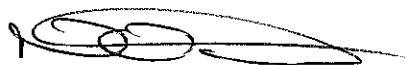
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2005;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the board of trustees on 16 December 2015 and signed on its behalf by:



Mr N Owen  
Chair of Governors

# **SALISBURY SIXTH FORM COLLEGE**

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF SALISBURY SIXTH FORM COLLEGE**

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We have audited the accounts of Salisbury Sixth Form College for the year ended 31 August 2015 set out on pages 22 to 39. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2014 to 2015 issued by the EFA.

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

#### **Respective responsibilities of trustees and auditors**

As explained more fully in the Trustees' Responsibilities Statement set out on page 17, the trustees, who are also the directors of Salisbury Sixth Form College for the purposes of company law, are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view.

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

#### **Scope of the audit of the accounts**

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

#### **Opinion on accounts**

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2015 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2014 to 2015 issued by the EFA.

#### **Opinion on other matter prescribed by the Companies Act 2006**

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

# **SALISBURY SIXTH FORM COLLEGE**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

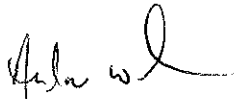
### **TO THE MEMBERS OF SALISBURY SIXTH FORM COLLEGE**

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

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

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



**Andrew Williams (Senior Statutory Auditor)**  
**Moore Stephens (South) LLP**

**Chartered Accountants**  
**Statutory Auditor**  
33 The Clarendon Centre  
Salisbury Business Park  
Dairy Meadow Lane  
Salisbury  
Wiltshire  
SP1 2TJ

Dated: 16 December 2015

# **SALISBURY SIXTH FORM COLLEGE**

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

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In accordance with the terms of our engagement letter dated 18 September 2014 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Salisbury Sixth Form College during the period 1 September 2014 to 31 August 2015 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 Salisbury Sixth Form College and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Salisbury Sixth Form College and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Salisbury Sixth Form College and the EFA, for our work, for this report, or for the conclusion we have formed.

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

The accounting officer is responsible, under the requirements of Salisbury Sixth Form College's funding agreement with the Secretary of State for Education dated 01 August 2014 and the Academies Financial Handbook, extant from 1 September 2014, 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 2014 to 2015. 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 period 1 September 2014 to 31 August 2015 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 2014 to 2015 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- consideration of evidence supporting the Accounting Officer's statement on regularity, propriety and compliance;
- analytical procedures on the general activities of the Academy Trust
- a review of Minutes of Committees and Board Meetings which may be relevant to regularity;
- consideration of discussions with key personnel, including the Accounting Officer and Governing Body;
- tests of control have been carried out on a control activity which are relevant to regularity;
- substantive testing of individual transactions.

# **SALISBURY SIXTH FORM COLLEGE**

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

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### **Conclusion**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2014 to 31 August 2015 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Andrew Williams

**Reporting Accountant**

Moore Stephens (South) LLP

Dated: 16 December 2015

# SALISBURY SIXTH FORM COLLEGE

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2015

		Unrestricted funds £	Restricted funds £	Fixed Asset funds £	Total 2015 £	Total 2014 £
<b>Incoming resources</b>	<b>Notes</b>					
<i>Resources from generated funds</i>						
- Voluntary income	2	-	1,024	-	1,024	-
- Activities for generating funds	3	23,907	-	-	23,907	-
- Investment income	4	181	-	-	181	89
<i>Resources from charitable activities</i>						
- Funding for educational operations	5	-	800,274	1,251,585	2,051,859	483,507
<b>Total incoming resources</b>		<b>24,088</b>	<b>801,298</b>	<b>1,251,585</b>	<b>2,076,971</b>	<b>483,596</b>
<b>Resources expended</b>						
<i>Costs of generating funds</i>						
<i>Charitable activities</i>						
- Educational operations	7	10,510	1,077,911	95,689	1,184,110	196,225
Governance costs	8	-	18,131	-	18,131	1,978
<b>Total resources expended</b>	6	<b>10,510</b>	<b>1,096,042</b>	<b>95,689</b>	<b>1,202,241</b>	<b>198,203</b>
<b>Net incoming/(outgoing) resources before transfers</b>		<b>13,578</b>	<b>(294,744)</b>	<b>1,155,896</b>	<b>874,730</b>	<b>285,393</b>
Gross transfers between funds		-	8,227	(8,227)	-	-
<b>Net income/(expenditure) for the year</b>		<b>13,578</b>	<b>(286,517)</b>	<b>1,147,669</b>	<b>874,730</b>	<b>285,393</b>
<b>Other recognised gains and losses</b>						
Actuarial gains/(losses) on defined benefit pension scheme	17	-	4,000	-	4,000	-
<b>Net movement in funds</b>		<b>13,578</b>	<b>(282,517)</b>	<b>1,147,669</b>	<b>878,730</b>	<b>285,393</b>
Fund balances at 1 September 2014		89	56,797	228,507	285,393	-
<b>Fund balances at 31 August 2015</b>		<b>13,667</b>	<b>(225,720)</b>	<b>1,376,176</b>	<b>1,164,123</b>	<b>285,393</b>

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006. A statement of total recognised gains and losses is not required as all gains and losses are included in the statement of financial activities.

All of the academy's activities derive from continuing operations during the two financial periods above.



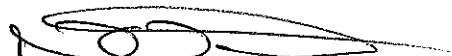
# SALISBURY SIXTH FORM COLLEGE

## BALANCE SHEET

AS AT 31 AUGUST 2015

	Notes	2015 £	£	2014 £	£
<b>Fixed assets</b>					
Tangible assets	11		1,350,405		202,736
<b>Current assets</b>					
Debtors	12	331,834		53,319	
Cash at bank and in hand		209,456		44,668	
		<u>541,290</u>		<u>97,987</u>	
<b>Current liabilities</b>					
Creditors: amounts falling due within one year	13	<u>(714,572)</u>		<u>(15,330)</u>	
<b>Net current assets</b>			<u>(173,282)</u>		<u>82,657</u>
<b>Net assets excluding pension liability</b>			<u>1,177,123</u>		<u>285,393</u>
Defined benefit pension liability	17		<u>(13,000)</u>		<u>-</u>
<b>Net assets</b>			<u><u>1,164,123</u></u>		<u><u>285,393</u></u>
<b>Funds of the academy trust:</b>					
<b>Restricted funds</b>	15				
- Fixed asset funds			1,376,176		228,507
- General funds			(212,720)		56,797
- Pension reserve			(13,000)		-
<b>Total restricted funds</b>			<u>1,150,456</u>		<u>285,304</u>
<b>Unrestricted income funds</b>	15		<u>13,667</u>		<u>89</u>
<b>Total funds</b>			<u><u>1,164,123</u></u>		<u><u>285,393</u></u>

The accounts were approved by order of the board of trustees and authorised for issue on 16 December 2015.



Mr N Owen  
Chair of Governors

Company Number 08257461

# SALISBURY SIXTH FORM COLLEGE

## CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2015

	Notes	2015 £	2014 £
Net cash inflow/(outflow) from operating activities	18	156,380	18,808
<b>Returns on investments and servicing of finance</b>			
Investment income	181	89	
<b>Net cash inflow/(outflow) from returns on investments and servicing of finance</b>		181	89
		156,561	18,897
<b>Capital expenditure and financial investments</b>			
Capital grants received	1,251,585	228,507	
Payments to acquire tangible fixed assets	(1,243,358)	(202,736)	
<b>Net cash flow from capital activities</b>		8,227	25,771
<b>Increase/(decrease) in cash</b>	19	164,788	44,668

# **SALISBURY SIXTH FORM COLLEGE**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **FOR THE YEAR ENDED 31 AUGUST 2015**

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#### **1 Accounting policies**

##### **1.1 Basis of preparation**

The accounts have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice: Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

##### **1.2 Going concern**

The trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The trustees make this assessment in respect of a period of one year from the date of approval of the accounts.

##### **1.3 Incoming resources**

All incoming resources are recognised when the academy trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

###### Grants receivable

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.

##### **1.4 Resources expended**

All expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

###### Costs of generating funds

These are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

###### Charitable activities

These are costs incurred on the academy trust's educational operations.

###### Governance costs

These include the costs attributable to the academy trust's compliance with constitutional and statutory requirements, including audit, strategic management and trustees' meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

# SALISBURY SIXTH FORM COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2015

#### 1 Accounting policies

(Continued)

##### 1.5 Tangible fixed assets and depreciation

Tangible fixed assets 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. 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 such assets is charged to the restricted fixed asset fund in the statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy trust's depreciation policy. 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 each asset on a straight-line basis over its expected useful life. No depreciation has been provided in this period on the building as it is still under construction and won't be in use until 15/16 year.

Land and buildings	50 years
Computer equipment	3 years
Fixtures, fittings & equipment	10 years

##### 1.6 Taxation

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

##### 1.7 Fund accounting

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

Restricted general funds comprise all other restricted funds received and include grants from the Education Funding Agency.

##### 1.8 Agency Arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from EFA. Payments received from EFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The trust can use up to 5% of the allocation towards its own administration costs and that is recognised in the statement of financial activities. The funds received and paid any balances held are disclosed in note 24.

#### 2 Voluntary income

	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £
Other donations	-	1,024	1,024	-

# SALISBURY SIXTH FORM COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

### 3 Activities for generating funds

	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £
Catering income	396	-	396	-
Other income	23,511	-	23,511	-
	<u>23,907</u>	<u>-</u>	<u>23,907</u>	<u>-</u>

### 4 Investment income

	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £
Short term deposits	181	-	181	89
	<u>181</u>	<u>-</u>	<u>181</u>	<u>89</u>

### 5 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £
<b>DfE / EFA grants</b>				
General annual grant (GAG)	-	394,968	394,968	-
Start up grants	-	286,500	286,500	255,000
Capital grants	-	1,251,585	1,251,585	228,507
Other DfE / EFA grants	-	118,806	118,806	-
	<u>-</u>	<u>2,051,859</u>	<u>2,051,859</u>	<u>483,507</u>
<b>Total funding</b>	<u>-</u>	<u>2,051,859</u>	<u>2,051,859</u>	<u>483,507</u>

### 6 Resources expended

	Staff costs £	Premises & equipment £	Other costs £	Total 2015 £	Total 2014 £
<b>Academy's educational operations</b>					
- Direct costs	630,513	-	80,086	710,599	105,232
- Allocated support costs	177,123	95,713	200,675	473,511	90,993
	<u>807,636</u>	<u>95,713</u>	<u>280,761</u>	<u>1,184,110</u>	<u>196,225</u>
<b>Other expenditure</b>					
Governance costs	-	-	18,131	18,131	1,978
	<u>-</u>	<u>-</u>	<u>18,131</u>	<u>18,131</u>	<u>1,978</u>
<b>Total expenditure</b>	<u>807,636</u>	<u>95,713</u>	<u>298,892</u>	<u>1,202,241</u>	<u>198,203</u>

# SALISBURY SIXTH FORM COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

6 Resources expended		(Continued)	
Net income/(expenditure) for the year includes:		2015	2014
		£	£
Operating leases		169,282	-
- Other			
Fees payable to auditor		6,275	-
- Audit			
7 Charitable activities			
	Unrestricted funds	Restricted funds	Total
	£	£	2015
			£
Direct costs			Total
			2014
			£
Teaching and educational support staff costs	-	625,006	625,006
Technology costs	-	32,939	32,939
Educational supplies and services	940	19,692	20,632
Examination fees	-	17,181	17,181
Staff development	-	5,507	5,507
Other direct costs	8,652	682	9,334
	9,592	701,007	710,599
			105,232
Allocated support costs			
Support staff costs	-	177,123	177,123
Depreciation	-	95,689	95,689
Technology costs	-	788	788
Recruitment and support	-	885	885
Maintenance of premises and equipment	-	24	24
Cleaning	-	125	125
Rent and rates	-	169,282	169,282
Insurance	-	3,825	3,825
Security and transport	-	2,116	2,116
Catering	918	371	1,289
Other support costs	-	22,365	22,365
	918	472,593	473,511
			90,993
Total costs		10,510	1,173,600
			1,184,110
			196,225

# SALISBURY SIXTH FORM COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

### 8 Governance costs

	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £
Legal and professional fees	-	10,565	10,565	1,410
Auditor's remuneration	-	6,275	6,275	-
- Audit of financial statements	-	1,291	1,291	568
Other governance costs	-	18,131	18,131	1,978

### 9 Staff costs

	2015 £	2014 £
Wages and salaries	618,449	105,886
Social security costs	49,542	7,982
Other pension costs	96,514	9,092
	764,505	122,960
Supply teacher costs	13,156	-
Supply admin costs	24,468	-
Staff development and other staff costs	5,507	18,714
	807,636	141,674
Total staff costs		

The average number of persons (including senior management team) employed by the academy trust during the year expressed as full time equivalents was as follows:

	2015 Number	2014 Number
Teachers	10	-
Administration and support	2	2
Management	5	1
	17	3

The number of employees whose annual remuneration was £60,000 or more was:

	2015 Number	2014 Number
£65,000 - £70,000	1	-

# SALISBURY SIXTH FORM COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

### 9 Staff costs

(Continued)

Of the employees above, the number participating in pension schemes and the employers' contributions paid on their behalf were as follows:

		2015	2014
Teachers' Pension Scheme	Numbers	1	-
	£	9,724	-

### 10 Trustees' remuneration and expenses

The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff, and not in respect of their services as trustees. Other trustees did not receive any payments, other than expenses, from the academy trust in respect of their role as trustees. During the year, no travel and subsistence payments were reimbursed to governors (2014: £605 was reimbursed to 3 trustees).

The value of trustees' remuneration was as follows:

Mr S Firth (principal) £65,000 - £70,000 (2014: £40,000 - £45,000)

Dr J Harrison (Staff Governor) £35,000 - £40,000

Mr J King (Staff Governor) £25,000 - £30,000

Mr J Martin (Staff Governor) £35,000 - £40,000

Other related party transactions involving the trustees are set out within the related parties note.

#### Trustees' and officers' insurance

In accordance with normal commercial practice, the academy trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The insurance provides unlimited cover on any one claim and the cost is accumulated with the building insurance in the RPA grant which cost £3,825 (2014: £795).



# SALISBURY SIXTH FORM COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

### 11 Tangible fixed assets

	Land and buildings	Computer equipment	Fixtures, fittings & equipment	Total
	£	£	£	£
<b>Cost</b>				
At 1 September 2014	33,664	164,848	4,224	202,736
Additions	1,080,933	107,262	55,163	1,243,358
At 31 August 2015	1,114,597	272,110	59,387	1,446,094
<b>Depreciation</b>				
At 1 September 2014	-	-	-	-
Charge for the year	-	90,106	5,583	95,689
At 31 August 2015	-	90,106	5,583	95,689
<b>Net book value</b>				
At 31 August 2015	1,114,597	182,004	53,804	1,350,405
At 31 August 2014	33,664	164,848	4,224	202,736

The College's new building is under construction offsite in Ireland. The overall cost for the project is estimated at £5.887.763, they are currently more than half way through completion, the buildings has been included at cost, interim invoices have been valued by independent professional valuer.

### 12 Debtors

	2015 £	2014 £
VAT recoverable	79,362	52,305
Other debtors	200,023	1,014
Prepayments and accrued income	52,449	-
	331,834	53,319

### 13 Creditors: amounts falling due within one year

	2015 £	2014 £
Trade creditors	399,734	3,825
Taxes and social security costs	15,200	5,146
Other creditors	239,945	-
Accruals	3,220	6,359
Deferred income	56,473	-
	714,572	15,330

# SALISBURY SIXTH FORM COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2015

14	Deferred income	2015 £	2014 £
	Deferred income is included within:		
	Creditors due within one year	56,473	-
	Total deferred income at 1 September 2014	-	-
	Amounts credited to the statement of financial activities	-	-
	Amounts deferred in the year	56,473	-
	<b>Total deferred income at 31 August 2015</b>	<b>56,473</b>	<b>-</b>

The deferred income balance at 31 August 2015 relates to;

- EFA Grant for rent of College Premises £24,652
- Trip Deposits for Trips 2016 £ 1,370
- Speedboard Grant for 2015/16 £ 1,060
- Capital Grant relating to goods not received £29,135

15	Funds	Balance at 1 September 2014 £	Incoming resources £	Resources expended £	Gains, losses & transfers £	Balance at 31 August 2015 £
	<b>Restricted general funds</b>					
	General Annual Grant	56,797	394,968	(672,712)	8,227	(212,720)
	Start up grants	-	286,500	(286,500)	-	-
	Other DfE / EFA grants	-	118,806	(118,806)	-	-
	Other restricted funds	-	1,024	(1,024)	-	-
	Funds excluding pensions	56,797	801,298	(1,079,042)	8,227	(212,720)
	Pension reserve	-	-	(17,000)	4,000	(13,000)
		56,797	801,298	(1,096,042)	12,227	(225,720)
	<b>Restricted fixed asset funds</b>					
	DfE / EFA capital grants	228,507	1,251,585	(95,689)	(8,227)	1,376,176
	<b>Total restricted funds</b>	<b>285,304</b>	<b>2,052,883</b>	<b>(1,191,731)</b>	<b>4,000</b>	<b>1,150,456</b>
	<b>Unrestricted funds</b>					
	General funds	89	24,088	(10,510)	-	13,667
	<b>Total funds</b>	<b>285,393</b>	<b>2,076,971</b>	<b>(1,202,241)</b>	<b>4,000</b>	<b>1,164,123</b>

# SALISBURY SIXTH FORM COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2015

### 15 Funds

(Continued)

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

Restricted General Funds are those which supplied for a specific duty and the funds spent only in accordance with the agreement or restriction placed upon each.

Restricted Fixed Asset Funds relate to the capital funding received for the construction of the new academy building.

Unrestricted Funds are all other source of income generated by the academy through trading or fundraising and to which no restrictions apply regarding the way they are spent.

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG carried forward at 31 August 2015.

The trust is carrying a net deficit of £207,280 on restricted general funds (excluding pension reserve) plus the balance on unrestricted funds because EFA have requested a pupil number adjustment (PNA) of £233,087 as the actual students on roll is lower than estimated, this reduction in income was not predicted. The trust is taking the following action to return these funds to surplus; discussions have been started with the EFA to reduce the impact of the claw-back and gain more support throughout the start up period. Once the new build has been completed student numbers are predicted to increase rapidly as an independent financial review by ASCL has confirmed that the college is viable once full.

### 16 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Fixed asset funds £	Total funds £
<b>Fund balances at 31 August 2015 are represented by:</b>				
Tangible fixed assets	-	-	1,350,405	1,350,405
Current assets	15,293	282,650	243,347	541,290
Creditors falling due within one year	(1,626)	(495,370)	(217,576)	(714,572)
Defined benefit pension liability	-	(13,000)	-	(13,000)
	<u>13,667</u>	<u>(225,720)</u>	<u>1,376,176</u>	<u>1,164,123</u>

### 17 Pensions and similar obligations

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2014 and of the LGPS 31 March 2013.

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

# **SALISBURY SIXTH FORM COLLEGE**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)** **FOR THE YEAR ENDED 31 AUGUST 2015**

### **17 Pensions and similar obligations**

**(Continued)**

#### **Teachers' Pension Scheme**

##### **Introduction**

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

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

##### **Valuation of the Teachers' Pension Scheme**

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:

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

The pension costs paid to the TPS in the period amounted to £66,848.

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, 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 the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are % for employers and % for employees. The estimated value of employer contributions for the forthcoming year is £11,000.

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.

# SALISBURY SIXTH FORM COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

### 17 Pensions and similar obligations (Continued)

Contributions made	2015 £	2014 £
Employer's contributions	11,000	-
Employees' contributions	7,000	-
Total contributions	18,000	-
Principal actuarial assumptions	2015 %	2014 %
Rate of increase in salaries	4.6	4.40
Rate of increase for pensions in payment	2.7	2.60
Discount rate for scheme liabilities	3.8	

#### Sensitivity Analysis

	Approximate % increase in employer liability	Approximate monetary amount (£000's)
0.5% decrease in Real Discount Rate	22%	7
1 year increase in member life expectancy	3%	1
0.5% increase in the Salary Increase Rate	16%	5
0.5% increase in the Pension Increase Rate	5%	2

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

	2015 Years	2014 Years
Retiring today		
- Males	22.3	
- Females	24.5	
Retiring in 20 years		
- Males	24.1	
- Females	26.9	

# SALISBURY SIXTH FORM COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2015

#### 17 Pensions and similar obligations

(Continued)

The academy's share of the assets and liabilities in the scheme and the expected rates of return were:

	2015 Expected return %	2015 Fair value £	2014 Expected return %	2014 Fair value £
Equities	3.8	15,000		-
Bonds	3.8	3,000		-
Cash	3.8	-		-
Property	3.8	3,000		-
Total market value of assets		21,000		-
Present value of scheme liabilities - funded		(34,000)		-
Net pension asset / (liability)		(13,000)		-

The expected return on assets is based on the long term future expected investment return for each asset as at the beginning of the period (i.e. as at 1 September 2014 for the year to 31 August 2015). The return on gilts and other bonds are summed to be gilt yield and corporate bond yield (with an adjustment to reflect the default risk) respectively at the relevant date. The returns on equities and properties are then assumed to be a margin above gilt yields.

#### Amounts recognised in the statement of financial activities

	2015 £	2014 £
<b>Operating costs/(income)</b>		
Current service cost (net of employee contributions)	17,000	-
Past service cost	-	-
Total operating charge	17,000	-
<b>Finance costs/(income)</b>		
Expected return on pension scheme assets	(1,000)	-
Interest on pension liabilities	1,000	-
Net finance costs/(income)	-	-
<b>Total charge/(income)</b>	17,000	-

# SALISBURY SIXTH FORM COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2015

17 Pensions and similar obligations	(Continued)	
<b>Actuarial gains and losses recognised in the statement of financial activities</b>	<b>2015 £</b>	<b>2014 £</b>
Actuarial (gains)/losses on assets: actual return less expected	(2,000)	-
Experience (gains)/losses on liabilities	(2,000)	-
(Gains)/losses arising from changes in assumptions	-	-
Total (gains)/losses	(4,000)	-
Cumulative (gains)/losses to date	(4,000)	-
<b>Movements in the present value of defined benefit obligations</b>	<b>2015 £</b>	<b>2014 £</b>
Current service cost	(28,000)	-
Interest cost	(1,000)	-
Contributions by employees	(7,000)	-
Actuarial gains/(losses)	2,000	-
At 31 August 2015	(34,000)	-
<b>Movements in the fair value of scheme assets</b>	<b>2015 £</b>	<b>2014 £</b>
Expected return on assets	1,000	-
Actuarial gains/(losses)	2,000	-
Contributions by employers	11,000	-
Contributions by employees	7,000	-
At 31 August 2015	21,000	-

# SALISBURY SIXTH FORM COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

17	Pensions and similar obligations	(Continued)			
	History of experience gains and losses		2015		
			£		
	Present value of defined benefit obligations		(34,000)		
	Fair value of share of scheme assets		21,000		
	Surplus / (deficit)		(13,000)		
	Experience adjustment on scheme assets		2,000		
	Experience adjustment on scheme liabilities		2,000		
18	Reconciliation of net income to net cash inflow/(outflow) from operating activities	2015	2014		
		£	£		
	Net income	874,730	285,393		
	Capital grants and similar income	(1,251,585)	(228,507)		
	Investment income	(181)	(89)		
	Defined benefit pension costs less contributions payable	17,000	-		
	Depreciation of tangible fixed assets	95,689	-		
	(Increase)/decrease in debtors	(278,515)	(53,319)		
	Increase/(decrease) in creditors	699,242	15,330		
	Net cash inflow/(outflow) from operating activities	156,380	18,808		
19	Reconciliation of net cash flow to movement in net funds	2015	2014		
		£	£		
	Increase/(decrease) in cash	164,788	44,668		
	Net funds at 1 September 2014	44,668	-		
	Net funds at 31 August 2015	209,456	44,668		
20	Analysis of net funds	At 1 September 2014	Cash flows	Non-cash changes	At 31 August 2015
		£	£	£	£
	Cash at bank and in hand	44,668	164,788	-	209,456



# SALISBURY SIXTH FORM COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2015

#### 21 Commitments under operating leases

At 31 August 2015 the academy trust had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2015	2014	2015	2014
	£	£	£	£
Expiry date:				
- Within one year	173,342	-	1,892	-
- Between two and five years	-	-	1,892	-
	<u>173,342</u>	<u>-</u>	<u>3,784</u>	<u>-</u>

Salisbury Sixth Form College however are not liable for the full payment of this commitment, this is for the rent and service charges of the classrooms and office space in Wiltshire College. The EFA pay the college a rental grant which covers 50% of the cost, therefore the actual amount payable is £86,671

#### 22 Related parties

Owing to the nature of the academy trust'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 trustees have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy trust's financial regulations and normal procurement procedures.

The sixth form received a grant from Speedboard Assembly Services Ltd for the purchase of Raspberry Pi Robots, the grant was for a total of £1,060 however had been deferred at the year as the robots had not been purchased until September 2015 and was for the next academic year.

#### 23 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 or she is a member, or within one year after he or she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he or she ceases to be a member.

#### 24 Agency arrangements

The academy distributes 16-19 bursary funds to students as an agent for EFA. In accounting period ending 31 August 2015 the trust received £16,083 and disbursed £10,650 from the fund. An amount of £5,433 has been included in other creditors relating to undistributed funds that are repayable to EFA.