

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 2016**

# SALISBURY SIXTH FORM COLLEGE

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# SALISBURY SIXTH FORM COLLEGE

## REFERENCE AND ADMINISTRATIVE DETAILS

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### Trustees

Dr A Banks  
Mr S Firth (Accounting Officer and Principal)  
Rev D Fisher  
Dr J Harrison (Resigned 30 March 2016)  
Mr J King (Resigned 13 July 2016)  
Mr J Martin (Resigned 6 September 2016)  
Mrs S McKinley (Vice Chair of Governors)  
Mr N Owen (Chair of Governors)  
Ms T Verrall

### Members

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

### Senior management team

- Principal and Accounting Officer	Mr S Firth
- Vice Principal	Mrs L Henderson
- Vice Principal	Mr R Davies
- College Business Manager	Mrs K Clarkson
- Student Services Manager	Mrs R Roberts

### Company secretary

Mr J Inman

### Company registration number

08257461 (England and Wales)

### Registered office

66 - 78 Tollgate Road  
Wiltshire  
SP1 2JJ

### 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

### Solicitors

Trowers and Hamlins LLP  
3 Bunhill Row  
London  
EC1Y 8YZ

# SALISBURY SIXTH FORM COLLEGE

## TRUSTEES' REPORT

### FOR THE YEAR ENDED 31 AUGUST 2016

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The trustees present their annual report together with the accounts of the charitable company for the period 1 September 2015 to 31 August 2016. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The trust operates an academy for pupils aged 16 to 19 wishing to undertake a program of 'A' level study in the Salisbury area. Opened in September 2014, the college moved into a brand new purpose-built building at Tollgate Road in June 2016. The college continues to grow towards its PAN of 400 and currently has a roll of 247 as at the census date of October 2016.

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

##### Constitution

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

The charitable company is known as Salisbury Sixth Form College.

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

Subject to the provisions of the Companies Act 2006 Governors shall be indemnified out of the assets of Salisbury Sixth Form College against any liability incurred by him or her in that capacity in defending any proceedings, whether civil or criminal, in which judgment is given in his or her favour or in which he or she is acquitted or in connection with any application in which relief is granted to him or her by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of Salisbury Sixth Form College. For this purpose Salisbury Sixth Form College has insurance in place covering Trustees' liability with a limit of indemnity of £2,000,000.

##### 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 2016*

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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.

### Arrangements for setting pay and remuneration of key management personnel

All staff can expect to receive regular, constructive feedback on their performance and are subject to annual appraisal that recognises their strengths, informs plans for their future development, and helps to enhance their professional practice. The arrangements for staff appraisal are set out in the College's appraisal policy.

It was detailed in the Salisbury Sixth Form College bid document that the Governors undertook not to increase any member of staff's salary at the end of year 1 (2014/15) or year 2 (2015/16) due to affordability and budget constraints during these two start up years.

Thereafter, i.e. at the end of year 2 (2015/16), salaries are to be reviewed in line with normal practice.

Decisions regarding pay progression will be made with reference to the staff appraisal reports and the pay recommendations they contain. The Sixth Form Colleges' Association's nationally negotiated pay scales are used as a benchmark and reference point to inform pay awards for support staff and classroom teachers. The Maintained Schools Teacher's Leadership scale is used as a benchmark and reference point for Leadership teaching staff.

### Related parties and other connected charities and organisations

There are no related parties or connected charities and organisations.

### **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.

# SALISBURY SIXTH FORM COLLEGE

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2016

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In order to achieve the core purpose, the strategic plan has been reviewed and developed for 2016 – 2019. There are 4 strategic aims;

- To ensure that all our students and staff maximise their potential and be the best they can be
- To ensure that everyone in the college community 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 that learning resources are fit for purpose and enhances the curriculum delivery

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

- Staff are highly motivated and feel valued
- All subjects to achieve position value added
- Achieve 92% attendance and 90% retention on all courses
- 100% students that must complete work experience placement for vocational qualifications do so successfully
- By 2020 to reach our PAN of 220 students enrolled in year 12 and have 400 students in total
- All students to successfully progress to employment, training or University
- English and Maths GCSE to achieve positive value

#### Objectives, strategies and activities

Key Activities during the 2015/16 academic year as identified in the College Improvement Plan were;

#### **To ensure that students achieve outstanding results in all of our courses**

- Staff CPD on lesson grading and the quality and assessment cycle.
- Mentoring of NQTs
- Effective progress tutor monitoring and the implementation of an improved tracking system
- Early interventions to ensure students achieve higher grades
- Progress tutors to monitor attendance
- Effective bursary support
- Implementation of SEN provision

#### **To ensure every student is given the best opportunity to achieve their career aims in culture of high aspiration and excellent pastoral support**

- Careers advice provided through PSHCE programme
- Evaluation of aspirations of incoming students and plan a programme to meet those aspirations
- University and employer visits
- Regular reviews during tutor time

#### **To Secure outstanding leadership at all levels within the college**

- Ongoing CPD for staff and Governors
- College self-assessment and strategic planning cycle embedded and plans effectively cascaded
- Produce and effectively planned marketing strategy
- Embed effective risk management processes and Health and Safety as college moves to new location
- Tight control on finances with effective cascade to staff

# SALISBURY SIXTH FORM COLLEGE

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2016**

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**To ensure that the learning environment is fit for purpose and enhances the curriculum delivery over time;**

- Re-configuration of temporary accommodation to allow for additional students while the building is delayed
- Continuing to liaise with Wiltshire College whilst in temporary accommodation
- To ensure basic needs are met by furniture, fixtures and equipment purchases prior to the new building being ready
- To plan an effective decant into the new accommodation and ensure staff and students are given new building induction and classes can start
- To improve the temporary ICT provision while in Wiltshire College and implement the ICT provision in the new building.

### 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.

In addition, during the year the college has achieved a major objective by completing the building of the new premises and moving into its own purpose built sixth form college. The building offers a theatre and dance studio, four excellently equipped Science labs, Art studio, Media suite and many additional classroom spaces which are available to the community for hire. The college has also been able to offer taster days and master classes for feeder schools to aid transition from school into an A level environment.

## **Strategic report**

### **Achievements and performance**

Two major milestones have been reached in 2015/16. Firstly, a pleasing set of A level results and destinations for the college founding students, despite exams being run over split sites. Secondly, the completion and transition into the new college building, the culmination of many years of hard work by Governors, staff, students and many supporters of S6C.



# SALISBURY SIXTH FORM COLLEGE

## TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

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### Key performance indicators

<u>Year 13</u>	<u>Academic</u>	<u>Vocational</u>
Achievement	99% (National Average 98%)	100% pass rate
Success Rates	96.1% (National Average 95.3%)	
Value Added	-0.13	+0.61
Student performance against target	65.3% of students achieved or exceeded their target grade	90.8 % of students achieved or exceeded target Higher than predicted - particularly for Applied Science.

Year 13 destinations show a very positive result with 66% applying to university and 94% of these being placed (National Average 83%) making an overall 62% entering university. 20% of students took a gap year. 18% entered employment or apprenticeships.

Vocational performance is excellent.

Free School Meal students are performing better than others, indicating the effectiveness of the bursary and pastoral support provided.

EAL (English as Additional Language) performance is good.

The college continues to seek feedback; reviews by the following 'critical friends' have taken place.

- Peter Daw, College Improvement Partner
- Ali Jaffar, Headteacher, Chapeltown Academy (16-19 Free School)

### 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, provided the Trust can secure continued financial support from the Trust's principal funding body, The Education Funding Agency, beyond the existing funding arrangements for the academic year 2016.17. For this reason it continues to adopt the going concern basis in preparing these 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.

# SALISBURY SIXTH FORM COLLEGE

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2016

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During 2015/16 the trust has adopted the following financial policies;

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

The Expenses Policy and Governor's Expenses Policy have been reviewed and combined into one Expenses and Governor's Allowances Policy, which has been adopted by the Trust.

The outturn for the year shows that trust's expenditure has been tightly controlled against the budget set by the Governors, despite the challenges of building delays and uncertainties. There are no areas of abnormally high expenditure.

The number of students on roll is lower than estimated, the trust is subject to an additional PNA (pupil number adjustment). 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 during 2014/5. The trust was unexpectedly required to remain in temporary accommodation during 2015/6 and re-configured and expanded the temporary accommodation with the Capital EFA Team based on the agreed estimate. The EFA subsequently moderated the funding available to the trust, leaving an in-year deficit.. The college also had to pick up a set of dual running costs due to the fact that the examinations centre could not be moved into the new building until JCQ could assess the building after practical completion.

2014/15 PNA	£233,087
2015/16 PNA	£86,272
2015/16 Funding Moderation	£116,612
Dual Running Costs	£39,781
Total	£475,752

The trust's financial reports show a deficit caused by this pupil number adjustment and moderation but, the trust is working with the EFA on how they can support the college through the start-up phase and until the break-even point is reached. The college continues to project that it will have a small in-year surplus once the break-even point is reached. The deficit/debt to the EFA is, however, a significant financial risk to the Trust.

The Trust's assets have increased due to the completion of the college building (see Capital funding) and the signing over of this building to the trust by the Secretary of State for Education. Additional capital monies have been used to equip the building with major expenditure on furnishings and Science equipment.

The Trust provides a pension via the Local Government Pension Scheme (LGPS) for its Support Staff; the liability for this pension has increased to £68,000 during the year. The Trust has currently serving members of this fund only (i.e no pensioners or deferred pensions.) The Trustees are aware of this liability and are adopting the recommended increased contribution rates, as advised by the Pension Fund Actuary, to mitigate this liability over the longer term.

# SALISBURY SIXTH FORM COLLEGE

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2016

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#### Reserves policy

The reserve policy is to allocate 3% of general grant per year (subject to in-year affordability) for essential asset replacement and contingency purposes. The Trust is not expecting to be able to ring-fence this funding until the 2017/18 academic year. 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.

Due to the lower number of students on roll than estimated, the moderated funds for temporary accommodation and the unexpected dual running costs, the trust's financial reports show a deficit. The Trust is going through a full case review with the EFA in order to establish the best way to deal with the additional start-up costs. The outcome of this review is not yet available and, therefore, plans for dealing with the deficit cannot be published at this time. However, the Trust continues to work with the EFA and other interested parties, towards a mutually acceptable resolution.

The Trust are planning based on gradual growth towards 400 (200 per year) pupils by September 2020. There are many factors which influence the student numbers and break-even point of the college, the college needs to ensure that;

- Individual subjects do not become over-subscribed, producing a pressure point, even though the college is not full
- Additional teaching staff and cost are not incurred due to over-subscription in one subject
- Each year is balanced with 200-220 places to ensure that classes are not over-full and recruitment can remain consistent

The Trust anticipates that the break-even point for the college, based on a fairly even spread of subject take-up, is around 275-280 students. Current budget planning has a target of 316 students enrolled in September 2017, with a small in-year budget surplus projected from then on. Early indications are positive for 2017, with over 220 potential students attending the first open evening of this year's recruitment cycle.

#### 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 Trust's main risks and issues are;

Less than 180 students enrolled in August 2016 making the budget forecast in deficit for 2016/17 – The trust has undertaken a significant cost-cutting exercise to lessen the impact and is working with the EFA on solutions

Attendance and attendance systems are not currently effective – The college has appointed a pastoral leader for the 2016/17 academic year to address the issues.

New building costs could be more than budgeted – The college used benchmarking to set the budget and will monitor building costs and efficiencies closely throughout the year.

Long term absence – there is no provision in the budget for long term absence. If more than one member of staff is absent this will have a high impact on the budget. – The college continues to monitor absence and support staff as needed.

# SALISBURY SIXTH FORM COLLEGE

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2016**

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### **Plans for future periods**

Now that S6C has moved into its new building, a key part of future plans will be for this to be at the heart of the local community. S6C will develop facilities for profitable lettings and ensure revenue raised is reinvested in college equipment to support the curriculum delivery. We will continue to work in close partnership with local schools and investigate joint staffing arrangements to improve provision.

The demand for a levels will be re-assessed and opportunities to grow beyond 400 investigated, including further buildings work if needed.

Building on the career programme, the development of targeted Careers Advice will be provided which reflects the local labour market requirements (the biggest sectors of employment in and around Salisbury are Services, Public Admin, Education and Health, Military and Military Services)

S6C will work on the changes to A levels and GCSEs in the next few years, effectively transitioning to the GCSE numbering system and from the 4/3 A level model to a 3/3 + EPQ model.

### **Funds held as custodian trustee on behalf of others**

None

### **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 02 December 2016 and signed on its behalf by:



Mr N Owen  
**Chair of Governors**

# SALISBURY SIXTH FORM COLLEGE

## GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2016

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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:

Trustees	Meetings attended	Out of possible
Dr A Banks	4	6
Mr S Firth (Accounting Officer and Principal)	6	6
Rev D Fisher	2	6
Dr J Harrison (Resigned 30 March 2016)	1	4
Mr J King (Resigned 13 July 2016)	4	5
Mr J Martin (Resigned 6 September 2016)	4	6
Mrs S McKinley (Vice Chair of Governors)	5	6
Mr N Owen (Chair of Governors)	6	6
Ms T Verrall	5	6

Trustees agreed on 9th March 2016 to revise the structure and make-up of the board whilst maintaining the same number of trustees as follows:

- 3 x Member appointed
- 4 (5) x co-opted
- 1 x Principal
- 1 x Staff appointed
- 3 (2) x Parent appointed

Total = 12

This breakdown gave better balance to the Board whilst conforming to the requirements of the Articles of Association. At the same time, the committee structure was changed to create a focus for all resources in the Resources Committee which combined all aspects of finance, premises and HR (staffing).

# SALISBURY SIXTH FORM COLLEGE

## GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

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The Finance & Premises Committee was responsible for overseeing the school's financial affairs and reporting as appropriate to the Board of Trustees and carrying out the functions of the Audit Committee until March 2016 when those duties were taken over by the newly formed Resources Committee.

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
Mr S Firth (Accounting Officer and Principal)	3	3
Mr J King (Resigned 13 July 2016)	3	3
Mr J Martin (Resigned 6 September 2016)	2	3
Mr N Owen (Chair of Governors)	3	3

### 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:

- Effective procurement of new resources and services for the building by:
  - Obtaining 3 quotes for each area of major expenditure e.g. Science Equipment and furnishings and judging the best supplier based on cost and value added.
  - Seeking advice and support from the local feeder school on the best suppliers and by using combined bargaining power to drive down contract prices for new services.
  - Buying second hand Sports equipment and negotiating the donation of unused sport equipment from a local school.
  - Buying second hand books from other institutions
  - Buying second hand furniture or recycling unwanted furniture from other institutions
- Reviewing needs and reducing bought-in services.
- Staff have also committed to take on additional duties without responsibility allowances being paid as a career progression opportunity
- Reviewing the time-table and replacing staff leavers with part-time staff where applicable
- Effective use of Google technology to share resources with pupils reducing printing and the need for expensive resources

### 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 6th Form College for the period 1st September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements.

# SALISBURY SIXTH FORM COLLEGE

## GOVERNANCE STATEMENT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2016**

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### **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 2015 to 31 August 2016 and up to the date of approval of the annual report and accounts. 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 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 against the academies financial handbook
- segregation of duties
- budget monitoring and review

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.

### **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 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 2016**

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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 Resources Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 24/16 and signed on its behalf by:



Mr S Firth  
Accounting Officer and Principal



Mr N Owen  
Chair of Governors



# **SALISBURY SIXTH FORM COLLEGE**

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

***FOR THE YEAR ENDED 31 AUGUST 2016***

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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 2015.

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 2015.

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



Mr S Firth  
**Accounting Officer**

02 December 2016

# **SALISBURY SIXTH FORM COLLEGE**

## **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

**FOR THE YEAR ENDED 31 AUGUST 2016**

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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 2015 and the Academies Accounts Direction 2015 to 2016;
- 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 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 02 December 2016 and signed on its behalf by:



Mr N Owen  
**Chair of Governors**

# **SALISBURY SIXTH FORM COLLEGE**

## **INDEPENDENT AUDITOR'S REPORT ON THE ACCOUNTS 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 2016 set out on pages 21 to 41. 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), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an 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 16, 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' Report including the incorporated strategic 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 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016.

### **Emphasis of matter**

#### **Material Uncertainty Related to Going Concern**

In forming our opinion on the accounts, which is not qualified, we have considered the adequacy of the disclosures made in accounting policies to the accounts concerning the preparation of the financial statements on a going concern basis 1.2.

These events indicate that a material uncertainty exists that may cast significant doubt on the entity's ability to continue as a going concern, our opinion is not modified in respect of the matter. The financial statements do not include the adjustments that would result if the Trust was unable to continue as a going concern.

# SALISBURY SIXTH FORM COLLEGE

## INDEPENDENT AUDITOR'S REPORT ON THE ACCOUNTS TO THE MEMBERS OF SALISBURY SIXTH FORM COLLEGE (CONTINUED)

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

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

### 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)**  
for and on behalf of Moore Stephens (South) LLP

### Chartered Accountants

#### Statutory Auditor

33 The Clarendon Centre  
Salisbury Business Park  
Dairy Meadow Lane  
Salisbury  
Wiltshire  
SP1 2TJ

Dated: 21/12/2016.....

# **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 2015 to 2016, 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 2015 to 31 August 2016 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Salisbury Sixth Form College and 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 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 Salisbury Sixth Form College and 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 2015, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance, and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2015 to 2016. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2015 to 31 August 2016 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

### **Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2015 to 2016 issued by 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 2015 to 31 August 2016 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: .....

# SALISBURY SIXTH FORM COLLEGE

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2016

	Notes	Unrestricted Funds £	Restricted funds: General Fixed asset £	£	Total 2016 £	Total 2015 £
<b>Income and endowments from:</b>						
Donations and capital grants	2	-	1,590	6,499,314	6,500,904	1,252,609
Charitable activities:						
- Funding for educational operations	3	-	1,015,245	-	1,015,245	800,274
Other trading activities	4	30,838	-	-	30,838	23,907
Investments	5	438	-	-	438	181
<b>Total income and endowments</b>		<u>31,276</u>	<u>1,016,835</u>	<u>6,499,314</u>	<u>7,547,425</u>	<u>2,076,971</u>
<b>Expenditure on:</b>						
Charitable activities:						
- Educational operations	7	26,892	1,316,203	196,325	1,539,420	1,203,241
<b>Total expenditure</b>	6	<u>26,892</u>	<u>1,316,203</u>	<u>196,325</u>	<u>1,539,420</u>	<u>1,203,241</u>
<b>Net income/(expenditure)</b>		4,384	(299,368)	6,302,989	6,008,005	873,730
Transfers between funds		(18,051)	10,089	7,962	-	-
<b>Other recognised gains and losses</b>						
Actuarial gains/(losses) on defined benefit pension schemes	17	-	(37,000)	-	(37,000)	5,000
<b>Net movement in funds</b>		<u>(13,667)</u>	<u>(326,279)</u>	<u>6,310,951</u>	<u>5,971,005</u>	<u>878,730</u>
<b>Reconciliation of funds</b>						
Total funds brought forward		13,667	(225,720)	1,376,176	1,164,123	285,393
Total funds carried forward		<u>-</u>	<u>(551,999)</u>	<u>7,687,127</u>	<u>7,135,128</u>	<u>1,164,123</u>

# SALISBURY SIXTH FORM COLLEGE

## STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2016

Comparative year information Year ended 31 August 2015	Notes	Unrestricted Funds £	General £	Restricted funds: Fixed asset £	Total 2015 £
<b>Income and endowments from:</b>					
Donations and capital grants	2	-	1,024	1,251,585	1,252,609
Charitable activities:					
- Funding for educational operations	3	-	800,274	-	800,274
Other trading activities	4	23,907	-	-	23,907
Investments	5	181	-	-	181
<b>Total income and endowments</b>		<u>24,088</u>	<u>801,298</u>	<u>1,251,585</u>	<u>2,076,971</u>
<b>Expenditure on:</b>					
Charitable activities:					
- Educational operations	7	10,510	1,097,042	95,689	1,203,241
<b>Total expenditure</b>	6	<u>10,510</u>	<u>1,097,042</u>	<u>95,689</u>	<u>1,203,241</u>
<b>Net income/(expenditure)</b>		13,578	(295,744)	1,155,896	873,730
Transfers between funds		-	8,227	(8,227)	-
<b>Other recognised gains and losses</b>					
Actuarial gains/(losses) on defined benefit pension schemes	17	-	5,000	-	5,000
<b>Net movement in funds</b>		13,578	(282,517)	1,147,669	878,730
<b>Reconciliation of funds</b>					
Total funds brought forward		89	56,797	228,507	285,393
Total funds carried forward		<u>13,667</u>	<u>(225,720)</u>	<u>1,376,176</u>	<u>1,164,123</u>



# SALISBURY SIXTH FORM COLLEGE

## BALANCE SHEET

AS AT 31 AUGUST 2016

	Notes	2016		2015	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	11		7,687,127		1,350,405
<b>Current assets</b>					
Debtors	12	197,645		331,834	
Cash at bank and in hand		72,584		209,456	
			270,229		541,290
<b>Current liabilities</b>					
Creditors: amounts falling due within one year	13	(754,228)		(714,572)	
<b>Net current liabilities</b>			(483,999)		(173,282)
<b>Net assets excluding pension liability</b>			7,203,128		1,177,123
Defined benefit pension liability	17		(68,000)		(13,000)
<b>Net assets</b>			7,135,128		1,164,123
<b>Funds of the academy trust:</b>					
<b>Restricted funds</b>	15				
- Fixed asset funds			7,687,127		1,376,176
- Restricted income funds			(483,999)		(212,720)
- Pension reserve			(68,000)		(13,000)
<b>Total restricted funds</b>			7,135,128		1,150,456
<b>Unrestricted income funds</b>	15		-		13,667
<b>Total funds</b>			7,135,128		1,164,123

The accounts set out on pages 21 to 41 were approved by the board of trustees and authorised for issue on 02 December 2016 and are signed on its behalf by:



Mr N Owen  
Chair of Governors

Company Number 08257461

# SALISBURY SIXTH FORM COLLEGE

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2016

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	Notes	2016 £	£	2015 £	£
<b>Cash flows from operating activities</b>					
Net cash provided by (used in) operating activities	18		(103,577)		156,380
<b>Cash flows from investing activities</b>					
Dividends, interest and rents from investments		438		181	
Capital grants from DfE and EFA		3,988,402		1,251,585	
Land gifted from EFA		1,255,456		-	
Payments to acquire tangible fixed assets		(5,277,591)		(1,243,358)	
			(33,295)		8,408
<b>Change in cash and cash equivalents in the reporting period</b>					
			(136,872)		164,788
Cash and cash equivalents at 1 September 2015					
			209,456		44,668
<b>Cash and cash equivalents at 31 August 2016</b>					
			72,584		209,456

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# SALISBURY SIXTH FORM COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 AUGUST 2016

---

#### 1 Accounting policies

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

##### 1.1 Basis of preparation

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

Salisbury Sixth Form College meets the definition of a public benefit entity under FRS 102.

These accounts for the year ended 31 August 2016 are the first accounts of Salisbury Sixth Form College prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 September 2014. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 23.

##### 1.2 Going concern

At the year end the Trust is currently in a cumulative revenue deficit position of £483,999, the significant liabilities due are in relation to the Education Funding Agency for repayment of Pupil Number Adjustments and VAT.

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, provided the Trust can secure continued financial support from the Trust's principal funding body, The Education Funding Agency, beyond the existing funding arrangements for the academic year 2016/17. The board of trustees are in discussions with the Education Funding Agency concerning future financial support and for this reason it continues to adopt the going concern basis in preparing these accounts..

##### 1.3 Income

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

###### 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 meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

###### Donated goods, facilities and services

During the year, the Trust has received a transfer of land from the EFA. This was valued at cost of the purchase by the EFA of £1,255,456. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category, no depreciation is charged due to the nature of the asset.

# SALISBURY SIXTH FORM COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

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### 1 Accounting policies

(Continued)

#### 1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

#### Expenditure on raising funds

This includes all expenditure incurred by the academy trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

#### Charitable activities

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

#### 1.5 Tangible fixed assets and depreciation

Assets costing £2,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding that require 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 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 16/17 year.

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

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.

# SALISBURY SIXTH FORM COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

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### 1 Accounting policies (Continued)

#### 1.6 Liabilities

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

#### 1.7 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.

#### 1.8 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.

#### 1.9 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.

#### 1.10 Financial instruments

The only financial instruments held by the school are debtors and creditors. These are categorised as "basic" in accordance with Section 11 of FRS102 and are initially recorded at transaction price. These are subsequently measured at their transaction price less any impairment.

#### 1.11 Critical accounting estimates and areas of judgement

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

##### Critical accounting estimates and assumptions

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

# SALISBURY SIXTH FORM COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

### 1 Accounting policies

(Continued)

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 17, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

On conversion to an academy trust, the asset and liabilities of the Trust are measured at fair value. This includes any buildings. The valuation of the buildings involves a significant degree of estimation refer to Note 11 for further detail of this estimation.

### 2 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
Donated fixed assets	-	1,255,456	1,255,456	-
Capital grants	-	5,243,858	5,243,858	1,251,585
Other donations	-	1,590	1,590	1,024
	-	6,500,904	6,500,904	1,252,609

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

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
<b>DfE / EFA grants</b>				
General annual grant (GAG)	-	820,383	820,383	394,968
Start up grants	-	83,500	83,500	286,500
Other DfE / EFA grants	-	106,862	106,862	118,806
	-	1,010,745	1,010,745	800,274
<b>Other government grants</b>				
Other government grants	-	4,500	4,500	-
<b>Total funding</b>	-	1,015,245	1,015,245	800,274

# SALISBURY SIXTH FORM COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

### 4 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
Catering income	548	-	548	396
Other income	30,290	-	30,290	23,511
	<u>30,838</u>	<u>-</u>	<u>30,838</u>	<u>23,907</u>

### 5 Investment income

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
Other investment income	438	-	438	181
	<u>438</u>	<u>-</u>	<u>438</u>	<u>181</u>

### 6 Expenditure

	Staff costs £	Premises & equipment £	Other costs £	Total 2016 £	Total 2015 £
<b>Academy's educational operations</b>					
- Direct costs	755,026	-	109,491	864,517	710,599
- Allocated support costs	171,130	198,932	304,841	674,903	492,642
	<u>926,156</u>	<u>198,932</u>	<u>414,332</u>	<u>1,539,420</u>	<u>1,203,241</u>
<b>Total expenditure</b>	<u>926,156</u>	<u>198,932</u>	<u>414,332</u>	<u>1,539,420</u>	<u>1,203,241</u>

### Net income/(expenditure) for the year includes:

	2016 £	2015 £
Fees paid to auditor for audit services	6,750	6,275
Operating lease rentals	236,159	169,282
Depreciation of tangible fixed assets	139,213	95,689
Loss on disposal of fixed assets	57,112	-
	<u>439,234</u>	<u>370,846</u>

# SALISBURY SIXTH FORM COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

### 7 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
Direct costs - educational operations	26,330	838,187	864,517	710,599
Support costs - educational operations	562	674,341	674,903	492,642
	<u>26,892</u>	<u>1,512,528</u>	<u>1,539,420</u>	<u>1,203,241</u>

#### Analysis of costs

	2016 £	2015 £
<b>Direct costs</b>		
Teaching and educational support staff costs	741,490	625,006
Staff development	13,536	5,507
Technology costs	20,872	32,939
Educational supplies and services	30,276	20,632
Examination fees	36,589	17,181
Other direct costs	21,754	9,334
	<u>864,517</u>	<u>710,599</u>
<b>Support costs</b>		
Support staff costs	152,130	160,123
Depreciation and amortisation	196,325	95,689
Technology costs	1,966	788
Recruitment and support	5,934	885
Maintenance of premises and equipment	2,607	24
Cleaning	2,296	125
Energy costs	2,088	-
Rent and rates	241,009	169,282
Insurance	5,249	3,825
Security and transport	2,249	2,116
Catering	4,424	1,289
Interest and FRS 102 pension costs	18,000	18,000
Other support costs	28,947	22,365
Governance costs	11,679	18,131
	<u>674,903</u>	<u>492,642</u>



# SALISBURY SIXTH FORM COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

### 8 Staff costs

	2016 £	2015 £
Wages and salaries	674,394	642,917
Social security costs	59,404	49,542
Operating costs of defined benefit pension schemes	120,027	96,514
Staff costs	853,825	788,973
Supply staff costs	58,795	13,156
Staff development and other staff costs	13,536	5,507
Total staff expenditure	926,156	807,636

### Staff numbers

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

	2016 Number	2015 Number
Teachers	14	11
Administration and support	10	2
Management	5	5
	29	18

### Higher paid staff

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

	2016 Number	2015 Number
£65,000 - £70,000	1	1

### Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 2. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £299,509 (2015: £295,214).

# SALISBURY SIXTH FORM COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2016

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#### 9 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.

The value of trustees' remuneration was as follows:

Mr S Firth (principal) £65,000 - £70,000 (2015: £65,000 - £70,000)  
Employers Pension Contributions £10,000 - £15,000 (2015: £10,000 - £15,000)

Dr J Harrison (Staff Governor resigned 29/03/2016) £15,000 - £20,000 (2015: £35,000 - £40,000)  
Employers Pension Contributions £0 - £5,000 (2015: £0 - £5,000)

Mr J King (Staff Governor resigned 13/07/2016) £25,000 - £30,000 (2015: £25,000 - £30,000)  
Employers Pension Contributions £0 - £5,000 (2015: £0 - £5,000)

Mr J Martin (Staff Governor) £35,000 - £40,000 (2015: £35,000 - £40,000)  
Employers Pension Contributions £5 - £10,000 (2015: £5,000 - £10,000)

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

#### 10 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 academy trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme covers trustees and officers up to £10,000,000. It is not possible to quantify the Trustees and officers indemnity element from the overall cost of the RPA scheme.

# SALISBURY SIXTH FORM COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

### 11 Tangible fixed assets

	Land and buildings	Computer equipment	Fixtures, fittings & equipment	Total
	£	£	£	£
<b>Cost</b>				
At 1 September 2015	1,114,597	272,110	59,387	1,446,094
Additions	6,333,777	97,018	102,252	6,533,047
Disposals	(51,955)	(7,532)	(1,065)	(60,552)
At 31 August 2016	7,396,419	361,596	160,574	7,918,589
<b>Depreciation</b>				
At 1 September 2015	-	90,106	5,583	95,689
On disposals	-	(3,226)	(214)	(3,440)
Charge for the year	-	123,043	16,170	139,213
At 31 August 2016	-	209,923	21,539	231,462
<b>Net book value</b>				
At 31 August 2016	7,396,419	151,673	139,035	7,687,127
At 31 August 2015	1,114,597	182,004	53,804	1,350,405

The College's admin team moved into it's brand new building on completion in May 2016 however students were unable to use the building's full facilities until September 2016. The project has been professionally certificated at cost value by a surveyor, on 3 October 2016 Gleeds Advisory Ltd valued the work completed by McAvoy's Group Ltd at £6,085,474. During the year, the land had been donated to the academy by the EFA at their valuation of £1,255,546, a charge has been raised over the land by the Secretary of State for Education on Companies House. Additional work has been capitalised in the building process of the college such as electrical work and legal fees of £55,489 which makes up the remainder of the cost as at 31 August 2016. The assets which have been disposed of relate to reimbursement work completed on the temporary accommodation in Wiltshire College last year.

### 12 Debtors

	2016	2015
	£	£
VAT recoverable	62,931	79,362
Other debtors	108,622	200,023
Prepayments and accrued income	26,092	52,449
	197,645	331,834

# SALISBURY SIXTH FORM COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

13 Creditors: amounts falling due within one year	2016 £	2015 £
Trade creditors	267,401	399,734
Other taxation and social security	19,043	15,200
Other creditors	339,808	239,945
Accruals and deferred income	127,976	59,693
	<u>754,228</u>	<u>714,572</u>
	<u><u>754,228</u></u>	<u><u>714,572</u></u>
14 Deferred income	2016 £	2015 £
Deferred income is included within:		
Creditors due within one year	29,148	56,473
	<u>29,148</u>	<u>56,473</u>
	<u><u>29,148</u></u>	<u><u>56,473</u></u>
Deferred income at 1 September 2015	56,473	-
Released from previous years	(56,473)	-
Amounts deferred in the year	29,148	56,473
	<u>29,148</u>	<u>56,473</u>
<b>Deferred income at 31 August 2016</b>	<u><u>29,148</u></u>	<u><u>56,473</u></u>

The deferred income balance at 31 August 2016 relates to;

• 16-18 Bursary Grant	£11,416
• EFA Capital Income Overpayment	£ 9,638
• EFA Devolved Capital Formula	£ 6,070
• Nepal Donation for Trip 2016/17	£ 1,575
• Insurance claim income	£ 450

15 Funds	Balance at 1 September 2015 £	Incoming resources £	Resources expended £	Gains, losses & transfers £	Balance at 31 August 2016 £
<b>Restricted general funds</b>					
General Annual Grant	(212,720)	820,383	(1,101,751)	10,089	(483,999)
Start up grants	-	83,500	(83,500)	-	-
Other DfE / EFA grants	-	106,862	(106,862)	-	-
Other government grants	-	4,500	(4,500)	-	-
Other restricted funds	-	1,590	(1,590)	-	-
	<u>(212,720)</u>	<u>1,016,835</u>	<u>(1,298,203)</u>	<u>10,089</u>	<u>(483,999)</u>
Funds excluding pensions	(212,720)	1,016,835	(1,298,203)	10,089	(483,999)
Pension reserve	(13,000)	-	(18,000)	(37,000)	(68,000)
	<u>(225,720)</u>	<u>1,016,835</u>	<u>(1,316,203)</u>	<u>(26,911)</u>	<u>(551,999)</u>
	<u><u>(225,720)</u></u>	<u><u>1,016,835</u></u>	<u><u>(1,316,203)</u></u>	<u><u>(26,911)</u></u>	<u><u>(551,999)</u></u>

# SALISBURY SIXTH FORM COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

15 Funds	(Continued)				
<b>Restricted fixed asset funds</b>					
DfE / EFA capital grants	1,376,176	5,243,858	(196,325)	7,962	6,431,671
EFA land donation	-	1,255,456	-	-	1,255,456
	<u>1,376,176</u>	<u>6,499,314</u>	<u>(196,325)</u>	<u>7,962</u>	<u>7,687,127</u>
<b>Total restricted funds</b>	<u>1,150,456</u>	<u>7,516,149</u>	<u>(1,512,528)</u>	<u>(18,949)</u>	<u>7,135,128</u>
<b>Unrestricted funds</b>					
General funds	<u>13,667</u>	<u>31,276</u>	<u>(26,892)</u>	<u>(18,051)</u>	<u>-</u>
<b>Total funds</b>	<u>1,164,123</u>	<u>7,547,425</u>	<u>(1,539,420)</u>	<u>(37,000)</u>	<u>7,135,128</u>

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 £483,999 on restricted general funds (excluding pension reserve) because EFA have requested a further pupil number adjustment (PNA) of £86,272, adding to the £233,087 requested last year, as the actual students on roll is lower than estimated, the 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. Now 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.

# SALISBURY SIXTH FORM COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

### 16 Analysis of net assets between funds

	Unrestricted	Restricted funds:		Total
	Funds	General	Fixed asset	2016
	£	£	£	£
<b>Fund balances at 31 August 2016 are represented by:</b>				
Tangible fixed assets	-	-	7,687,127	7,687,127
Current assets	-	270,229	-	270,229
Creditors falling due within one year	-	(754,228)	-	(754,228)
Defined benefit pension liability	-	(68,000)	-	(68,000)
	-	(551,999)	7,687,127	7,135,128

### 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.

#### 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:

# SALISBURY SIXTH FORM COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2016

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#### 17 Pensions and similar obligations

(Continued)

The key elements of the valuation and subsequent consultation are:

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

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

The pension costs paid to the TPS in the period amounted to £86,181 (2015: £66,848).

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

Under the definitions set out in FRS 102, the TPS is 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 13.1% for employers and 9.6% for employees. The estimated value of employer contributions for the forthcoming year is £11,000.

The level of employer contributions for future years to assist in reducing the pension deficit are as follows:

Period (1 April - 31 March)	Employer Primary Contribution Rate
2016/2017	13.10%
2017/2018	13.10%
2018/2019	16.50%
2019/2020	19.90%

The 2016 tri-annual valuation contribution rates (above) target to pay for both benefits accruing and return the employer to a fully funded position over a period of 14 years.

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 2016

### 17 Pensions and similar obligations (Continued)

Total contributions made	2016 £	2015 £
Employer's contributions	8,000	11,000
Employees' contributions	11,000	7,000
	<u>19,000</u>	<u>18,000</u>
Principal actuarial assumptions	2016 %	2015 %
Rate of increases in salaries	4.1	4.6
Rate of increase for pensions in payment	2.1	2.7
Discount rate	2.1	3.8
	<u>2.1</u>	<u>3.8</u>

#### Sensitivity Analysis

	Approximate % increase in employer liability	Approximate monetary amount (£000's)
0.5% decrease in Real Discount Rate	22%	25
1 year increase in member life expectancy	3%	3
0.5% increase in the Salary Increase Rate	0%	0
0.5% increase in the Pension Increase Rate	22%	25

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

	2016 Years	2015 Years
Retiring today		
- Males	22.3	22.3
- Females	24.5	24.5
Retiring in 20 years		
- Males	24.1	24.1
- Females	26.9	26.9
	<u>26.9</u>	<u>26.9</u>

#### The academy trust's share of the assets in the scheme

	2016 Fair value £	2015 Fair value £
Equities	30,960	15,000
Bonds	6,450	3,000
Cash	430	-
Property	5,160	3,000
	<u>43,000</u>	<u>21,000</u>
Total market value of assets	<u>43,000</u>	<u>21,000</u>



# SALISBURY SIXTH FORM COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

17 Pensions and similar obligations	(Continued)	
Actual return on scheme assets - gain/(loss)	3,000	(3,000)
	<u>          </u>	<u>          </u>
<b>Amounts recognised in the statement of financial activities</b>	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Current service cost (net of employee contributions)	19,000	17,000
Net interest cost	(1,000)	1,000
	<u>          </u>	<u>          </u>
<b>Changes in the present value of defined benefit obligations</b>		<b>2016</b>
		<b>£</b>
Obligations at 1 September 2015		34,000
Current service cost		28,000
Interest cost		2,000
Employee contributions		8,000
Actuarial loss		39,000
		<u>          </u>
At 31 August 2016		111,000
		<u>          </u>
<b>Changes in the fair value of the academy trust's share of scheme assets</b>		<b>2016</b>
		<b>£</b>
Assets at 1 September 2015		21,000
Interest income		1,000
Return on plan assets (excluding amounts included in net interest):		
Actuarial gain		2,000
Employer contributions		8,000
Employee contributions		11,000
		<u>          </u>
At 31 August 2016		43,000
		<u>          </u>

# SALISBURY SIXTH FORM COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

### 18 Reconciliation of net income to net cash flows from operating activities

	2016 £	2015 £
Net income for the reporting period	6,008,005	873,730
Adjusted for:		
Capital grants from DfE/EFA and other capital income	(6,499,314)	(1,251,585)
Investment income	(438)	(181)
Defined benefit pension costs less contributions payable	19,000	17,000
Defined benefit pension net finance cost/(income)	(1,000)	1,000
Depreciation of tangible fixed assets	139,213	95,689
Losses/(profits) on disposals of fixed assets	57,112	-
(Increase)/decrease in debtors	134,189	(278,515)
Increase/(decrease) in creditors	39,656	699,242
<b>Net cash used in operating activities</b>	<u>(103,577)</u>	<u>156,380</u>

### 19 Commitments under operating leases

At 31 August 2016 the total future minimum lease payments under non-cancellable operating leases were as follows:

	2016 £	2015 £
Amounts due within one year	2,531	175,234
Amounts due in two and five years	-	1,892
	<u>2,531</u>	<u>177,126</u>

### 20 Related party transactions

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.

No related party transactions took place in the period of account.

### 21 Members' liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he 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.

# SALISBURY SIXTH FORM COLLEGE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

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### 22 Agency arrangements

The academy distributes 16-19 bursary funds to students as an agent for EFA. In accounting period ending 31 August 2016 the trust brought forward £5,433 of funds from last year, the trust received £30,235 (2015: £16,083) and disbursed £18,819 (2015: £10,650) from the fund. An amount of £11,416 has been included in other creditors relating to undistributed funds that are repayable to EFA.

### 23 Reconciliations on adoption of FRS 102

The transition to FRS 102 affected the figures reported for the comparative period under previous UK GAAP for funds and net income or expenditure, as follows.

#### Reconciliation of funds for the previous financial period

	1 September 2014 £	31 August 2015 £
Funds as reported under previous UK GAAP and under FRS 102	285,393	1,164,123
	<u>                    </u>	<u>                    </u>

#### Reconciliation of net income for the previous financial period

	Notes	2015 £
Net income as reported under previous UK GAAP		874,730
Adjustments arising from transition to FRS 102:		
Change in recognition of LGPS interest cost	1	(1,000)
Net income reported under FRS 102		<u>                    </u> <u>873,730</u>

#### Notes to reconciliations on adoption of FRS 102

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

