



SABRES EDUCATIONAL TRUST
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2016

SABRES EDUCATIONAL TRUST
(A company limited by guarantee)

CONTENTS

	Page
Reference and administrative details	1 - 2
Trustees' report	3 - 9
Governance statement	10 - 13
Statement on regularity, propriety and compliance	14
Statement of Trustees' responsibilities	15
Independent auditors' report on the financial statements	16 - 17
Independent auditors' assurance report on regularity	18 - 19
Statement of financial activities incorporating income and expenditure account	20
Balance sheet	21
Statement of cash flows	22
Notes to the financial statements	23 - 45

SABRES EDUCATIONAL TRUST
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2016

Members

W Bishop
N Batey
A Challiss
J Green
K Curtis

Trustees

K Curtis
L Challiss
B Sparks
J Hammond
J Crewe
Y Prodromou
A Tilbrook, Principal
P Batey
I Trafford, Staff Trustee
B Murphy, Staff Trustee (appointed 25 September 2016)
I Dickerson (appointed 16 October 2016)
I Falk (appointed 16 October 2016)
A Challiss, Chair
W Bishop
J Green
N Batey

Company registered number

07432586

Company name

SABRES Educational Trust

Principal and registered office

IES Breckland School, Crown Street, Brandon, Suffolk, IP27 0NJ

Senior Leadership Team

A Tilbrook, Principal
C Ingarfield, Vice Principal
L Foster, Assistant Principal
S Hibbert, Assistant Principal
A Bull, Business Manager

Independent auditors

MA Partners LLP, 7 The Close, Norwich, Norfolk, NR1 4DJ

SABRES EDUCATIONAL TRUST
(A company limited by guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2016**

Advisers (continued)

Solicitors

Greene and Greene Solicitors, 80 Guildhall Street, Bury St Edmunds, Suffolk, IP33 1QB

SABRES EDUCATIONAL TRUST
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2016

The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the financial statements of Sabres Educational Trust (the Trust) and auditor's report of the charitable company for the period for the ended 31 August 2016. The Trustees confirm that the Annual report and financial statements of the Trust comply with the current statutory requirements, the requirements of the Trust's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005. The annual report serves the purposes of both a trustees report, and a director's report under company law.

The Trust operates an academy for pupils aged 11 to 16 serving the catchment area of Brandon. It has a capacity of 500 and had a school roll of 456 in the in the school census October 2016.

Structure, governance and management

a. CONSTITUTION

The Trust is a charitable company limited by guarantee and an exempt charity. It was set up by a Memorandum of Association on 26 October 2010. The Memorandum of Association was subsequently updated on 29 May 2012.

The Trustees of Sabres Educational Trust are also the directors of the charitable company for the purpose of company law.

Details of the Trustees who served during the year are included in the Reference and administrative details on page 1.

b. MEMBERS' LIABILITY

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

c. METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF TRUSTEES

The number of Trustees shall not be less than three but (unless otherwise determined by ordinary resolution) shall not be subject to any maximum. The members of the Trust may appoint any person who is willing to be a Trustee subject to the conditions set out in the Articles of Association. Under the Articles of Association, the Trustees shall also include the Principal and a minimum of two Parent Trustees. The term of office for any Trustee shall be four years. A Trustee may be re-elected by the members of the Trust on recommendation of the Board of Trustees.

d. POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES

The Chair of Trustees meets all newly appointed Trustees prior to their first meeting. The Trustees receive induction training and Trustee training and development is a standing item on the board agenda. Trustees are encouraged to attend CPD courses administered by Suffolk County Council and the National Association of Governors.

SABRES EDUCATIONAL TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

e. ORGANISATIONAL STRUCTURE

The Trustees are responsible for setting general policy, adopting the annual plan and budget, monitoring the school and making major decisions concerning the direction of the school, capital expenditure and staff appointments.

The Trustees approve the budget for the year and are mindful of the need to balance expenditure against income to ensure that the Trust remains a 'going concern'. The Trustees also receive and approve the Annual Accounts and the External Auditors Management Report and ensure that the school operates within the Financial Regulations set out in the Academies Financial Handbook.

The Trustees ensure:

- The staff structure is reviewed thoroughly each year before the preceding annual budget process and timetable planning.
- The payroll process is supported externally by Ensors Chartered Accountants and reconciliations of staff costs are reviewed by the Accounting Officer and Business Manager.
- The Accounting Officer together with the Business Manager, regularly review all service agreements and operating costs to identify areas where better value, cost savings or renegotiated contracts can be achieved, such as renegotiating contracts for photocopiers and printing costs and looking at energy pricing and ICT support costs.
- Management accounts are circulated to the finance working party on a monthly basis, expenditure is monitored against budget and any significant variances are reported accordingly. This is supplemented when necessary by external auditors' reports and independent reviews on key operational procedures such as payroll and purchasing.
- The Trust works with other local academies and schools to undertake cost comparison and benchmarking.
- The Trust explores opportunities to generate additional funding and this year has applied for several capital grants.
- A risk register is maintained to ensure that risks have been identified and monitored throughout the year.
- The Trust invests all surplus funds in low risk interest bearing accounts.

f. PAY POLICY FOR KEY MANAGEMENT PERSONNEL

The school Principal and the Business Manager are responsible for producing a list of suggested salary increases for a given period; based on an individual's performance during the year. An appraisal process forms the basis of this review. Any suggested increases are benchmarked against local and national payscales for each management position and from an integral part of the annual budgeting process. The Trust (as the employer) in conjunction with IES (the Education provider) are responsible for review and authorisation of all pay increases.

g. CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS

IES International English Schools UK Limited ("IES UK"), via the Principal, is responsible for the day to day running of the school, implementing the policies laid down by the Trustees, reporting back to them and organising the teaching staff, facilities and students. During the 15/16 academic year, IES UK has re-invested £79,035 of its management fee in activities designed to strengthen the schools management and improve the quality of teaching and learning. The management fee for 15/16 after credits was £20,640. This amount does not include the costs associated with IES UK or IES AB personnel involved with the management of the school.

SABRES EDUCATIONAL TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

h. TRUSTEES' INDEMNITIES

The 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 protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000.

Objectives and Activities

The principal object and activity of the Sabres Educational Trust is the operation of IES Breckland ("IESB" / "the school" / "the academy") to advance education for students of different abilities between the ages of 11 and 16.

a. OBJECTS AND AIMS

As a result of the issues raised by Ofsted (inspection 3-4 November 2015), despite being taken out of special measures to requires improvement, the Trust in partnership with its educational provider IES, has continued to focus on improving the quality of teaching and learning; behavioural management and driving rapid improvement at IES Breckland. Despite achieving a "good" for leadership and management, the Trustees are still committed to the improvement process (in all areas).

To underpin these aims there are supporting operational and financial objectives, which are:

- To ensure prudent financial management and planning of Trust funds.
- To ensure robust governance and challenge.
- To conduct regular reviews of teaching and learning and ensure resources are deployed to achieve this objective.
- To ensure the fabric of the site, the buildings, the classroom facilities and grounds of the school are maintained to an outstanding level and ensure the school is a comfortable, safe and inspiring environment in which to learn.
- To ensure that comparisons are made against other similar size academies to ensure costs are benchmarked for quality and appropriateness.
- Challenge existing arrangements and look for improvement process to improve whole school efficiency.

b. OBJECTIVES, STRATEGIES AND ACTIVITIES

Our strategic development priorities for 2015/16 are as follows and a more detailed version is published in the school development plan. Having successfully achieved our objective of 14/15 - moving the school out of special measures by the end of 2015; the focus continues to be on the improvement of teaching and learning; underpinned by staff development and coaching initiatives; to improve pupils achievement in English – in particular to improve the level of reading and handwriting; to close the attainment gaps between disadvantaged students and others; and to address any remaining areas of low level student behaviour issues to maximise student engagement.

c. PUBLIC BENEFIT

The object of the Trust is to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum.

The Trustees confirm they have referred to the guidance contained in the Charity Commissions general guidance on public benefit when reviewing the Trust's aims and objectives.

SABRES EDUCATIONAL TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

Achievements and performance

a. REVIEW OF ACTIVITIES

At the beginning of the 2015 academic year (3-4 November), the school was re-inspected by Ofsted and taken out of special measures into requires improvement. The Ofsted report highlighted several areas for improvement which have been incorporated in our strategic development plan. However, there were many areas where the school has shown significant improvement. Ofsted identified the following strengths:

The Principal, supported by an effective leadership team, has overseen a period of enormous improvement in the school. The governing body, the Trust (SABRES) and the educational provider (IES) work in a productive partnership. This has been a significant feature in the school's positive development.

Good leadership has resulted in the quality of teaching improving in key areas of the school. Some teaching is outstanding and this is leading to very strong progress.

Parents are now very positive about the school. They value the regular contact they have from the school about their child's work and behaviour.

The great majority of pupils behave well. Their attendance is good and they are proud to be part of the school. Pupils feel safe and valued.

Disabled pupils and those who have special educational needs are well provided for.

The school offers a broad and varied curriculum, which is well matched to the pupils' interests.

Pupils are well known as individuals. Their welfare is a priority for the school.

Subject and faculty leaders are having an increasingly effective impact on the quality of teaching.

In addition:

The school's assessment systems have also improved. Pupils are tracked as individuals and as groups. Leaders have an increasingly clear awareness of how much progress each class is making in each subject. They are now linking this information to teaching staff and this is helping them to further understand how effective each teacher is at promoting learning.

The school's curriculum is expanding and improving as the number of pupils attending the school grows. Leaders have considered the needs and interests of the pupils and offer a good mix of academic and vocational courses in Key Stage 4. These are supplemented by additional courses, such as those in sports leadership, that will support pupils when they move onto their next stage. Links with West Suffolk College are established, and growing, for pupils to access courses as an alternative provision. Currently, very few pupils are accessing such provision.

A good range of extra-curricular activities support the curriculum. These include sports, arts and science clubs and homework drop-ins. Pupils in Key Stage 4 also have the opportunity to attend catch-up classes in many subjects as they approach their final examinations or controlled assessment deadlines. The school is offering 20 pupils the opportunity to undertake the Duke of Edinburgh bronze award this year.

The school has also redeveloped an old annex into a new library.

SABRES EDUCATIONAL TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

b. KEY PERFORMANCE INDICATORS

During 15/16, the school was taken out of special measures and into requires improvement.

The pupil numbers at IESB continue to rise; 456 in August 2016; 431 in August 2015, compared with 404 in August 2014, 313 in August 2013 and 209 in August 2012.

Unvalidated data for academic year 2015-16 in key headline measures is displayed below.

The 2015-16 cohort of Year 11 students entered secondary education with a significantly below national average APS (average point score) on entry and were able to make, on average, more than expected progress, as demonstrated through the unvalidated Progress 8 score.

	<i>2014-15</i>	2015-16
Progress 8	<i>N/A</i>	+0.04
Attainment 8	<i>49</i>	45
A*-C English and Maths	<i>40%</i>	45%
A*-C English	<i>47%</i>	57%
A*-C Maths	<i>65%</i>	57%

Financial review

a. GOING CONCERN

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

b. PRINCIPAL RISKS AND UNCERTAINTIES

The Trust continues to give consideration to the future planning / funding of the school and the possible impact on the schools ability to deliver the educational curriculum on offer. It sees the following as the principal risks:

- other organisations competing for the same source of income
- complying with legislative requirements
- financial risk – not operating within budget
- changes in funding
- insufficient financial controls
- financial commitments made without adequate authorisation.

SABRES EDUCATIONAL TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

c. RESERVES POLICY

The Trust established its reserves policy in 2014. At the beginning of 15/16, its reserve account stood at £160,077. This reserve is designed for use in adverse conditions or when equipment needs repair or replacement. The aim is to build this fund by £80,000 per annum until a reasonable amount has been put aside (this will be reviewed when the fund reaches £320,000). During 15/16, the Trustees took the decision to repair and extend the existing car parking that had become a safety concern and to rebuild the IT network that become unreliable and unstable. Due to this expenditure, no transfer was made to the reserve account. As of 31 August 2016 the reserve account had a balance of £160,574.

As of 31 August 2016 the Trust has **£19,312** of restricted funds not available for general purposes. In addition, the Trust has a balance of **£241,596** in unrestricted funds.

d. DEFICIT

Under FRS 102 it is necessary to account for the projected pension liability on the Local Government Pension Scheme to a specific Pension reserve, reflecting the long term liability on the balance sheet. The deficit on this reserve as of 31 August 2016 was **£155,000**.

e. PRINCIPAL FUNDING

The Trust's principal sources of funding are grants from the Department for Education ("DfE") and the Education Funding Agency ("EFA").

f. INVESTMENT POLICY

Due to the current growth of the school and its need for enhanced facilities and equipment and the fact it is rated as requires improvement which requires investment in remedial action / strategies; there is currently no policy to invest funds. In the future, if this were to become a policy, then the Trust would only invest in risk free immediately accessible deposit accounts. Any change in policy would require the approval of Trustees. Currently, the emphasis is on regularly monitoring cash flow and ensuring that the Trust's accounts have adequate balances to meet forthcoming commitments.

Plans for future periods

a. FUTURE DEVELOPMENTS

The Trustees intend to continue their current strategy of maintaining the schools position in a competitive environment by providing outstanding education for all students. Achieving high standards of academic results is a constant aim whilst maintaining the diversity of curriculum to develop every students potential. Our future plans are financed by income direct from the DfE, which is primarily related to student numbers. Maintaining, and where necessary, developing the fabric of the facilities of the school is central to this strategy. We have invested heavily in computer equipment and infrastructure to ensure our students and staff have access to the very best technology we can provide.

SABRES EDUCATIONAL TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

This report was approved by order of the board of Trustees as the company directors, on 5 December 2016 and signed on its behalf by:



.....
A Challiss
Chair of Trustees

SABRES EDUCATIONAL TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As Trustees, we acknowledge we have overall responsibility for ensuring that Sabres Educational Trust 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 Tim Lakin, 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 Sabres Educational Trust 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 4 times during the year. Attendance during the year at meetings of the board of Trustees was as follows:

Trustee / Member	Meetings attended	Out of a possible
A Challiss - Member & Trustee	4	4
K Curtis - Member & Trustee	4	4
N Batey - Member & Trustee	3	4
J Green - Member & Trustee	3	4
W Bishop - Member & Trustee	0	4
L Challiss - Trustee	4	4
B Sparks - Trustee	4	4
J Hammond - Trustee	4	4
J Crewe - Trustee	4	4
A Tilbrook - Trustee	4	4
I Trafford - Trustee	4	4
B Murphy - Trustee	4	4
P Batey - Trustee	3	4
Y Prodromou - Trustee	2	4
I Dickerson - Trustee	1	1
I Falk - Trustee	0	1

The Finance and Leadership working party have formally met 5 times during the year. Attendance during the year at meetings of the Finance and Leadership working party was as follows:

Attendance at meetings in the year was as follows:

Working party member	Meetings attended	Out of a possible
K Curtis	5	5
Y Prodromou	2	5
A Challiss	5	5
A Tilbrook	5	5
A Bull (Business Manager)	5	5
T Lakin (Accounting Officer)	1	5

SABRES EDUCATIONAL TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

The terms of reference for the Finance and Leadership working party have been reviewed and agreed as:

- To approve the start budget for the financial year.
- To establish and maintain an up to date 3 year financial plan.
- To consider a budget position statement including virement decisions at least termly and report significant anomalies from the anticipated position to the governing body.
- To ensure that the school operates within the financial regulations set out in the Academies Financial Handbook.
- To annually review and appoint the independent auditor.
- To review appropriate financial benchmarking data, in order to compare the schools financial performance with other similar schools.
- To ensure ring fenced funding streams, such as pupil premium, will be used as directed and to maximum effect.
- To make decisions on expenditure following recommendations from other committees.
- To ensure, as far as practical, that health and safety issues are appropriately prioritised.
- To determine whether sufficient funds are available for staff pay increments and increases.
- To ensure that the academy is a going concern and will remain viable for the foreseeable future.

In terms of the Ofsted inspection (3-4 November 2015); the school achieved a "good" for leadership and management.

Strong leadership has transformed the school. Two years ago, the school was disorganised and leadership was absent; behaviour was poor and lessons were commonly inadequate. Under the leadership of the Principal, the senior team and the educational provider, the school is now on a very positive trajectory. Outcomes are improving in many subjects and almost all pupils behave well.

The governance of the Trust:

- has a clear awareness of the strengths of the school and where it still needs to improve. Governors ask the right questions about the information that they receive from school leaders. Their regular presence in school helps them to understand and support the work that leaders, teachers and support staff are doing
- works closely with the trust to oversee the school's development. They identify where additional help, including funding, is needed. Together, they have forged a very successful relationship with IES, the educational provider, for the benefit of the pupils. IES have provided good quality support for the improvement of teaching and equally effective leadership support. In addition, IES has provided financial support for the development of the school site, including, for example, the building of the new school library in the summer of 2015
- ensures that performance management systems are in place and are effective in rewarding strong performance and challenge where teaching needs to be better
- has an increasingly detailed understanding of precisely which subjects are improving and where weaknesses remain. The assessment information that they use to evaluate the school's ongoing performance has improved recently and is now clearer.

REVIEW OF VALUE FOR MONEY

As Accounting Officer, Tim Lakin has responsibility for ensuring that the 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 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 appropriate. The Accounting Officer for the Trust has delivered improved value for money during the year by:

Catering Service – The catering contract has been reviewed again as the contract agreed at the 15/16 was not effectively delivered within the budget parameters. Several alternative suppliers have been approached and a new supplier appointed that offers a more flexible and cost effective solution. The overall aim is for the service to become zero cost, to ensure that the food is not only compliant with healthy eating, but fulfilling of student's needs.

SABRES EDUCATIONAL TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

IT Provision – The IT provision continues to be reviewed and enhanced by use of an external consultant to ensure best value for money; savings continue to be made by purchasing licences directly and a rebuild of the IT network has resulted in several licences that will not need to be renewed when their contract expires.

These and other contracts will be continuously reviewed to ensure the school optimises spending decisions, to maximise resources on teaching and learning, and achieve the best outcomes for their pupils.

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of 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 Sabres Educational Trust for the year 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The board of Trustees has reviewed the key risks to which the 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 Trust's significant risks, that has been in place for the year 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Trustees.

THE RISK AND CONTROL FRAMEWORK

The 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 Leadership working party 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 not to appoint an internal auditor. However, the Trustees have appointed Joseph Green, a Trustee, to carry out a programme of internal checks. During the year the checks carried out covered:

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

In addition, where necessary, Ensors Chartered Accountants provide advice on financial matters and perform a range of checks on the Trust's financial systems.

SABRES EDUCATIONAL TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

These reports are provided to the board of Trustees, through the Finance and Leadership working party on the operation of the systems of control and on the discharge of the board of Trustees' financial responsibilities.

REVIEW OF EFFECTIVENESS

As Accounting Officer, Tim Lakin 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 Joseph Green;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance and Leadership working party 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 5 December 2016 and signed on their behalf, by:



.....
A Challiss
Chair of Trustees



.....
T Lakin
Accounting Officer

SABRES EDUCATIONAL TRUST
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Sabres Educational Trust 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 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.



.....
T Lakin
Accounting Officer

Date: 5 December 2016

SABRES EDUCATIONAL TRUST
(A company limited by guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2016

The Trustees (who act as governors of Sabres Educational Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements 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 financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies' Accounts Direction 2015 to 2016;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements 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 financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The 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 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 financial statements may differ from legislation in other jurisdictions.

Approved by order of the members of the board of Trustees on 5 December 2016 and signed on its behalf by:



.....
A Challiss
Chair of Trustees

SABRES EDUCATIONAL TRUST
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF SABRES EDUCATIONAL TRUST

We have audited the financial statements of Sabres Educational Trust for the year ended 31 August 2016 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Academies Accounts Direction 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 Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

As explained more fully in the Statement of Trustees' responsibilities, the Trustees (who are also the directors of the academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements 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 FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the academy'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 financial statements. In addition, we read all the financial and non-financial information in the Trustees' report to identify material inconsistencies with the audited financial statements 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 FINANCIAL STATEMENTS

In our opinion the financial statements:

- 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

SABRES EDUCATIONAL TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF SABRES
EDUCATIONAL TRUST**

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Trustees' report, incorporating the Strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters 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 financial statements 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.

MA Partners

Frank Shippam BSc FCA DChA (Senior statutory auditor)

for and on behalf of

MA Partners LLP

Chartered Accountants
Statutory Auditor

7 The Close
Norwich
Norfolk
NR1 4DJ
18 December 2016

SABRES EDUCATIONAL TRUST
(A company limited by guarantee)

**INDEPENDENT REPORTING AUDITORS' ASSURANCE REPORT ON REGULARITY TO SABRES
EDUCATIONAL TRUST AND THE EDUCATION FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 23 September 2013 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 Sabres Educational Trust during the year 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 Sabres Educational Trust and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Sabres Educational Trust 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 Sabres Educational Trust and the EFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF SABRES EDUCATIONAL TRUST'S ACCOUNTING OFFICER AND
THE REPORTING AUDITORS**

The accounting officer is responsible, under the requirements of Sabres Educational Trust's funding agreement with the Secretary of State for Education dated 1 June 2012, 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 year 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 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's income and expenditure.

SABRES EDUCATIONAL TRUST
(A company limited by guarantee)

**INDEPENDENT REPORTING AUDITORS' ASSURANCE REPORT ON REGULARITY TO SABRES
EDUCATIONAL TRUST AND THE EDUCATION FUNDING AGENCY (continued)**

Our work included:

- a review of minutes of committees and board meetings which may be relevant to regularity;
- a review of the design and operational effectiveness of policies and procedures relating to areas assessed as presenting a higher risk of impropriety;
- substantive testing of individual transactions.

Where applicable, this work was integrated with our audit on the financial statements to the extent evidence from the conduct of the audit supports the regularity conclusion.

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2015 to 31 August 2016 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



MA Partners LLP

Chartered Accountants
Statutory Auditor

7 The Close
Norwich
Norfolk
NR1 4DJ

18 December 2016

SABRES EDUCATIONAL TRUST
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2016**

	Note	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
INCOME FROM:						
Donations and capital grants	2	4,833	29,035	-	33,868	79,566
Charitable activities	3	50,743	2,140,516	-	2,191,259	2,254,966
Other trading activities	4	9,114	-	-	9,114	10,376
Investments	5	498	-	-	498	77
TOTAL INCOME		65,188	2,169,551	-	2,234,739	2,344,985
EXPENDITURE ON:						
Charitable activities		19,109	2,213,716	289,772	2,522,597	2,586,217
TOTAL EXPENDITURE	8	19,109	2,213,716	289,772	2,522,597	2,586,217
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS						
Transfers between Funds	18	46,079 (45,461)	(44,165) (38,786)	(289,772) 84,247	(287,858) -	(241,232) -
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES						
		618	(82,951)	(205,525)	(287,858)	(241,232)
Actuarial gains/(losses) on defined benefit pension schemes	22	-	(103,000)	-	(103,000)	5,000
NET MOVEMENT IN FUNDS		618	(185,951)	(205,525)	(390,858)	(236,232)
RECONCILIATION OF FUNDS:						
Total funds brought forward		240,978	50,263	8,474,245	8,765,486	9,001,718
TOTAL FUNDS CARRIED FORWARD		241,596	(135,688)	8,268,720	8,374,628	8,765,486

SABRES EDUCATIONAL TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 07432586

BALANCE SHEET
AS AT 31 AUGUST 2016

	Note	£	2016 £	£	2015 £
FIXED ASSETS					
Tangible assets	14		8,268,720		8,474,245
CURRENT ASSETS					
Stocks	15	13,329		12,354	
Debtors	16	91,497		66,498	
Cash at bank and in hand		372,494		415,952	
			477,320		494,804
CREDITORS: amounts falling due within one year	17	(216,412)		(169,563)	
NET CURRENT ASSETS			260,908		325,241
TOTAL ASSETS LESS CURRENT LIABILITIES			8,529,628		8,799,486
Defined benefit pension scheme liability	22		(155,000)		(34,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			8,374,628		8,765,486
FUNDS OF THE ACADEMY					
Restricted income funds:					
Restricted income funds	18	19,312		84,263	
Restricted fixed asset funds	18	8,268,720		8,474,245	
Restricted income funds excluding pension liability		8,288,032		8,558,508	
Pension reserve		(155,000)		(34,000)	
Total restricted income funds			8,133,032		8,524,508
Unrestricted income funds	18		241,596		240,978
TOTAL FUNDS			8,374,628		8,765,486

The financial statements were approved by the Trustees, and authorised for issue, on 5 December 2016 and are signed on their behalf, by:



.....
A Challiss
Chair of Trustees

The notes on pages 23 to 45 form part of these financial statements.

SABRES EDUCATIONAL TRUST
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2016

	Note	2016 £	2015 £
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	20	<u>40,291</u>	<u>(46,755)</u>
Cash flows from investing activities:			
Dividends, interest and rents from investments		498	77
Purchase of tangible fixed assets		<u>(84,247)</u>	<u>(52,135)</u>
Net cash used in investing activities		<u>(83,749)</u>	<u>(52,058)</u>
Change in cash and cash equivalents in the year		(43,458)	(98,813)
Cash and cash equivalents brought forward		<u>415,952</u>	<u>514,765</u>
Cash and cash equivalents carried forward	21	<u><u>372,494</u></u>	<u><u>415,952</u></u>

SABRES EDUCATIONAL TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

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

Sabres Educational Trust constitutes a public benefit entity as defined by FRS 102.

First time adoption of FRS 102

These financial statements are the first financial statements of Sabres Educational Trust prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the Charities SORP 2015 (SORP 2015). The financial statements of Sabres Educational Trust for the year ended 31 August 2015 were prepared in accordance with previous Generally Accepted Accounting Practice ('UK GAAP') and SORP 2005.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the Trustees have amended certain accounting policies to comply with FRS 102 and SORP 2015.

Reconciliations to previous UK GAAP for the comparative figures are included in note 25.

1.2 Company status

The academy is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the academy being wound up, the liability in respect of the guarantee is limited to £10 per member of the academy.

1.3 Fund accounting

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

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

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

SABRES EDUCATIONAL TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

1.4 Income

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

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

General Annual Grant is recognised in full in the Statement of financial activities incorporating income and expenditure account in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

The value of donated services and gifts in kind provided to the Trust are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the Trust can be reliably measured. An equivalent amount is included in expenditure under the relevant heading in the Statement of Financial Activities.

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

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

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

1.5 Expenditure

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

Charitable activities and Governance costs 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.

All resources expended are inclusive of irrecoverable VAT.

SABRES EDUCATIONAL TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

1.6 Going concern

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

1.7 Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised.

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

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold land	-	2% straight line
Leasehold buildings	-	2% straight line
Furniture and equipment	-	15% straight line
Motor vehicles	-	20% straight line
Computer equipment	-	33% straight line
Property improvements	-	2% straight line

On 1 September 2012, the Trust became party to a lease agreement for the school property. The lease is for a period of 125 years and substantially all the risks and rewards of ownership have been transferred to the Trust. As such, the school property has been recognised as a fixed asset on the Balance Sheet at a depreciated replacement cost of £5,011,000. The corresponding entry was recognised as voluntary income in the Statement of Financial Activities. The depreciated replacement cost was based on a desktop valuation carried out by MRBL Limited trading as Mouchel on behalf of the EFA at 31 March 2013.

1.8 Interest receivable

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

SABRES EDUCATIONAL TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

1.9 Operating leases

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

1.10 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

1.11 Debtors

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

1.12 Cash at Bank and in hand

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

1.13 Liabilities and provisions

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

1.14 Taxation

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

SABRES EDUCATIONAL TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

1.15 Pensions

Retirement benefits to employees of the academy are provided by the Teachers' Pension Scheme ("TPS") and the Local Government Pension Scheme ("LGPS"). These are defined benefit schemes and the assets are held separately from those of the academy.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 22, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

SABRES EDUCATIONAL TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

1.16 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, 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.

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	<i>Total funds 2015 £</i>
Donations	4,833	29,035	-	33,868	79,566

In 2015, of the total income from donations and capital grants, £ 686 was to unrestricted funds and £78,880 was to restricted funds

SABRES EDUCATIONAL TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
DfE/EFA grants				
General Annual Grant (GAG)	-	1,993,502	1,993,502	2,029,581
Insurance rebate	-	-	-	23,963
Pupil Premium	-	98,928	98,928	91,491
Start Up Grant A	-	-	-	40,000
Rates Claim	-	711	711	705
Devolved Formula Capital	-	10,716	10,716	9,181
	-	2,103,857	2,103,857	2,194,921
Other government grants				
Local authority grants	-	16,481	16,481	13,985
	-	16,481	16,481	13,985
Other income from the academy trust's educational operations				
Trips	30,116	-	30,116	12,549
Music tuition	1,456	-	1,456	1,716
Uniforms	19,171	-	19,171	13,246
Transport	-	20,178	20,178	18,549
	50,743	20,178	70,921	46,060
	50,743	2,140,516	2,191,259	2,254,966

In 2015, of the total income from charitable activities, £27,511 was to unrestricted funds and £2,227,455 was to restricted funds.

SABRES EDUCATIONAL TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Hire of facilities	6,335	-	6,335	5,588
Income from sale of educational resources	407	-	407	211
Other income	2,372	-	2,372	4,577
	<u>9,114</u>	<u>-</u>	<u>9,114</u>	<u>10,376</u>

In 2015, of the total income from other trading activities, £10,376 was to unrestricted funds and £ NIL was to restricted funds.

5. INVESTMENT INCOME

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Investment income	498	-	498	77

In 2015, of the total investment income, £ 77 was to unrestricted funds and £ NIL was to restricted funds.

6. DIRECT COSTS

	Total 2016 £	Total 2015 £
Educational supplies	45,663	39,467
Examination fees	28,614	25,008
Staff development	19,041	14,955
Educational consultancy	53,043	25,520
Educational visits	33,851	14,637
Management fees to Education Provider	49,675	104,722
Other direct costs	3,800	12,441
Agency Teaching Facilities	-	6,518
Wages and salaries	1,136,119	1,110,672
National insurance	95,800	83,566
Pension cost	181,638	146,758
	<u>1,647,244</u>	<u>1,584,264</u>

SABRES EDUCATIONAL TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

7. SUPPORT COSTS

	Total 2016 £	<i>Total 2015 £</i>
FRS 102 Pension interest cost	2,000	1,000
Technology costs	47,314	55,362
Recruitment and support	18,188	38,382
Maintenance of premises and equipment	22,158	42,176
Cleaning	5,839	5,479
Rates	6,176	4,817
Energy costs	31,228	49,702
Insurance	14,219	51,152
Security and transport	44,999	19,834
Catering	42,019	46,968
Bank interest and charges	1,210	1,097
School uniform	20,549	15,631
Other support costs	21,909	22,692
Donations	1,703	549
Governance internal audit costs	-	1,500
Trustees' expenses reimbursed	-	233
Auditor's remuneration - other services	500	500
Auditor's remuneration - audit	5,366	5,755
Legal and professional fees	14,959	36,585
Wages and salaries	212,768	183,901
National insurance	13,306	9,486
Pension cost	59,171	57,017
Depreciation	289,772	352,135
	<u>875,353</u>	<u>1,001,953</u>

During the year ended 31 August 2016, the Trust incurred Governance costs of **£20,825** (2015: £44,573).

8. EXPENDITURE

	Staff costs 2016 £	Premises 2016 £	Other costs 2016 £	Total 2016 £	<i>Total 2015 £</i>
Activities:					
Direct costs	1,413,557	-	233,687	1,647,244	1,584,264
Support costs	285,245	238,119	351,989	875,353	1,001,953
	<u>1,698,802</u>	<u>238,119</u>	<u>585,676</u>	<u>2,522,597</u>	<u>2,586,217</u>

In 2016, of the total expenditure, £19,109 (2015 - £14,530) was to unrestricted funds and £2,503,488 (2015 - £2,571,687) was to restricted funds.

SABRES EDUCATIONAL TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

9. NET INCOMING RESOURCES/(RESOURCES EXPENDED)

This is stated after charging:

	2016	<i>2015</i>
	£	£
Depreciation of tangible fixed assets:		
- owned or leased	289,772	<i>352,135</i>
Auditors' remuneration - audit	5,366	<i>5,755</i>
Auditors' remuneration - other services	500	<i>500</i>
Governance internal audit costs	-	<i>1,500</i>
Operating lease rentals	9,079	<i>9,079</i>
	=====	=====

SABRES EDUCATIONAL TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

10. STAFF COSTS

Staff costs were as follows:

	2016	<i>2015</i>
	£	£
Wages and salaries	1,348,887	<i>1,294,572</i>
Social security costs	109,106	<i>93,052</i>
Operating costs of defined benefit pension schemes	240,809	<i>203,775</i>
	<u>1,698,802</u>	<i><u>1,591,399</u></i>

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

	2016	<i>2015</i>
	No.	No.
Management	1	<i>1</i>
Teachers	32	<i>36</i>
Administration and support	37	<i>28</i>
	<u>70</u>	<i><u>65</u></i>

Average headcount expressed as a full time equivalent:

	2016	<i>2015</i>
	No.	No.
Management	1	<i>1</i>
Teachers	32	<i>27</i>
Administration and support	21	<i>17</i>
	<u>54</u>	<i><u>45</u></i>

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

	2016	<i>2015</i>
	No.	No.
In the band £60,001 - £70,000	0	<i>1</i>
In the band £70,001 - £80,000	1	<i>0</i>

The above employees participated in the Teachers' Pension Scheme.

The key management personnel of the Trust comprises the Trustees and senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Trust was **£340,277** (2015 - £317,763).

SABRES EDUCATIONAL TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

11. TRUSTEES' REMUNERATION AND EXPENSES

During the year retirement benefits were accruing to 3 Trustees (2015 - 3) in respect of defined benefit pension schemes.

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

		2016	2015
		£	£
I Trafford, staff trustee	Remuneration	45,000-50,000	<i>30,000-35,000</i>
	Pension contributions paid	5,000-10,000	<i>0-5,000</i>
A Tilbrook, Principal	Remuneration	70,000-75,000	<i>65,000-70,000</i>
	Pension contributions paid	10,000-15,000	<i>5,000-10,000</i>
B Murphy, staff trustee (appointed 25.09.15)	Remuneration	25,000-30,000	
	Pension contributions paid	0-5,000	

During the year, no Trustees received any reimbursement of expenses (2015 - £233).

12. TRUSTEES' AND OFFICERS' INSURANCE

The 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 protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000. It is not possible to quantify the Trustees and officers indemnity element from the overall cost of the RPA scheme.

13. FRS 102 PENSION INTEREST COST

	2016	2015
	£	£
Interest income on pension scheme assets	8,000	<i>5,000</i>
Interest on pension scheme liabilities	(10,000)	<i>(6,000)</i>
	(2,000)	<i>(1,000)</i>

SABRES EDUCATIONAL TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

14. TANGIBLE FIXED ASSETS

	Leasehold Property £	Furniture and equipment £	Motor vehicles £	Computer equipment £	Leasehold property impr'ments £	Total £
Cost						
At 1 September 2015	5,011,000	289,435	54,000	387,341	3,619,359	9,361,135
Additions	-	2,224	-	29,803	52,220	84,247
At 31 August 2016	<u>5,011,000</u>	<u>291,659</u>	<u>54,000</u>	<u>417,144</u>	<u>3,671,579</u>	<u>9,445,382</u>
Depreciation						
At 1 September 2015	292,500	106,105	25,425	318,200	144,660	886,890
Charge for the year	100,220	43,443	10,800	62,811	72,498	289,772
At 31 August 2016	<u>392,720</u>	<u>149,548</u>	<u>36,225</u>	<u>381,011</u>	<u>217,158</u>	<u>1,176,662</u>
Net book value						
At 31 August 2016	<u>4,618,280</u>	<u>142,111</u>	<u>17,775</u>	<u>36,133</u>	<u>3,454,421</u>	<u>8,268,720</u>
At 31 August 2015	<u>4,718,500</u>	<u>183,330</u>	<u>28,575</u>	<u>69,141</u>	<u>3,474,699</u>	<u>8,474,245</u>

15. STOCKS

	2016 £	2015 £
Uniform stock	<u>13,329</u>	<u>12,354</u>

16. DEBTORS

	2016 £	2015 £
Trade debtors	200	-
Other debtors	6,316	247
Prepayments and accrued income	67,202	42,493
VAT recoverable	17,779	23,758
	<u>91,497</u>	<u>66,498</u>

SABRES EDUCATIONAL TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

17. CREDITORS: Amounts falling due within one year

	2016	2015
	£	£
Trade creditors	109,342	60,710
Other taxation and social security	30,223	28,824
Other creditors	26,040	49,326
Accruals	50,807	30,703
	<hr/> 216,412 <hr/>	<hr/> 169,563 <hr/>
	2016	2015
	£	£
Deferred income		
Deferred income at 1 September 2015	12,824	-
Resources deferred during the year	24,368	12,824
Amounts released from previous years	(12,824)	-
	<hr/> 24,368 <hr/>	<hr/> 12,824 <hr/>

Income has been deferred in relation to contributions received for schools trips which had not yet taken place at 31 August 2016.

SABRES EDUCATIONAL TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

18. STATEMENT OF FUNDS

	Brought Forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds						
General Funds - all funds	240,978	65,188	(19,109)	(45,461)	-	241,596
Restricted funds						
General Annual Grant (GAG)	77,056	1,993,502	(1,964,772)	(105,786)	-	-
Pupil Premium	2,705	98,928	(85,744)	-	-	15,889
Rates Claim	-	711	(711)	-	-	-
School Transport Devolved Formula Capital	1,079	20,178	(21,257)	-	-	-
SCC - Higher Teaching Needs	-	10,716	(10,716)	-	-	-
NCC - Higher Teaching Needs	-	4,750	(4,750)	-	-	-
IES International English Schools UK Limited Donations	-	11,731	(11,731)	-	-	-
Marketing and consultation strategy	-	29,035	(29,035)	-	-	-
Free School business case and plan	807	-	-	-	-	807
Pension reserve	2,616	-	-	-	-	2,616
	(34,000)	-	(85,000)	67,000	(103,000)	(155,000)
	<u>50,263</u>	<u>2,169,551</u>	<u>(2,213,716)</u>	<u>(38,786)</u>	<u>(103,000)</u>	<u>(135,688)</u>

SABRES EDUCATIONAL TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

18. STATEMENT OF FUNDS (continued)

Restricted fixed asset funds

	Brought Forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Capital expenditure from GAG	110,017	-	(30,539)	84,247	-	163,725
Capital expenditure from Start Up A grant	41,374	-	(8,582)	-	-	32,792
Building capital grant	3,527,178	-	(94,564)	-	-	3,432,614
ICT capital grant	51,471	-	(48,367)	-	-	3,104
Donation in kind - School Building	4,718,500	-	(100,220)	-	-	4,618,280
Donation in kind - Minibus FG12 MJF	8,450	-	(3,900)	-	-	4,550
Donation in kind - Minibus BJ12 XWV	10,062	-	(3,450)	-	-	6,612
Devolved Formula Capital	7,193	-	(150)	-	-	7,043
	<u>8,474,245</u>	<u>-</u>	<u>(289,772)</u>	<u>84,247</u>	<u>-</u>	<u>8,268,720</u>
Total restricted funds	<u>8,524,508</u>	<u>2,169,551</u>	<u>(2,503,488)</u>	<u>45,461</u>	<u>(103,000)</u>	<u>8,133,032</u>
Total of funds	<u><u>8,765,486</u></u>	<u><u>2,234,739</u></u>	<u><u>(2,522,597)</u></u>	<u><u>-</u></u>	<u><u>(103,000)</u></u>	<u><u>8,374,628</u></u>

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

The General Annual Grant (GAG) is for the normal running costs of the school. The following transfers have been made from the GAG: **£67,000** to restricted pension reserve representing the cost of employer contributions towards the Local Government Pension Scheme, and **£84,247** for capital expenditure from the GAG fund. A transfer of **£45,461** has been made from unrestricted funds to GAG to clear the deficit arising.

The Pupil Premium income has been provided by the EFA to help raise the attainment of disadvantaged pupils.

School transport funding was received to assist with the costs of transporting pupils to and from the school premises.

The Marketing and Consultation strategy funding was provided by the Secretary of State for the purposes of securing consultancy support to develop a robust marketing and consultation plan to help manage community engagement and interest in the Free School.

The Free School business case and plan funding was provided by the Secretary of State to support the procurement of an organisation to run the Free School project.

SABRES EDUCATIONAL TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

18. STATEMENT OF FUNDS (continued)

The Pension reserve deficit at the year end was **£155,000** and represents the school's share of the deficit of the Local Government Pension Scheme.

The Building capital grant was provided by the EFA to enable the Trust to carry out various construction works to the existing premises.

The ICT capital grant was provided by the EFA to fund the acquisition of ICT equipment for the Free School.

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2016.

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	<i>Total funds 2015 £</i>
Tangible fixed assets	-	-	8,268,720	8,268,720	8,474,245
Current assets	265,964	211,356	-	477,320	494,804
Creditors due within one year	(24,368)	(192,044)	-	(216,412)	(169,563)
Provisions for liabilities and charges	-	(155,000)	-	(155,000)	(34,000)
	<u>241,596</u>	<u>(135,688)</u>	<u>8,268,720</u>	<u>8,374,628</u>	<u>8,765,486</u>

SABRES EDUCATIONAL TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

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

	2016 £	2015 £
Net expenditure for the year (as per Statement of financial activities)	(287,858)	(241,232)
Adjustment for:		
Depreciation charges	289,772	352,135
Dividends, interest and rents from investments	(498)	(77)
(Increase)/decrease in stocks	(975)	3,633
(Increase)/decrease in debtors	(24,999)	28,200
Increase/(decrease) in creditors	46,849	(208,414)
Defined benefit pension scheme cost less contributions payable	16,000	18,000
Defined benefit pension scheme finance cost	2,000	1,000
	40,291	(46,755)
Net cash provided by/(used in) operating activities	40,291	(46,755)

21. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2016 £	2015 £
Cash in hand	372,494	415,952
Total	372,494	415,952

22. PENSION COMMITMENTS

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

Contributions amounting to £26,040 were payable to the schemes at 31 August 2016 (2015 - £24,401) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

SABRES EDUCATIONAL TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

22. PENSION COMMITMENTS (continued)

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

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

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

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS 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 employer's pension costs paid to TPS in the period amounted to £158,183 (2015 - £126,000).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2016 was £85,000 (2015 - £76,000), of which employer's contributions totalled £67,000 (2015 - £60,000) and employees' contributions totalled £18,000 (2015 - £16,000). The agreed contribution rates for future years are 22.5% for employers and 5.5 - 12.5% for employees.

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

SABRES EDUCATIONAL TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

22. PENSION COMMITMENTS (continued)

Principal actuarial assumptions:

	2016	<i>2015</i>
Discount rate for scheme liabilities	2.10 %	<i>3.80 %</i>
Rate of increase in salaries	4.10 %	<i>4.60 %</i>
Rate of increase for pensions in payment / inflation	2.10 %	<i>2.70 %</i>

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

	2016	<i>2015</i>
Retiring today		
Males	22.4 years	<i>22.4 years</i>
Females	24.4 years	<i>24.4 years</i>
Retiring in 20 years		
Males	24.3 years	<i>24.3 years</i>
Females	26.9 years	<i>26.9 years</i>

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

	Fair value at 31 August 2016 £	<i>Fair value at 31 August 2015 £</i>
Equities	207,000	<i>119,000</i>
Debt instruments	60,000	<i>37,000</i>
Property	30,000	<i>19,000</i>
Other - user input	3,000	<i>2,000</i>
Total market value of assets	300,000	<i>177,000</i>

The actual return on scheme assets was £38,000 (2015 - £5,000).

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

	2016 £	<i>2015 £</i>
Current service cost (net of employee contributions)	(83,000)	<i>(78,000)</i>
Net interest cost	(2,000)	<i>(1,000)</i>
Total	(85,000)	<i>(79,000)</i>

SABRES EDUCATIONAL TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

22. PENSION COMMITMENTS (continued)

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

	2016 £	2015 £
Opening defined benefit obligation	211,000	116,000
Current service cost	83,000	78,000
Interest cost	10,000	6,000
Contributions by employees	18,000	16,000
Actuarial losses/(gains)	133,000	(5,000)
	<u>455,000</u>	<u>211,000</u>
Closing defined benefit obligation	<u>455,000</u>	<u>211,000</u>

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

	2016 £	2015 £
Opening fair value of scheme assets	177,000	96,000
Return on plan assets (excluding net interest on the net defined pension liability)	8,000	5,000
Actuarial gains and (losses)	30,000	-
Contributions by employer	67,000	60,000
Contributions by employees	18,000	16,000
	<u>300,000</u>	<u>177,000</u>
Closing fair value of scheme assets	<u>300,000</u>	<u>177,000</u>

23. OPERATING LEASE COMMITMENTS

At 31 August 2016 the total of the Academy trust's future minimum lease payments under non-cancellable operating leases was:

	2016 £	2015 £
Amounts payable:		
Within 1 year	6,180	9,079
Between 1 and 5 years	3,147	9,327
	<u>9,327</u>	<u>18,406</u>
Total	<u>9,327</u>	<u>18,406</u>

SABRES EDUCATIONAL TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

24. RELATED PARTY TRANSACTIONS

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

During the year ended 31 August 2016, the Trust made payments to IES International English Schools UK Limited ("IES"), the education provider, totalling **£49,675** (2015: £104,722) in respect of management fees.

During the year ended 31 August 2016, the Trust received donations from IES of **£29,035** (2015: £78,407).

At the balance sheet date, the Trust was owed **£6,316** (2015: £20,944 creditor). This amount is shown within other debtors.

SABRES EDUCATIONAL TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

25. FIRST TIME ADOPTION OF FRS 102

It is the first year that the Academy Trust has presented its financial statements under SORP 2015 and FRS 102. The following disclosures are required in the year of transition. The last financial statements prepared under previous UK GAAP were for the year ended 31 August 2015 and the date of transition to FRS 102 and SORP 2015 was therefore 1 September 2014. As a consequence of adopting FRS 102 and SORP 2015, a number of accounting policies have changed to comply with those standards.

Comparative figures have been restated to reflect the adjustments made, except to the extent that the Trustees have taken advantage of exemptions to retrospective application of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'.

Reconciliations and descriptions of the effect of the transition to FRS 102 and SORP 2015 on total funds and net income/(expenditure) for the comparative period reported under previous UK GAAP and SORP 2005 are given below.

RECONCILIATION OF TOTAL FUNDS	Notes	<i>1 September 2014</i> £	<i>31 August 2015</i> £
Total funds under previous UK GAAP		9,001,718	8,765,486
Total funds reported under FRS 102		<u>9,001,718</u>	<u>8,765,486</u>

Reconciliation of net (expenditure)	Notes	<i>31 August 2015</i> £
Net (expenditure) previously reported under UK GAAP		(239,232)
Change in recognition of LGPS interest cost	A	(2,000)
Net (expenditure) reported under FRS 102		<u>(241,232)</u>

Explanation of changes to previously reported funds and net income/expenditure:

A	Under previous UK GAAP the trust recognised an expected return on defined benefit plan assets in support costs. Under FRS 102 a net interest expense, based on the net defined benefit liability, is recognised in support costs. 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 debit investment income by £1,000, debit support costs by £1,000 and increase the credit in other recognised gains and losses in the SoFA by £2,000.
---	---

In accordance with the Academies Accounts Direction 2015 to 2016 income for the year ended 31 August 2015 has been reclassified into appropriate categories and governance costs have been reclassified as expenditure on academy trust educational operations. The reclassification of income and expenditure has had no effect on total income, total expenditure, net income/(expenditure) for the year or total funds as previously reported.