

THREE WAYS SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018

**THREE WAYS SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

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**THREE WAYS SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2018**

Members	A Comer R Hodgman G Jordan M Roberts
Trustees	C Ball ³ A Comer ² G Cottle ² J Dennett-Lewis (resigned 4 December 2017) ³ C Gerrish ¹ K Hall ^{2,4} H Harris (resigned 20 August 2018) ³ R Hodgman, Vice Chair ^{1,3,4} B Joakim ^{1,4} G Jordan ^{1,2} T Kavanagh ³ R McSweeney ^{1,4} M Roberts, Chair of Trustees ^{2,4} S Service ^{3,4} J Stoling, Headteacher (appointed 1 September 2017) ^{1,2,3,4} D Wells ³
	1 Finance Committee 2 Premises, Health & Safety Committee 3 Education Committee 4 Human Resources Committee
Company registered number	08488749
Company name	Three Ways School
Principal and registered office	180 Frome Road Odd Down Bath Avon BA2 5RF
Accounting officer	J Stoling
Senior leadership team	J Stoling, Headteacher K Brockway, Deputy Headteacher S Kent-Ledger, Assistant Headteacher P Gaskell, Assistant Headteacher L Knibb, Assistant Headteacher A Hartley, Business Manager
Independent auditors	Bishop Fleming Bath Limited Chartered Accountants Statutory Auditors Minerva House Lower Bristol Road Bath BA2 9ER

**THREE WAYS SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE SCHOOL, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2018**

Administrative details (continued)

Bankers	Natwest 24-25 Stall Street Bath BA1 1QF
Solicitors	Stone King LLP 13 Queen Square Bath BA1 2HJ

**THREE WAYS SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2018**

The Trustees present their annual report together with the financial statements and auditors' report of the Charitable Company for the year ended 31 August 2018. The annual report serves the purpose of both a Trustees' report, and a Directors' report under company law.

The Trust operates an academy for pupils aged 2 to 19 with Special Educational Needs. It has a pupil capacity of 207 (increased to 220 as at 1 September 2018) and had a roll of 204 in the School census in May 2018.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The School (incorporated on 24 April 2013 and opened as an academy on 1 September 2013) 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 School.

The Trustees of Three Ways School are also the Directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Three Ways School.

Details of the Trustees who served throughout the year ended 31 August 2018, except as noted, are included in the Reference and Administrative Details on pages 1 & 2.

Members' Liability

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

Trustees' Indemnities

Trustees benefit from indemnity insurance purchased at the School's expense to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the School, provided that any such insurance shall not extend to any claim arising from any act or omission which the Trustees knew to be a breach of trust or breach of duty or which was committed by the Trustees in reckless disregard to whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the Trustees in their capacity as Directors of the School. The limit of this indemnity is £5,000,000.

In accordance with normal commercial practice the School has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on School business.

TRUSTEES

Method of Recruitment and Appointment or Election of Trustees

On 1 September 2013 the Trustees appointed all those Trustees that served the predecessor School to be Trustees of the newly formed Academy. These Trustees were appointed for a term of office that would end when their original term at the predecessor School would have ended, thus ensuring a staggered re-election or replacement process.

The School's Board of Trustees currently comprises the Headteacher, 2 Parent Trustees (including one vacancy), 2 Staff Trustees and up to 10 other Trustees.

The School Trust shall have the following Trustees as set out in its Articles of Association and funding agreement:

- Up to 10 Trustees who are appointed by the Members;
- A minimum of 2 Parent Trustees who are elected by Parents of registered pupils at the School;
- Up to 2 staff Trustees appointed by the Board of Trustees; and,
- The Headteacher.

**THREE WAYS SCHOOL
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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018**

Trustees are appointed for a four year period, except that this time limit does not apply to the Headteacher. Subject to remaining eligible to be a particular type of Trustee, any Trustee can be re-appointed or re-elected.

When appointing new Trustees, the Board will give consideration to the skills and experience mix of existing Trustees in order to ensure that the Board has the necessary skills to contribute fully to the School's development.

Policies and Procedures Adopted for the Induction and Training of Trustees

The School has a Trustee policy available from the Clerk to the Trustees.

The training and induction provided for new Trustees will depend upon their existing experience but would always include a tour of the School and a chance to meet staff and pupils. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees. As there are normally only two or three new Trustees a year, induction tends to be done informally and is tailored specifically to the individual for both new and existing Trustees. Advantage is taken of specific courses offered by the Local Authority and other bodies.

Organisational Structure

The Board of Trustees normally meets once each term (6 times a year). The Board establishes an overall framework for the governance of the School and determines membership, terms of reference and procedures of Committees and other groups. It receives reports including policies from its Committees for ratification. It monitors the activities of the Committees through the minutes of their meetings. The Board may from time to time establish Working Groups to perform specific tasks over a limited timescale.

There are 4 committees as follows:

- Finance Committee - this meets at least six times a year and is responsible for monitoring, evaluating and reviewing policy and performance in relation to financial management, compliance with reporting and regulatory requirements; carrying out the role of an audit committee and receiving reports from internal audit; and drafting the annual budget;
- Education Committee - this meets every other term to monitor, evaluate and review School policy, practice and performance in relation to curriculum planning, communications, target setting and assessment, examinations and all pastoral issues;
- Premises and Health & Safety Committee – this meets at least three times a year and is responsible for all matters relating to the maintenance of property and to the Health & Safety of all those who use the property; and,
- HR Committee – this meets at least 3 times a year (unless additional meetings are required) and deals with all matters relating to staff.

The following decisions are reserved to the Board of Trustees: to consider any proposals for changes to the status or constitution of the School and its committee structure, to appoint or remove the Chairman and/or Vice Chairman; to appoint the Headteacher and Clerk to the Trustees; and to approve the budget.

The Trustees are responsible for setting general policy, adopting a budget, approving the statutory accounts, monitoring the School by the use of budgets and other data, and making major decisions about the direction of the School and capital expenditure.

The Board of Trustees have devolved responsibility for day to day management of the School to the Head Teacher and Senior Leadership Team (SLT). The SLT comprises the Headteacher, Deputy Headteacher, Assistant Heads and the Business Manager. The SLT implement the policies laid down by the Trustees and report back to them on performance.

**THREE WAYS SCHOOL
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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018**

The School has a leadership structure which consists of the Trustees, The Senior Leadership Team and Team Leaders. The aim of the leadership structure is to devolve responsibility and encourage involvement in decision making at all levels.

The SLT also controls the School at an executive level, implementing the policies laid down by the Trustees and reporting back to them. The Headteacher, School Business Manager, Finance Committee and Board of Trustees are responsible for the authorisation of spending within agreed budgets in accordance with the Scheme of Delegation. Some spending control is devolved to Budget Holders which must be authorised in line with the Scheme of Delegation.

The Headteacher is responsible for the appointment of staff, though appointment panels for teaching posts always include a Trustee.

The Headteacher is the Accounting Officer.

Arrangements for Setting Pay and Remuneration of Key Management Personnel

The Trustees consider that the Board of Trustees and the Senior Leadership Team comprise the key management personnel of the School in charge of directing and controlling, running and operating the Trust on a day to day basis. All Trustees give their time freely and no Trustee received remuneration in the year.

Details of Trustees' expenses and related party transactions are disclosed in the notes to the accounts.

The pay of key management personnel is reviewed annually and normally increased in accordance with average earnings following performance management reviews.

Pay levels in other Special Needs schools of a similar size are used to benchmark salaries.

Trade Union Facility Time

Three Ways School spent £755 on Trade Union Facility Membership during the 2017/18 academic year.

Connected Organisations, including Related Party Relationships

The School has been a member of Bath Opportunity Pre-School, a charitable company. From 1 September 2015 the School became the controlling member under contract from Bath and North East Somerset council (BANES). The Board was made up of 3 Trustees from Three Ways School and 1 Trustee from Bath Opportunity Pre-School. However as at 1 September 2018, control has passed to First Steps Nursery. Bath Opportunity Pre-School will be struck off as a trading company with Companies House and The Charities Commission 3 months after the transfer in line with company and charity law.

Three Ways School Parent Teacher and Friends Association (PTFA) is a related party as Mrs Julie Dyer and Mrs Gillian Jordan are Trustees of this registered Charity (Charity number 1142749). The Charity raises funds for the benefit of Three Ways School. The transactions with the Charity are undertaken at arm's length and are disclosed in the financial statements.

The Sensory Studio Trust is also a related party as Mr Rodney Hodgman is a Trustee of this registered Charity (Charity number 1020670). The Charity also raises funds for the benefit of Three Ways School, focussing on the Sensory Studio. All money raised is currently used to fund equipment for the studio and to support the cost of contracting an Interactive Design Consultant for three days per week to run the studio. The transactions with the charity are undertaken at arm's length and are disclosed in the financial statements.

OBJECTIVES AND ACTIVITIES

Objects and Aims

Our approach is holistic and child-centred; it takes account of the differing ability, experiences and needs of children and young people. It is our belief that the School provides each child with the opportunity to develop and learn within a supportive environment, whilst fostering positive attitudes to learning that lead to success and achievement.

In order to fulfil our aim we work in close collaboration with parents/carers, other professionals and the wider community to develop every aspect of the individual, physical, intellectual, emotional, social, spiritual, moral and cultural needs of each child.

The School has a positive ethos where mutual respect and understanding towards all members of the School and the community are encouraged. We have high expectations and by ensuring creative opportunities of access, we strive for achievement for all.

Aims

By providing a stimulating and supportive environment, where individual achievement is celebrated and pupils are prepared for independent life in the wider community if appropriate, Three Ways School aims to help our pupils:

- To communicate through the use of speech, non-verbal and augmentative communication:
 - To read with understanding and enjoyment; and,
 - To listen and focus attentively with understanding.
- To be self-confident and gain self-esteem:
 - To be independent learners;
 - To cope with unfamiliar situations;
 - To learn how to acquire information from various sources and to record information in a variety of ways;
 - To develop inquisitive minds; and,
 - To develop agility, confidence and physical mobility by extending fine and gross motor skills.
- To be able to use a range of technology;
- To use scientific ideas to observe and experience, seeking solutions to problems;
- To apply mathematical ideas in various situations;
- To behave appropriately and have empathy for others;
- To acquire sufficient control of self and to use tools, equipment and instruments;
- To be able to use music, drama and art as a means of expression;
- To be aware of geographical, historical and social aspects of their environment and to be aware of other times and places; and,
- To be prepared for transitions and life opportunities Post 16.

To fulfil these aims we believe each pupil is entitled to:

- An environment that is stimulating, creative, supportive and safe;
- A happy, positive environment where success is celebrated;
- Access to outdoor learning and creative opportunities;
- A broad, balanced, relevant curriculum;
- Access to a curriculum that is well-planned;
- Flexible and informed teaching approaches;
- High quality resources;
- Support with communication and mobility;
- Support for parents and carers through advice, training and signposting;
- Partnership and support between home, School, and our multi-professional team;
- Opportunities to develop life skills and independence;
- Support with emotional, social well-being; and,
- Strong community partnership.

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018**

Objectives, Strategies and Activities

Key activities and targets were identified in the School Improvement Plan and were influenced by the significant challenges and opportunities arising from national changes in educational policy and funding.

The three key areas are:

- Social, Emotional, Behaviour and Mental Health Development: Safeguarding and Welfare
- Outcomes for Pupils: Curriculum and Assessment
- Effectiveness of Leadership, Management and Governors

The activities undertaken included the following:

Social, Emotional, Behaviour and Mental Health Development: Safeguarding and Welfare	
Objectives	Actions/Strategies
Safeguarding Lead and Deputy to undertake updated Keeping safe online training. Information cascaded to team.	Training undertaken. Keeping Safe online day for whole School including parent event.
New admin of medication policy and systems/training embedded across the School.	Responsible staff to complete whole School Teacher/TA/SA training and to monitor in class practice. The school nurse is to lead seizure awareness training. Specialist training to be led by RUH/Lifetime nursing team.
Consider funding implications to appoint additional medical support team	Headteacher to receive updates from CAT team on new system and consider development required. Discussion with lead governors.
Develop PLAY role in School to enhance break and lunchtime discovery play opportunities	Action Plan for area development. Relevant staff to coordinate.
Develop THRIVE role across School to maximise impact of social and emotional development	Action Plan for area. Redevelopment of creative arts space to create a THRIVE base. THRIVE tracking systems and progress monitoring in place.

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018**

Outcomes for Pupils: Curriculum and Assessment	
Objective	Actions/Strategies
To review EHCP documents annually and ensure differentiated setting and monitoring of outcomes. To embed Multi-Agency practice into this process.	Complete MAPP training – all teachers and SLT. Review Plans for Learning template. Review Annual Review proforma to feed into EHCP review process.
To develop and embed systems and processes for teacher accountability for individual pupil progress - consider updates for EHCP paperwork to align with new curriculum for specific pupils.	Termly 6/1, 2/3, 4/5 SLT/MLT review assessment progress (RAP) meetings with form teachers and subject leaders. Develop Evisense tracking.
To develop Teaching School delivery structure (Wellsway MAT/Palladian MAT/Three Ways School).	Headteacher to attend initial planning meeting and feedback to Trustees/SLT. Action plan to be developed by Teaching School team.
Enhance careers guidance. External advice. Careers session for parents. Gatsby benchmarks implemented. Enhance business links to extend work experience offer.	Completion of Gatsby Benchmarking audit and action plan. Parent/Carer training. Pupil advice sessions. Partnership/Collaboration with Fairfield Farm/Fosse Way School on impartial careers advice work.
Whole School approach to DOJO to share School life with Parents/Carers.	Teaching team training to implement system. Parent/Carer letters issued.
Learning walks and coaching sessions as required, to support new staff to implement curriculum and assessment to ensure high standards.	New staff to be allocated mentors / NQT mentor in place. New teachers induction.
Extend TA/SA appraisal team – UPS teachers to support MLT/SLT delivery.	Undertake all TA/SA appraisals to ensure high standards of training offer/support/induction and career progression.
Subject and Area leads to construct action plans to track 2018/19 areas for development.	Email all area leads. Action Plans to be on system by end of September 2018.
To review School clubs offer.	Review current club offer to ensure breadth and range. Market clubs. Contact Club Providers. Re-design staffing for clubs. 4 fixed term (1yr) contracted posts to be advertised to extend After School Club team. Club offer to go on School website.
Parent/Carer training.	Parent requests. Sing and Sign Makaton. Ideas for learning activities at home. Behaviour Management – use MAPA de-escalation training (non-physical). EHCP training. THRIVE sessions. Puberty/SRE.

**THREE WAYS SCHOOL
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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018**

Effectiveness of Leadership, Management and Governors	
Objectives	Actions/Strategies
To work with the Board of Trustees to ensure their Governance continues to be outstanding.	Annual Governor Action Plan in place for 2018/19. Strategic Plan finalised and actioned. Research and design new Governors' skills audit to be undertaken to review future needs and training required. All Governors to undertake KCSIE 2018 update training. All policies reviewed according to review schedule. Governors allocated to Subject/Area leads to further develop connections with School and monitoring impact of specific areas. Headteacher to lead briefing on Who are the Governors, What is their role, What do Governor meetings involve, Key responsibilities, How to contact Governors, new link Governors to in-School areas.
Multi-Academy Trust exploration.	Headteacher to attend Palladian joint Headteacher meetings and Enable Trust Partnership meetings to consider SEN partnership MAT model and take part in Headship development programme. Work with the local authority and local MATs to consider options for site expansion.
Clear new line management structure in place for 2018/19 to account for new roles.	Clear line management structure in place and shared. Staff appraisal systems in place and actioned to timescales (in order to meet Payscale Governors recommendation meeting).
Develop Subject/Area lead roles.	TLR responsibilities: clear job description in place and monitored. Staff meeting time allocated to Subject/Area leads for planning/work scrutiny/training. Time to meet with Governors allocated to area leads.
Safeguarding – See completed local safeguarding board developed audit and Action Plan for targets.	2017/18 audit completed and development targets set. Complete 2018/19 audit.
Updating safeguarding policy re: KCSIE2018 updates.	Policy written and ratified by Governors.
Updated body map added to paper recording copy.	Issued to all staff and parents and published on school website.
My Concern training for new teachers/TAs and SA's.	All staff on My Concern system. My Concern data monitoring undertaken.
Appoint new trainers and train all staff in updated training package to be KCSIE 2018 compliant.	Responsible staff undertake Train the Trainer Safeguarding training and plan update sessions for Brighter Futures team and site/3 Café Kitchen team/Governor team.
Implement fortnightly safeguarding meetings.	Fortnightly meeting to monitor safeguarding needs and referrals/support required.

The Extent to which Pupils Contribute to the School and Wider Community

Three Ways is a listening School and its Pupils influence the decisions. There is a greater pupil involvement in terms of influencing decisions in School. It is more difficult for the pupils to have an impact on the local community because the majority of them are not local but the wider community involvement continues to develop.

Evidence

The School Community

During the year the School has taken part in many additional projects that have enhanced the curriculum and provided additional opportunities for the Pupils. These have included the following:

- The Pupil Council plays an active and 'real' role in the School. Some Pupils also attend the Primary and Secondary Bath Academies Parliaments;
- The School has some strong links with other Academies e.g. St Gregory's Secondary School - a drama link;
- Pupils enjoy positions of responsibility. These opportunities increase as they move through the School, for example taking their mobility mate certificate, contributing as members of the School Council or supporting play during break times as a Play Mentor;
- The School has an inclusive ethos where pupils support one another;
- There is real community spirit in competitive sports competitions and events. Whole School achievement is celebrated as well as individual achievements;
- The School has a number of pupils who attend on a dual placement or as a guest pupil from mainstream Academies. These pupils are welcomed and supported by Three Ways School pupils. Strong links are in place to support the pupils;
- Life skills are promoted through ASDAN Personal Social Development and ASDAN Personal Progress Awards at the Secondary Level and Towards Independence at 6th Form. Pupils are encouraged to learn skills related to independent living, shopping, cooking, using transport etc; and,
- Pupils go on visits to the life skills centre in Bristol and Swallows House to gain independence.

The Local / Wider Community

- The pupils regularly participate in cultural, artistic and sporting festivals and competitions;
- The School participates in community projects, both individually and working in partnership with other Academies (for example joint music, dance and drama projects);
- There is good local support for fundraising activities – for example School summer and Christmas Fayres;
- The School benefits from support from local businesses for example The Bath Cake Company are supporting the Work Skills Centre;
- Children In Need provides funding to support the after School clubs and the pupils help to raise money on Children In Need day;
- Performances at the School are well supported by parents and friends;
- 6th Form has an Enterprise project stall at the Christmas Market;
- The Archie Project – promoting dementia awareness in schools;
- Bath Theatre links; and,
- Strong links with the Rotary Club.

Charity Involvement

- The School takes an active role in supporting Comic Relief, Children In Need and other appropriate Charities;
- Despite having Special Needs themselves, pupils are always encouraged to think about others that are not as fortunate as themselves through assemblies, the curriculum and projects that the School supports;
- The School has enjoyed International School Project Links with a school in Romania; and,
- There is a clear sense of community within the School. The School is highly regarded in the local community.

**THREE WAYS SCHOOL
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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018**

Public Benefit

The Trustees confirm that they have complied with the duty in Section 17(5) of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the School's aims and objectives and in planning its future activities.

STRATEGIC REPORT

Achievements and Performance

The School has now completed its fifth year of operation as an academy and has once again exceeded the forecast number of students. The total maximum number of students in the year ended 31 August 2018 was 220.

There is still an increased number of pupils with SEN needs in the area seeking to be educated in a Special School. An application has recently been submitted to the Regional Schools Commissioner to consult to cap the School's Published Admission Number at 220 as it is felt that the pupil numbers are now at capacity. Trustees continue to explore options for increasing the School's capacity in future years.

The Work Skills Centre (Café) opened in April 2017 and continues to attract more customers and increase its revenue. A work experience programme includes a timetable of students working in the café and undertaking Food Hygiene Qualifications.

Brighter Futures continues to grow with the addition of many new referrals and contracts this year, whilst continuing to develop the Bath Primary Partnership and the Nuture Outreach contracts. Reserves from the previous year have been invested in training members of staff in Thrive to extend the training capacity. In addition, it is hoped that the therapeutic offer, alongside Education Psychology and Adoption Support, can be developed in 2018/19.

Data and results

The School uses 'B Squared' as an assessment tool. This is updated at three data periods a year. 'B Squared' data is analysed through CSAM to provide updates of pupil progress. A senior member of staff is responsible for reviewing data alongside Heads of Departments. Data for all subjects is reviewed during the year and any pupils showing "below expected progress" are followed up with Teachers in data monitoring meetings. All of the pupil's progress is analysed and interventions and strategies are planned and put in place to support learning and development against the pupil's outcomes.

The School is also working closely with Equals to develop Motivational Appraisal of Personal Potential assessment against Equals curriculum and has designed a bespoke Profound and Multiple Learning Difficulties and Severe Learning Difficulties curriculum.

Reports show that all pupils are making expected and above expected progress. Our Pupil Premium pupils have a high level of academic, emotional and social support to take a holistic approach to achievement.

Sport Premium Grant tracking showed pupils have outstanding access to sporting activity to ensure curriculum breadth.

Year 7 catch up grant for Literacy and Numeracy tracking has shown expected/above expected progress for pupils in Literacy and Numeracy development, with Severe Learning Difficulties (SLD) as an area for monitoring.

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018**

Exam Report for the year ended 31 August 2018

The results shown below can be read as follows

- Entry level 1 (Formerly known as Pass), Entry level 2 (Formerly known as Merit), Entry level 3 (Formerly known as Distinction). F = Fail. An Entry Level is a qualification for pupils who are working at National Curriculum level prior to GCSE study.
- GCSE Grades – 2018 marks the first year that all GCSE qualifications have moved to numerical results. The new system for this year is shown below:

Old System	A* A	B C	D E F	U
New System	9 8 7	6 5 4	3 2 1	U

Pupils' results were as follows:

Exam Board	Entry Level /Functional Skills Certificate Subject	Number of Pupils entered			Entry 1	Entry 2	Entry 3	Fail	X
		Male	Female	Total					
OCR	Maths	4	1	5	1	3	1	0	0
AQA	Science	6	2	8	0	6	2	0	0
AQA	English	4	1	5	0	3	2	0	0
OCR	Technology: Food	10	3	13	0	2	11	0	0
OCR	Technology: Resistant Materials	10	3	13	0	0	13	0	0
OCR	Geography	6	2	8	0	5	3	0	0
ASDAN	Personal Social Development	6	2	8	0	0	8	0	0

Exam Board	GCSE Course	Male	Female	Total	9	8	7	6	5	4	3	2	1	U
AQA	GCSE Art and Design	6	2	8	0	0	0	0	0	1	2	3	2	0

Exam Board	Course	Male	Female	Total Completed
D of E	Bronze Award	9	7	16
D of E	Silver Award	4	1	5

100% pass rate in GCSE/Entry level and ASDAN/DofE Accreditation.

- Performance in Art GCSE was outstanding with pupils with SEN achieving 4/3/2/1 grading;
- Performance in Duke of Edinburgh was outstanding. Three Ways School were reported in the South West DofE report as the Special School with the highest number of SEN pupils achieving these qualifications; and,
- Post 16 pupils achieved outstanding outcome progress in the AQA Unit Award Scheme with 100% of pupils achieving their awards. These qualifications included literacy/numeracy/independence and work skills.

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018**

The School will continue to develop the Living Skills Qualification in 2018/19 alongside a trial of the silver Duke of Edinburgh Qualification.

Class sizes are small (between 6 and 14) and dependant on the level of needs of the Pupils in each class and the number of adults working in each class. All classes have a Class Teacher and between 2 and 8 Teaching Assistants.

To ensure that standards are continually assessed, the School operates a programme of lesson observations, which are undertaken by the Department Heads and the Senior and Middle Leadership Team.

In year achievements

During the year, one of the main areas of focus has been to develop additional pathways and opportunities for those students transitioning from Three Ways School into further education and employment. This has involved using the Work Skills Centre to showcase the talents of our students to local employers as well as looking at additional life skills training opportunities.

Other areas that have been developed are:

- Access to a wide range of opportunities to celebrate achievement – Mid Somerset Festival, Dance Umbrella, St Gregory's Dance and Drama Collaboration;
- Strong local arts/theatre collaborations;
- MLD/SLD/PMLD/ASD Accreditation of all (GCSE/ELC/Duke of Edinburgh Bronze and Silver award and AQA Unit Award/ ASDAN Qualifications) Accredited courses enabling pupils to gain qualifications at an appropriate level of challenge;
- International School Award 2017-2020 leading to Global Partnership Work Projects;
- Pupil employability outcomes strong – Employability Charter Mark;
- Member of Bath Education Trust – Working collaboratively with other schools / colleges / universities in Bath (Bath Spa and University of Bath);
- Stonewall Champions;
- Accredited THRIVE lead School;
- During 2017/18 there have been significant curriculum redesigns to ensure pupils with profound and multiple, severe and moderate learning difficulties have appropriate and meaningful curriculum access. THRIVE monitoring has shown the impact of these interventions as outstanding;
- Staff CPD (Twilight teaching) and INSET days have secured a rigorous approach to staff training, ensuring the highest intervention/curriculum expertise;
- Learning walks and Plans for Learning moderation ensure there are high standards of achievement across the whole School;
- The Senior Leadership Team and Middle Leadership Team undertook learning walks with the Executive Headteacher, who is a trained SEN Ofsted Inspector, to benchmark feedback and judgement;
- Coaching is used as an important tool to ensure teaching practice is outstanding;
- Three Ways School maintains a reputation in the local community and professional networks (medical/educational/social care) of offering creative support to families and pupils to ensure the best life outcomes; and
- During 2017/18 Three Ways appointed a Headteacher and a Deputy Headteacher who are now in post formally.

**THREE WAYS SCHOOL
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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018**

Key Performance Indicators

The main financial performance indicator is the level of reserves held at the balance sheet date. In particular, the management of spending against the General Annual Grant (GAG) requires special attention as the amount of carry forward should be restricted. In the period under review, £103,070 was carried forward representing 5% of GAG.

As funding is based on pupil numbers this is also a key performance indicator. Pupil numbers rose in year. It is anticipated that the numbers will continue to rise.

Another key financial performance indicator is staffing costs (note 11) as a percentage of total recurring educational income (note 6). For the year ended 31 August 2018 the percentage was 101% (2017: 101%).

Going Concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the School 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 Going Concern policy.

FINANCIAL REVIEW

Financial Review

Most of the School's income is obtained from the DfE via the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The additional SEN Top up funding comes from the local authority in which the child resides; the amount received is dependent on the banding level given to each individual child. During the year the Local Authority (BANES) have carried out a re-banding exercise. All current Three Ways School pupils have been re-banded using a new set of criteria based on needs. Once completed, new banding figures have been allocated. The new system will come into place for all current children in September 2019. All new children will be banded using the new criteria with only the banding figure changing in September 2019. Three Ways School has seen an approximate increase of £200,000. The grants received from the DfE and the Local Authority during the year ended 31 August 2018 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

The School also receives grants for fixed assets which are shown in the Statement of Financial Activities as restricted income in the Fixed Asset Fund. The Restricted Fixed Asset Fund balance is reduced by annual depreciation charges over the useful life of the assets concerned, as defined in the School's accounting policies.

During the year ended 31 August 2018, total expenditure of £4,702,436 (excluding depreciation, defined benefit pension cost and before fund transfers) was covered by recurrent grant funding from the DfE, together with other incoming resources of £4,741,175. The excess of income over expenditure for the year (excluding the pension reserve and restricted fixed asset funds) was £38,739.

At 31 August 2018 the net book value of fixed assets was £8,809,552 and movements in tangible fixed assets are shown in note 14 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the School.

The land, buildings and other assets were transferred to the School upon conversion. Land and buildings were professionally valued on 31 March 2014 at £8,754,000. Other assets have been included in the financial statements at a best estimate, taking into account purchase price and remaining useful lives.

The School has taken on the deficit in the Local Government Pension Scheme in respect of its non-teaching staff transferred on conversion. The deficit is incorporated within the Statement of Financial Activities with details in note 23 to the financial statements.

Key financial policies adopted or reviewed during the year include the Financial Procedures Manual which lays out the framework for financial management, including financial responsibilities of the Board, Headteacher, managers, budget holders and other staff, as well as delegated authority for spending. Other policies reviewed and updated included Safeguarding, Pay Policy, Charges and Lettings, Asset Management and Insurance.

**THREE WAYS SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018**

Reserves Policy

The Trustees review the reserve levels of the School annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees take into consideration the future plans of the School, the uncertainty over future income streams and other key risks identified during the risk review.

The appropriate amount will be identified in order to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance.

The School has total reserves of £6,776,052, which includes £6,140,552 of restricted fixed asset funds and defined benefit pension reserves. The remaining £635,500 (being unrestricted and restricted general funds) is the balance that Trustees monitor. As a guideline, the School aims to keep in hand an amount of unrestricted/restricted general funds equivalent to at least two months of average payroll costs (2018: £619,000) for future foreseeable expenditure on classroom/other equipment, buildings maintenance and capital projects.

Investment Policy

The aim of this policy is to ensure that funds which the School does not immediately need to cover anticipated expenditure are invested in such a way as to maximise the School's income.

The School's aim is to spend the public monies for the direct education benefit of students as soon as it is prudent to do so and after the direction of the reserves policy has been met.

The School does not consider the investment of surplus funds as a primary activity, rather it is the result of good stewardship as and when circumstances allow.

Investments of surplus funds, including carry forward balances, may only be made directly in the accounts of reputable high street banks/financial institutions which are clearly shown to provide no risk to the capital sum.

Investment must not be arranged through any intermediaries. Any interest received will accrue to the School bank account.

Investments must be in any current or deposit account (including single deposits) placed with an approved bank. Deposit accounts include managed money market accounts, providing that the bank provides a written agreement incorporating a guarantee of the capital sum invested.

Prior to investing funds, the Headteacher must satisfy themselves that cash flow predictions provided by the Business Manager are accurate and that the amount/time period of the investment will not compromise the viability and sustainability of the activities of the School.

All investments must be considered by the Finance Committee with the Headteacher's direction before being taken to the Full Board of Trustees for final approval.

Principal Risks And Uncertainties

The Board of Trustees has reviewed the major risks to which the School is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks.

The principal risks and uncertainties facing the School are as follows:

Financial - the School has considerable reliance on continued Government funding through the ESFA. In the last year, 85% of the School's incoming resources were ultimately Government funded and whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

Failures in governance and/or management - the risk in this area arises from potential failure to effectively manage the School's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks.

**THREE WAYS SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018**

Reputational - the continuing success of the School is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk, Trustees ensure that student success and achievement are closely monitored and reviewed.

Safeguarding and child protection - the Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline.

Staffing - the success of the School is reliant upon the quality of its staff and so the Trustees monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.

Fraud and mismanagement of funds - The School has an internal auditor, who reports to the Finance Committee to carry out checks on financial systems and records as required by the Academies Financial Handbook. All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area.

The School has continued to strengthen its risk management process throughout the year by improving the process and ensuring staff awareness. The School has an agreed Risk Register and a Risk Management Plan. These have been discussed by Trustees and include the financial risks to the School. The register and plan are regularly reviewed in light of any new information and formally reviewed annually.

The Trustees have assessed the major risks to which the School is exposed, in particular those relating to its finances, teaching, facilities and other operational areas. The Trustees have implemented a number of systems to assess and minimise those risks, including internal controls described elsewhere. Where significant financial risk still remains, they have ensured they have adequate insurance cover.

Whilst the School is over-subscribed, risks to revenue funding from a falling roll are small. However, the reduction in post 16 funding levels, the freeze on the Government's overall education budget, changes in funding arrangements for High Needs and increasing employment and premises costs mean that budgets will be increasingly tight in coming years.

The Trustees examine the financial health of the School formally every term. They review performance against budgets and overall expenditure by means of regular update reports at all Board and Finance Committee meetings. The Trustees also regularly review financial forecasts and ensure sufficient funds are held to cover all known and anticipated commitments.

At the year end, the School had no significant liabilities arising from trade creditors or debtors that would have a significant effect on liquidity.

The Board of Trustees recognises that the defined benefit pension scheme deficit (Local Government Pension Scheme), which is set out in Note 23 to the financial statements, represents a significant potential liability. However as the Trustees consider that the School is able to meet its known annual contribution commitments for the foreseeable future, the risk from this liability is minimised.

FUNDRAISING

The School employ (on a sub-contract basis during 2017/18, to be changed to contracted member of staff during 2018/19) a Fundraiser and Marketing Manager, whose prime role is to identify and apply for funding for a variety of items that are not funded from GAG. The success of this work has been extraordinary, particularly in relation to the Work Skills Centre (3 Café).

Fundraising is also carried out by the Three Ways School Parent, Teacher and Friends Association (PTFA), which organises events such as Christmas and Summer Fayres and, in Summer 2018, The Try Games.

**THREE WAYS SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018**

PLANS FOR FUTURE PERIODS

The School will continue to strive to provide outstanding education and improve the performance of its pupils at all levels. The School will continue to aim to attract high quality teachers and support staff in order to deliver its objectives.

The School will continue to work with partner schools to improve the educational opportunities for students in the wider community.

Full details of the School's plans for the future are given in the School Improvement Plan, which is available on the School website or from the Clerk to the Trustees.

The School will continue to work with the Bath Education Trust to improve staff CPD and ensure good working practices are shared between Senior Managers.

The Trustees will continue to look at possible pathways for Multi Academy Trusts.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

As at 31 August 2018 the School and its Trustees do not act as the Custodian Trustees of any other Charity.

AUDITORS

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are 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 auditors are aware of that information.

The auditors, Bishop Fleming Bath Limited, are willing to continue in office and a resolution to appoint them will be proposed at the annual general meeting.

The Trustees' Report, incorporating a strategic report, was approved by order of the Board of Trustees, as company directors, on 10 December 2018 and signed on the board's behalf by:

M Roberts

Chair of Trustees

**THREE WAYS SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

The Board of Trustees has delegated the day-to-day responsibility to the Headteacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and are in accordance with the requirements and responsibilities assigned to it in the funding agreement between Three Ways School and the Secretary of State for Education. The Headteacher is 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:

Trustee	Meetings attended	Out of a possible
C Ball	5	6
A Comer	6	6
G Cottle	3	6
J Dennett-Lewis (resigned 04/12/2017)	2	6
C Gerrish	4	6
K Hall	5	6
H Harris (resigned 20/08/2018)	4	6
R Hodgman, Vice Chair	5	6
B Joakim	1	6
G Jordan	5	6
T Kavanagh	4	6
R McSweeney	4	6
M Roberts, Chair of Trustees	6	6
S Service	6	6
J Stoaling, Headteacher (appointed 01/09/2017)	6	6
D Wells	6	6

Committee Terms of Reference

- A quorum of all committees is any three Trustees or, where greater, any one third of the total number of Trustees on the committee.
- Any question to be decided shall be determined by a simple majority of votes of those Trustees present.
- Committees should consult and provide input to the School Improvement Plan.
- Chairs of committees should consult with the Senior Leadership Team and/or Business Manager to determine the agenda for each meeting.
- All committees shall record minutes of meetings and these minutes shall be made available to all Trustees prior to each meeting of the Board of Trustees.

**THREE WAYS SCHOOL
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GOVERNANCE STATEMENT (continued)

Finance

- To carry out a regular review to ensure that control of School finances is in good order and that accurate and comprehensive financial accounts are maintained;
- To present regular financial reports to the Board of Trustees and recommend courses of action where appropriate;
- In association with the Senior Leadership Team, to draft the budget each year and to present it to the Board of Trustees for approval;
- To assist in drafting the School's Financial Procedures Manual and to ensure that financial management procedures are followed;
- To maintain a Register of Business Interests;
- To assess and agree proposals for expenditure over £2,000;
- To advise and assist the Senior Leadership Team on the control or use of School funds;
- To ensure annual statutory accounts are produced in accordance with Companies Act and DfE requirements;
- To perform the function of an audit committee including agreeing a programme of work and reviewing reports by any auditors;
- To ensure an appropriate Risk Register is in place and is kept under review; and
- To review and ratify any delegated policies appropriate to this committee.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
C Gerrish	5	6
R Hodgman	6	6
B Joakim	1	6
G Jordan	6	6
R McSweeney	6	6
M Roberts	4	6
J Stoaling, Headteacher(appointed 01/09/2017)	4	6

Premises

- To monitor the School buildings and fabric and report any issues to the Board of Trustees; and,
- To ensure the School's Health and Safety policy is fully implemented; and
- To review and ratify any delegated policies appropriate to this committee.

Human resources

- To establish and review the School Pay Policy;
- To establish and review the School Performance Management Policy;
- To oversee the appointment procedure for all staff;
- To keep under review staff work/life balance, working conditions and well-being, including the monitoring of absence;
- To manage all staff issues; and,
- To review and ratify any delegated policies appropriate to this committee.

Education

To ensure the Board of Trustees is informed of policies and actions relevant to:

- The raising of standards of care, pupil performance and relationships between staff, pupils and parents;
- The quality of teaching, including ensuring adequate numbers and qualifications of teaching and support staff;
- Monitoring pupils' progress and assessment procedures;
- Curriculum provision in line with national and school requirements;
- Monitoring and evaluating the effectiveness of policies and actions; and,
- The review and ratification of any delegated policies appropriate to this committee.

**THREE WAYS SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

GOVERNANCE STATEMENT (continued)

Governance Review

The year started with Julie Dyer as Executive Headteacher and Jo Stoling as Acting Headteacher. Jo Stoling took on the role of Accounting Officer and became a Trustee, whereas Julie Dyer stood down as a Trustee, however the board agreed unanimously to invite Julie to attend all meetings of the Board of Trustees and Committee meetings as an invited guest without voting powers, in order to share her wealth of knowledge and act as a mentor to Jo Stoling,

During the year the board carried out a further Headteacher recruitment process which resulted in the appointment of Jo Stoling as permanent Headteacher with effect from 1 September 2018. Julie Dyer continued in the role of Executive Headteacher and then retired at the end of the year as planned.

Jayne Dennett-Lewis resigned her position as Trustee on 4 December 2017. The decision was taken not to recruit a replacement as the composition of the Board met all requirements according to the School's Articles of Association and the Academies Financial Handbook.

Helen Harris subsequently resigned her position as a Trustee on 20 August 2018. This left a vacancy for a parent Trustee and a recruitment process has begun which will aim to strengthen the Board's combined skills. The current mix of skills and experience is wide-ranging, with Trustees having expertise in education, finance, HR, construction and general management and it is felt that the Board is well positioned to continue in its role.

The Board has carried out its duties conscientiously again this year, with excellent attendance at Trustee meetings and regular communication with the Senior Leadership Team and other School staff as appropriate. Trustees are very engaged with the School and carry out class visits and regularly attend School events. There is an organised flow of day-to-day information between the School and the Trustees, for example the Headteacher's report, financial management accounts, information on significant expenditure plans, pupil performance data, staff appraisal information, and also a proven process for reviewing/approving documents such as the Risk Register, the School Improvement Plan, the Self-Evaluation Form and the School's policies. The Trustees contribute to the development of these documents as appropriate and have requested changes where necessary to support them in carrying out their duties. The overall quality of information provided to them is deemed to be excellent.

The Multi Academy Trust (MAT) working party continue to meet regularly. They have drawn up a MAT map to keep abreast of current changes in the local area MAT groupings and continue to keep the situation under review. The Headteacher and School Business Manager have made contact with the Enable Trust, a Special Needs MAT based in Bristol in order to network with the group, sharing ideas and plans.

The School is currently at its capacity and the Trustees have been exploring various potential options to increase the capacity and enable more pupils to have the opportunity to attend the School. As yet no practical solution has been found, however this will continue to be a focus of the Board's work.

REVIEW OF VALUE FOR MONEY

As Accounting Officer, the Headteacher has responsibility for ensuring high standards of probity in the management of public funds, particularly regularity, propriety and value for money. The Accounting Officer understands that value for money refers to achieving the best possible educational and wider societal outcomes through the economic, efficient and effective use of resources, the avoidance of waste and extravagance, and prudent and economical administration.

The Accounting Officer considers how the School'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 School has delivered improved value for money during the year by:

- The School's Financial Procedures Manual (FPM) sets out detailed guidelines on: roles, responsibilities and financial oversight; financial planning and monitoring; risk management and internal control; proper and regular use of public funds; and annual accounts and audit. The FPM is reviewed annually and compliance is mandatory for all staff.

**THREE WAYS SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

GOVERNANCE STATEMENT (continued)

- The financial running of the School is audited three times a year by an internal auditor, including reference to the FPM, with reports to the Trustees through the Finance Committee. The annual audit is also carried out by the School's external auditors prior to the production of the annual company accounts. Any recommendations by the auditors are acted upon to continually improve the provision.
- Management reports are provided for the Trustees every term and the Board includes Trustees with a financial background who are on the Finance Committee and act as critical friends. The Trustees also attend regular training to ensure that they can support the School as fully as possible.
- Working collaboratively - Three Ways School is a member of the Bath Education Trust (BET) along with 5 senior schools, 2 studio schools and one other SEN school, Bath College, Bath Spa University and the University of Bath. The Business Group of BET meets 3 times a year to share good practices and use the sessions as CPD for School Business Managers (SBM). This then enables the SBM to use contacts and procedures to ensure greater value for money is achieved.
- Improving income - The School continues to hire out its facilities to external agencies, including the meeting rooms and Hydrotherapy Pool. Charges have been benchmarked against other similar facilities and are increased as appropriate to ensure the maximising of income whilst also remaining competitive.
- Brighter Futures - training and advice is provided to third parties using a mix of employed staff and consultants, with both fixed and variable costs being carefully managed on a contract by contract basis to ensure they at least break even individually. Financial management of Brighter Futures is carried out by the SBM and the School Finance Team, who work closely with the Director of Brighter Futures.
- Café - the work skills centre was opened to the public in April 2017 and continues to attract much support from those in the School community, as well as others from the wider community. Financial management of the Café is carried out by the SBM and School Finance Team, but with the Café team cashing up on a daily basis. The Café has benefited from grant income during the set-up phase but there is a continuing focus on prices charged, costs incurred for salaries and food/drinks supplies and maximisation of customers, particularly outside of busy term times.
- Improving Educational Outcomes - during the year pupil numbers continues to rise and the School saw further increases in both High Needs Top-Up funding and Pupil Premium funding. In response to the additional monies the School again increased its staffing levels accordingly. Staffing costs are closely monitored throughout the year in relation to pupil funding income as the bulk of the School's expenditure is on staff. The Board of Trustees together with the Senior Leadership Team have taken the decision to cap the number of pupils at its current level, so this will also limit any increases in staff numbers in the foreseeable future.

GOVERNANCE STATEMENT (continued)

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of School 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 Three Ways School for the year 1 September 2017 to 31 August 2018 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 School 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 School's significant risks that has been in place for the year 1 September 2017 to 31 August 2018 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 School'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 Board of Trustees 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; and
- identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and has decided to appoint Audit West (formally Bath and North East Somerset Council Audit Team) as internal auditor.

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

- Testing of Income and Expenditure for Brighter Futures.
- Testing of HR and Payroll systems.
- Testing of Income and Expenditure.

Three times a year, the Internal Auditor reports to the Board of Trustees through the Finance Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

**THREE WAYS SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

GOVERNANCE STATEMENT (continued)

During 2017/18 the following recommendations were made and implemented:

- To review the aged debtors for Brighter Futures and clear any debt over 30 days – there was one outstanding invoice. This invoice was in dispute due to the scope of work carried out. The Director of Brighter Futures has now agreed a resolution to this dispute.
- According to the School's Financial Procedures Manual, only the Headteacher can sign off the overtime sheets. It was recommended that the procedures were updated to allow the School Business Manager to sign them off.
- A new payroll checklist should be implemented to add another tier to the audit process along with printing any correspondence from Wiltshire payroll service.
- A new enhanced checklist was recommended for all staff appointments in line with safer recruitment policies.

REVIEW OF EFFECTIVENESS

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

- the work of the internal auditor;
- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the School 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 Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on

and signed on their behalf, by:

M Roberts
Chair of Trustees

J Stooling
Accounting Officer

**THREE WAYS SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Three Ways School I have considered my responsibility to notify the School's Board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the School, under the funding agreement in place between the School 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 2017.

I confirm that I and the School's Board of Trustees are able to identify any material irregular or improper use of funds by the School, or material non-compliance with the terms and conditions of funding under the School's funding agreement and the Academies Financial Handbook 2017.

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

**J Stoling
Accounting Officer**

Date: 10/12/18

**THREE WAYS SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2018**

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

Company law requires the 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 2017 to 2018;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The 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 ESFA/DfE have been applied for the purposes intended.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable 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 and signed on its behalf by:

**M Roberts
Chair of Trustees**

Date: 10 December 2018

**THREE WAYS SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THREE WAYS SCHOOL

OPINION

We have audited the financial statements of Three Ways School (the 'School') for the year ended 31 August 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the School's affairs as at 31 August 2018 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 2017 to 2018 issued by the Education and Skills Funding Agency.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the School in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

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

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

OTHER INFORMATION

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

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

**THREE WAYS SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THREE WAYS SCHOOL

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

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

RESPONSIBILITIES OF TRUSTEES

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

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

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

USE OF OUR REPORT

This report is made solely to the School'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 School's members

**THREE WAYS SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

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

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 School and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Simon Morrison FCA (Senior Statutory Auditor)

for and on behalf of

Bishop Fleming Bath Limited

Chartered Accountants

Statutory Auditors

Minerva House

Lower Bristol Road

Bath

BA2 9ER

14 December 2018

**THREE WAYS SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THREE WAYS SCHOOL AND THE EDUCATION & SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 12 February 2015 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Three Ways School during the year 1 September 2017 to 31 August 2018 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 Three Ways School and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Three Ways School and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Three Ways School and the ESFA, for our work, for this report, or for the conclusion we have formed.

RESPECTIVE RESPONSIBILITIES OF THREE WAYS SCHOOL'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The Accounting Officer is responsible, under the requirements of Three Ways School's funding agreement with the Secretary of State for Education dated 19 August 2014, and the Academies Financial Handbook extant from 1 September 2017, 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 2017 to 2018. 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 2017 to 31 August 2018 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 2017 to 2018 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

Our work on regularity included a review of the internal controls policies and procedures that have been implemented and an assessment of their design and effectiveness to understand how the academy complied with the framework of authorities. We also reviewed the reports commissioned by the trustees to assess the internal controls throughout the year.

We performed detailed testing based on our assessment of the risk of material irregularity, impropriety and non-compliance. This work was integrated with our audit on the financial statements where appropriate and included analytical review and detailed substantive testing of transactions.

**THREE WAYS SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THREE WAYS
SCHOOL AND THE EDUCATION & SKILLS FUNDING AGENCY (continued)**

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 2017 to 31 August 2018 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Simon Morrison FCA (Reporting Accountant)

Bishop Fleming Bath Limited

Chartered Accountants
Statutory Auditors
Minerva House
Lower Bristol Road
Bath
BA2 9ER

14 December 2018

**THREE WAYS SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2018**

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
INCOME FROM:						
Donations and capital grants	2	34,535	69,918	-	104,453	140,808
Charitable activities	6	50,368	4,012,493	-	4,062,861	3,905,114
Other trading activities	3,4	573,538	-	-	573,538	451,051
Investments	5	323	-	-	323	671
TOTAL INCOME		658,764	4,082,411	-	4,741,175	4,497,644
EXPENDITURE ON:						
Raising funds	3,7	501,850	-	-	501,850	437,543
Charitable activities	7	125,123	4,447,463	164,811	4,737,397	4,471,111
TOTAL EXPENDITURE	7	626,973	4,447,463	164,811	5,239,247	4,908,654
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS						
Transfers between Funds	18	31,791	(365,052)	(164,811)	(498,072)	(411,010)
		-	(43,985)	43,985	-	-
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES						
		31,791	(409,037)	(120,826)	(498,072)	(411,010)
Actuarial gains on defined benefit pension schemes	23	-	469,000	-	469,000	234,000
NET MOVEMENT IN FUNDS		31,791	59,963	(120,826)	(29,072)	(177,010)
RECONCILIATION OF FUNDS:						
Total funds brought forward		489,821	(2,615,075)	8,930,378	6,805,124	6,982,134
TOTAL FUNDS CARRIED FORWARD		521,612	(2,555,112)	8,809,552	6,776,052	6,805,124

The notes on pages 34 to 58 form part of these financial statements.

THREE WAYS SCHOOL
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER: 08488749

BALANCE SHEET
AS AT 31 AUGUST 2018

	Note	£	2018 £	£	2017 £
FIXED ASSETS					
Tangible assets	14		8,809,552		8,930,378
CURRENT ASSETS					
Debtors	15	91,835		77,612	
Cash at bank and in hand		734,093		679,521	
			825,928	757,133	
CREDITORS: amounts falling due within one year	16	(190,428)		(116,387)	
NET CURRENT ASSETS					
			635,500		640,746
TOTAL ASSETS LESS CURRENT LIABILITIES					
Defined benefit pension scheme liability	23		(2,669,000)		(2,766,000)
NET ASSETS					
			6,776,052		6,805,124
FUNDS OF THE ACADEMY TRUST					
Restricted funds:					
General funds	18	113,888		150,925	
Fixed asset funds	18	8,809,552		8,930,378	
			8,923,440	9,081,303	
Restricted funds excluding pension liability					
Pension reserve		(2,669,000)		(2,766,000)	
Total restricted funds			6,254,440		6,315,303
Unrestricted funds	18		521,612		489,821
TOTAL FUNDS					
			6,776,052		6,805,124

The financial statements on pages 31 to 58 were approved by the Trustees, and authorised for issue, on 10 December 2018 and are signed on their behalf, by:

M Roberts
Chair of Trustees

The notes on pages 34 to 58 form part of these financial statements.

**THREE WAYS SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2018**

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	20	<u>98,234</u>	<u>(144)</u>
Cash flows from investing activities:			
Interest receivable		323	671
Purchase of tangible fixed assets		(43,985)	(232,527)
Capital funding received from sponsors and others		-	73,508
Net cash used in investing activities		<u>(43,662)</u>	<u>(158,348)</u>
Change in cash and cash equivalents in the year			
Cash and cash equivalents brought forward		<u>679,521</u>	838,013
Cash and cash equivalents carried forward	21	<u><u>734,093</u></u>	<u><u>679,521</u></u>

The notes on pages 34 to 58 form part of these financial statements.

**THREE WAYS SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

1. ACCOUNTING POLICIES

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

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements of the School 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 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

1.2 FUND ACCOUNTING

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the School 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/donor and include grants from the Department for Education Group.

Transfers are made between restricted funds and restricted fixed asset funds where restricted funds are used to purchase fixed assets.

**THREE WAYS SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

1. ACCOUNTING POLICIES (continued)

1.3 INCOME

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

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

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

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

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

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

1.4 EXPENDITURE

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

Expenditure on raising funds includes all expenditure incurred by the School to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

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

All expenditure is inclusive of irrecoverable VAT.

**THREE WAYS SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

1. ACCOUNTING POLICIES (continued)

1.5 GOING CONCERN

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the School 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 School has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the School's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

1.6 TAXATION

The School 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 School is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.7 TANGIBLE FIXED ASSETS AND DEPRECIATION

All assets costing more than £1,000 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

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

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

Long term leasehold land	-	Straight line over 125 years
Long term leasehold buildings	-	Straight line over 50 years
Fixtures and fittings	-	Straight line over 10 years
Assets under construction	-	No depreciation charged until asset is available for use
Motor vehicles	-	Straight line over 5 years
IT / Electronic equipment	-	Straight line over 3 years
Specialist equipment	-	Straight line over 3 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.

1.8 OPERATING LEASES

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

**THREE WAYS SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

1. ACCOUNTING POLICIES (continued)

1.9 DEBTORS

Trade and other debtors with no stated interest rate and due within one year are recorded at the amount of the cash or other consideration expected to be received. Prepayments are valued at the amount paid.

1.10 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 and cash on deposit that has a notice period of less than 30 days.

1.11 LIABILITIES AND PROVISIONS

Liabilities and provisions are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the School 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.

1.12 FINANCIAL INSTRUMENTS

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments.

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

1.13 PENSIONS

Retirement benefits to employees of the School are provided by the Teachers' Pension Scheme ("TPS") and the Local Government Pension Scheme ("LGPS"). These are defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the School in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 23, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

**THREE WAYS SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

1. ACCOUNTING POLICIES (continued)

The LGPS is a funded scheme and the assets are held separately from those of the School 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 net income/expenditure are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

1.14 AGENCY ARRANGEMENTS

The School acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the Statement of Financial Activities as the School does not have control over the charitable application of the funds. The School can use up to 5% of the allocation towards its own administration costs and this is recognised in the Statement of Financial Activities. The funds received, paid and any balances held at period end are disclosed in Note 27.

**THREE WAYS SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

1. ACCOUNTING POLICIES (continued)

1.15 CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGMENT

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

Critical accounting estimates and assumptions:

The School 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 23, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. 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.

Critical areas of judgment:

Operating leases

The School obtains use of fixed assets as a lessee. The classification of such leases as operating or finance lease requires the School to determine, based on an evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the Balance Sheet.

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
Donations	34,535	59,100	-	93,635	56,887
Capital Grants	-	10,818	-	10,818	83,921
	<u>34,535</u>	<u>69,918</u>	<u>-</u>	<u>104,453</u>	<u>140,808</u>
Total 2017	<u>339</u>	<u>66,961</u>	<u>73,508</u>	<u>140,808</u>	

**THREE WAYS SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

3. TRADING ACTIVITIES

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
TRADING INCOME				
Three Ways Brighter Futures	445,968	-	445,968	392,887
3 Café	105,580	-	105,580	33,594
	<u>551,548</u>	<u>-</u>	<u>551,548</u>	<u>426,481</u>
TRADING EXPENSES				
Three Ways Brighter Futures	400,139	-	400,139	395,621
3 Café	101,711	-	101,711	41,922
	<u>501,850</u>	<u>-</u>	<u>501,850</u>	<u>437,543</u>
Net income/(expenditure) from trading activities	<u>49,698</u>	<u>-</u>	<u>49,698</u>	<u>(11,062)</u>

In 2017, all of the income and expenditure from trading activities related to unrestricted funds.

4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Lettings	21,990	-	21,990	24,570
	<u>21,990</u>	<u>-</u>	<u>21,990</u>	<u>24,570</u>
Total 2017	<u>24,570</u>	<u>-</u>	<u>24,570</u>	

5. INVESTMENT INCOME

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Bank interest	323	-	323	671
	<u>323</u>	<u>-</u>	<u>323</u>	<u>671</u>
Total 2017	<u>671</u>	<u>-</u>	<u>671</u>	

THREE WAYS SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

6. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
DfE/ESFA grants				
General Annual Grant	-	2,120,043	2,120,043	2,044,682
Other DfE/ESFA grants	-	144,821	144,821	120,702
	-	2,264,864	2,264,864	2,165,384
Other Government grants				
High Needs	-	1,734,654	1,734,654	1,653,266
Other Government grants	-	12,975	12,975	15,017
	-	1,747,629	1,747,629	1,668,283
Other funding				
Internal catering income	18,937	-	18,937	22,463
Activities income	22,045	-	22,045	33,400
Recharges to other organisations	9,386	-	9,386	15,584
	50,368	-	50,368	71,447
	50,368	4,012,493	4,062,861	3,905,114
Total 2017	71,447	3,833,667	3,905,114	

7. EXPENDITURE

	Staff costs 2018 £	Premises 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Expenditure on fundraising trading					
Direct costs	301,501	-	200,349	501,850	437,543
Support costs	-	-	-	-	-
Education:					
Direct costs	3,420,782	164,811	365,590	3,951,183	3,567,095
Support costs	397,943	121,664	266,607	786,214	904,016
	4,120,226	286,475	832,546	5,239,247	4,908,654
Total 2017	3,946,214	284,703	677,737	4,908,654	

**THREE WAYS SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

8. DIRECT COSTS

	Total 2018 £	Total 2017 £
Pension finance costs	61,420	47,786
Educational supplies	79,497	73,151
Examination fees	4,026	5,261
Staff development	13,341	14,289
Specialist therapists and consultants	169,936	159,853
Supply teachers	71,469	59,069
Technology costs	37,370	8,296
Wages and salaries	2,529,369	2,288,401
National insurance	179,360	172,477
Pension cost	640,584	587,542
Depreciation	164,811	150,970
	3,951,183	3,567,095
	<hr/> <hr/>	<hr/> <hr/>
Total 2017	<hr/> <hr/> 3,567,095	

9. SUPPORT COSTS

	Total 2018 £	Total 2017 £
Pension finance costs	12,580	16,214
Recruitment and support	5,673	10,377
Maintenance of premises and equipment	35,807	67,750
Cleaning	17,585	14,900
Rates	10,794	9,800
Energy costs	57,478	50,754
Insurance	35,225	31,127
Security and transport	14,156	12,074
Catering	58,923	30,571
Technology costs	11,642	12,602
Office overheads	62,825	46,639
Legal and professional	50,215	29,081
Bank charges	2,103	1,845
Governance	13,265	11,753
Wages and salaries	288,558	405,068
National insurance	17,984	18,525
Pension cost	91,401	134,936
	786,214	904,016
	<hr/> <hr/>	<hr/> <hr/>
Total 2017	<hr/> <hr/> 904,016	

**THREE WAYS SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

10. NET INCOME/(EXPENDITURE) FOR THE PERIOD

This is stated after charging:

	2018	2017
	£	£
Depreciation of tangible fixed assets:		
- owned by the charity	164,811	150,970
Auditors' remuneration - audit	8,650	8,500
Auditors' remuneration - other services	1,250	1,250
Operating lease rentals	3,456	5,560
	=====	=====

**THREE WAYS SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

11. STAFF COSTS

a. Staff costs

Staff costs were as follows:

	2018	2017
	£	£
Wages and salaries	3,028,858	2,921,102
Social security costs	220,650	212,391
Operating costs of defined benefit pension schemes	764,149	753,652
	<u>4,013,657</u>	<u>3,887,145</u>
Supply teacher costs	71,469	59,069
Staff restructuring costs	35,100	-
	<u>4,120,226</u>	<u>3,946,214</u>

Staff restructuring costs comprise:

Termination payments	19,500	-
Payments in lieu of notice	15,600	-
	<u>35,100</u>	<u>-</u>

b. Non-statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £35,100 (2017: £Nil). Individually, the payments were: £35,100 made on 11 January 2018.

c. Staff numbers

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

	2018	2017
	No.	No.
Teachers	30	30
Educational Support	144	145
Admin	8	9
Management	7	11
	<u>189</u>	<u>195</u>

Average headcount expressed as a full time equivalent:

	2018	2017
	No.	No.
Teachers	25	23
Educational Support	84	81
Admin	5	6
Senior Leadership Team	6	6
	<u>120</u>	<u>116</u>

**THREE WAYS SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

11. STAFF COSTS (continued)

d. Higher paid staff

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

	2018	2017
	No.	No.
In the band £70,001 - £80,000	1	1

The above employee participated in the Teachers Pension Scheme. During the year ended 31 August 2018, pension contributions for this member amounted to £11,664 (2017: £13,104).

e. Key management personnel

The key management personnel of the School comprise the Trustees (who do not receive remuneration for their role as Trustees) and the Senior Leadership 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 School was £462,790 (2017: £336,795).

As staff trustees are not remunerated in respect of their role as a trustee, where staff trustees do not form part of the key management personnel other than in their role as trustee, their remuneration as set out in note 12 has not been included in the total benefits received by key management personnel above.

12. TRUSTEES' REMUNERATION AND EXPENSES

The Headteacher and other staff Trustees only receive remuneration in respect of the services they provide undertaking the roles of Headteacher and staff under their contracts of employment, and not in respect of their services as Trustees. Other Trustees did not receive any payments from the School in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows: J Dyer: Remuneration £Nil (not a Trustee in the period) (2017: £75,000 - £80,000), Employer's pension contributions £Nil (not a Trustee in the period) (2017: £10,000 - £15,000); C Ball: Remuneration £20,000 - £25,000 (2017: £20,000 - £25,000), Employer's pension contributions £0 - £5,000 (2017: £0 - £5,000); T Kavanagh: Remuneration £30,000 - £35,000 (2017: £25,000 - £30,000), Employer's pension contributions £5,000 - £10,000 (2017: £0 - £5,000); J Stooling: Remuneration £70,000 - £75,000 (2017: £Nil), Employer's pension contributions £10,000 - £15,000 (2017: £Nil).

Other related party transactions involving the Trustees are set out in note 25.

During the year ended 31 August 2018, expenses totalling £349 (2017: £85) were reimbursed to 3 Trustees (2017: 2).

13. TRUSTEES' AND OFFICERS' INSURANCE

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 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.

**THREE WAYS SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

14. TANGIBLE FIXED ASSETS

	Long term leasehold land and buildings £	Motor vehicles £	Fixtures & fittings £	IT / Electronic equipment £
COST				
At 1 September 2017	9,188,334	89,988	128,871	154,783
Additions	-	-	1,539	27,724
At 31 August 2018	<u>9,188,334</u>	<u>89,988</u>	<u>130,410</u>	<u>182,507</u>
DEPRECIATION				
At 1 September 2017	433,603	41,547	22,376	152,387
Charge for the year	116,183	16,998	9,720	6,492
At 31 August 2018	<u>549,786</u>	<u>58,545</u>	<u>32,096</u>	<u>158,879</u>
NET BOOK VALUE				
At 31 August 2018	<u>8,638,548</u>	<u>31,443</u>	<u>98,314</u>	<u>23,628</u>
At 31 August 2017	<u>8,754,731</u>	<u>48,441</u>	<u>106,495</u>	<u>2,396</u>
			Specialist equipment £	Total £
COST				
At 1 September 2017			127,780	9,689,756
Additions			14,722	43,985
At 31 August 2018			<u>142,502</u>	<u>9,733,741</u>
DEPRECIATION				
At 1 September 2017			109,465	759,378
Charge for the year			15,418	164,811
At 31 August 2018			<u>124,883</u>	<u>924,189</u>
NET BOOK VALUE				
At 31 August 2018			<u>17,619</u>	<u>8,809,552</u>
At 31 August 2017			<u>18,315</u>	<u>8,930,378</u>

THREE WAYS SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

15. DEBTORS

	2018	2017
	£	£
Trade debtors	32,034	16,146
VAT repayable	7,539	7,873
Other debtors	2,069	2,029
Prepayments and accrued income	50,193	51,564
	<u>91,835</u>	<u>77,612</u>

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018	2017
	£	£
Trade creditors	13,575	4,252
Other taxation and social security	64,500	52,867
Other creditors	6,236	5,332
Accruals and deferred income	106,117	53,936
	<u>190,428</u>	<u>116,387</u>

	2018	2017
	£	£
DEFERRED INCOME		
Deferred income at 1 September 2017	16,589	6,584
Resources deferred during the year	61,696	16,589
Amounts released from previous years	(16,589)	(6,584)
	<u>61,696</u>	<u>16,589</u>

At the balance sheet date the School was holding funds received in advance for Universal Infant Free School Meals and other income relating to the 2018/19 academic year.

**THREE WAYS SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

17. FINANCIAL INSTRUMENTS

	2018	2017
	£	£
Financial assets measured at fair value through income and expenditure	767,543	679,521
Financial assets measured at amortised cost	52,824	36,646
	<u>820,367</u>	<u>716,167</u>
	<u>(58,350)</u>	<u>(32,128)</u>

Financial assets measured at fair value through income and expenditure comprise of cash and cash equivalents.

Financial assets measured at amortised cost comprise of trade debtors, other debtors and accrued income.

Financial liabilities measured at amortised cost comprise of trade creditors, other creditors, and accruals.

THREE WAYS SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

18. STATEMENT OF FUNDS

	Brought forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried forward £
UNRESTRICTED FUNDS						
General funds	430,874	107,216	(125,123)	-	-	412,967
Three Ways Brighter Futures	67,275	445,968	(400,139)	-	-	113,104
3 Café	(8,328)	105,580	(101,711)	-	-	(4,459)
	<u>489,821</u>	<u>658,764</u>	<u>(626,973)</u>	<u>-</u>	<u>-</u>	<u>521,612</u>
RESTRICTED FUNDS						
	Brought forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried forward £
General Annual Grant (GAG)	143,825	2,123,710	(2,120,480)	(43,985)	-	103,070
Pupil Premium	-	106,564	(106,564)	-	-	-
Universal Infant Free School Meals	-	8,740	(8,740)	-	-	-
Devolved Formula Capital	-	10,818	-	-	-	10,818
Year 7 Catch Up Grant	-	9,000	(9,000)	-	-	-
PE Sport Grant	-	16,850	(16,850)	-	-	-
High Needs	-	1,734,654	(1,734,654)	-	-	-
Other Local Authority funding	-	12,975	(12,975)	-	-	-
Other restricted funds	7,100	59,100	(66,200)	-	-	-
Pension reserve	(2,766,000)	-	(372,000)	-	469,000	(2,669,000)
	<u>(2,615,075)</u>	<u>4,082,411</u>	<u>(4,447,463)</u>	<u>(43,985)</u>	<u>469,000</u>	<u>(2,555,112)</u>
RESTRICTED FIXED ASSET FUNDS						
	Brought forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried forward £
Fixed assets transferred on conversion	8,332,333	-	(114,048)	-	-	8,218,285
Fixed assets purchased from GAG and other restricted funds	77,479	-	(31,783)	43,985	-	89,681
Workskills centre development	492,709	-	(11,382)	-	-	481,327
Minibus	27,857	-	(7,598)	-	-	20,259
	<u>8,930,378</u>	<u>-</u>	<u>(164,811)</u>	<u>43,985</u>	<u>-</u>	<u>8,809,552</u>
Total restricted funds	<u>6,315,303</u>	<u>4,082,411</u>	<u>(4,612,274)</u>	<u>-</u>	<u>469,000</u>	<u>6,254,440</u>
Total of funds	<u>6,805,124</u>	<u>4,741,175</u>	<u>(5,239,247)</u>	<u>-</u>	<u>469,000</u>	<u>6,776,052</u>

**THREE WAYS SCHOOL
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

18. STATEMENT OF FUNDS (continued)

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

RESTRICTED FUNDS

General Annual Grant - Income from the ESFA which is to be used for the normal running costs of the School, including education and support costs.

Pupil Premium - Pupil premium represents funding received from the ESFA for children that qualify for free school meals to enable the School to address the current underlying inequalities between those children and their wealthier peers.

Universal Infant Free School Meals - represents funding from the ESFA to provide school meals to pupils in key stage 1 or below.

Devolved Formula Capital grant represents funding from the ESFA to cover the maintenance and purchase of the School's assets.

Year 7 catch up represents amounts received from the ESFA to improve the learning skills of students with underperforming year 6 exam results.

PE sports grant represents funding received from the ESFA and must be used to fund improvements to the provision of PE and sports, for the benefit of primary-aged pupils, so that they develop healthy lifestyles.

High needs funding is received from the Local Authority to cater for pupils with learning difficulties and other disabilities.

Other Local Authority funding represents Pupil Premium income received from the Local Authority.

Other restricted funds represents amounts received from various bodies and includes income from the following: BISPAA, Quartet and parent contributions to trips.

The pension fund represents the School's share of the assets and liabilities in the Local Government Pension Scheme. As with most pension schemes this is currently in deficit due to an excess of scheme liabilities over scheme assets which was inherited on conversion to an academy. The School is following the recommendation of the actuary to reduce the deficit by making additional contributions over a number of years. Further details are provided in note 23.

RESTRICTED FIXED ASSET FUNDS

Fixed assets transferred on conversion represents the buildings and equipment donated to the School from the Local Authority on conversion to an academy.

DfE/ESFA Capital grants represent funding from the ESFA to cover the maintenance and purchase of the School's assets.

Workskills Centre build funds represents restricted donations and fund raising for the build of a training centre on the School site for the educational benefit of students.

Minibus fund represents restricted donations received for a new minibus purchased by the School.

**THREE WAYS SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

18. STATEMENT OF FUNDS (continued)

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
UNRESTRICTED FUNDS						
General funds	440,345	97,027	(106,498)	-	-	430,874
Three Ways Brighter futures	70,009	392,887	(395,621)	-	-	67,275
3 Café	-	33,594	(41,922)	-	-	(8,328)
	<u>510,354</u>	<u>523,508</u>	<u>(544,041)</u>	<u>-</u>	<u>-</u>	<u>489,821</u>
RESTRICTED FUNDS						
	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
General Annual Grant (GAG)	207,621	2,044,682	(1,989,247)	(119,231)	-	143,825
Pupil Premium	-	89,810	(89,810)	-	-	-
Universal Infant Free School Meals	-	7,866	(7,866)	-	-	-
Devolved Formula Capital	-	10,413	(10,413)	-	-	-
Year 7 Catch Up Grant	-	10,100	(10,100)	-	-	-
PE Sport Grant	-	8,420	(8,420)	-	-	-
High Needs	-	1,653,266	(1,653,266)	-	-	-
Other Local Authority funding	-	15,017	(15,017)	-	-	-
Other restricted funds	1,550	61,054	(55,504)	-	-	7,100
Pension reserve	(2,626,000)	-	(374,000)	-	234,000	(2,766,000)
	<u>(2,416,829)</u>	<u>3,900,628</u>	<u>(4,213,643)</u>	<u>(119,231)</u>	<u>234,000</u>	<u>(2,615,075)</u>

THREE WAYS SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

18. STATEMENT OF FUNDS (continued)

RESTRICTED FIXED ASSET FUNDS

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
Fixed assets transferred on conversion	8,446,379	-	(114,046)	-	-	8,332,333
Fixed assets purchased from GAG and other restricted funds	75,116	-	(20,673)	23,036	-	77,479
DfE/ESFA capital grants	2,338	-	(2,338)	-	-	-
Workskills centre development	329,321	73,508	(6,315)	96,195	-	492,709
Minibus	35,455	-	(7,598)	-	-	27,857
	<u>8,888,609</u>	<u>73,508</u>	<u>(150,970)</u>	<u>119,231</u>	<u>-</u>	<u>8,930,378</u>
Total restricted funds	<u>6,471,780</u>	<u>3,974,136</u>	<u>(4,364,613)</u>	<u>-</u>	<u>234,000</u>	<u>6,315,303</u>
Total of funds	<u>6,982,134</u>	<u>4,497,644</u>	<u>(4,908,654)</u>	<u>-</u>	<u>234,000</u>	<u>6,805,124</u>

THREE WAYS SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	8,809,552	8,809,552
Current assets	712,040	113,888	-	825,928
Creditors due within one year	(190,428)	-	-	(190,428)
Pension scheme liability	-	(2,669,000)	-	(2,669,000)
	<u>521,612</u>	<u>(2,555,112)</u>	<u>8,809,552</u>	<u>6,776,052</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	8,930,378	8,930,378
Current assets	502,636	252,247	2,250	757,133
Creditors due within one year	(12,815)	(101,322)	(2,250)	(116,387)
Pension scheme liability	-	(2,766,000)	-	(2,766,000)
	<u>489,821</u>	<u>(2,615,075)</u>	<u>8,930,378</u>	<u>6,805,124</u>

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

	2018 £	2017 £
Net expenditure for the year (as per Statement of Financial Activities)	(498,072)	(411,010)
Adjustment for:		
Depreciation charges	164,811	150,970
Interest received	(323)	(671)
Increase in debtors	(14,223)	(2,155)
Increase/(decrease) in creditors	74,041	(37,770)
Capital grants from DfE and other capital income	-	(73,508)
Defined benefit pension scheme cost less contributions payable	298,000	310,000
Defined benefit pension scheme finance cost	74,000	64,000
Net cash provided by/(used in) operating activities	<u>98,234</u>	<u>(144)</u>

21. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2018 £	2017 £
Cash at bank and in hand	734,093	679,521
	<u>734,093</u>	<u>679,521</u>

**THREE WAYS SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

22. MEMBERS' LIABILITY

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

23. PENSION COMMITMENTS

The School's employees belong to two principal pension schemes: the Teachers' Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Avon 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 2016.

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

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

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

**THREE WAYS SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

23. PENSION COMMITMENTS (continued)

The employer's pension costs paid to TPS in the period amounted to £191,551 (2017: £215,265).

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 an unfunded multi-employer pension scheme. The School has accounted for its contributions to the scheme as if it were a defined contribution scheme. The School 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 2018 was £340,000 (2017: £310,000), of which employer's contributions totalled £249,000 (2017: £225,000) and employees' contributions totalled £91,000 (2017: £85,000). The agreed contribution rates for future years are 11% 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 School closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

Principal actuarial assumptions:

	2018	2017
Discount rate for scheme liabilities	2.90 %	2.50 %
Rate of increase in salaries	3.70 %	3.70 %
Rate of increase for pensions in payment / inflation	2.30 %	2.20 %
Inflation assumption (CPI)	2.20 %	2.20 %

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

	2018	2017
Retiring today		
Males	23.6 years	23.5
Females	26.1 years	26.0
Retiring in 20 years		
Males	26.2 years	26.0
Females	28.8 years	28.7

THREE WAYS SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

23. PENSION COMMITMENTS (continued)

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

	Fair value at 31 August 2018 £	Fair value at 31 August 2017 £
Equities	647,000	628,000
Government bonds	192,000	142,000
Other bonds	203,000	98,000
Property	154,000	112,000
Cash and other liquid assets	63,000	46,000
Other	393,000	244,000
	<hr/>	<hr/>
Total market value of assets	1,652,000	1,270,000
	<hr/> <hr/>	<hr/> <hr/>

The actual return on scheme assets was £68,000 (2017: £88,000).

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

	2018 £	2017 £
Current service cost	(547,000)	(535,000)
Interest income	28,000	14,000
Interest cost	(102,000)	(78,000)
	<hr/>	<hr/>
Total	(621,000)	(599,000)
	<hr/> <hr/>	<hr/> <hr/>
Actual return on scheme assets	68,000	88,000
	<hr/> <hr/>	<hr/> <hr/>

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

	2018 £	2017 £
Opening defined benefit obligation	4,036,000	3,472,000
Current service cost	547,000	535,000
Interest cost	102,000	78,000
Employee contributions	91,000	85,000
Actuarial gains	(438,000)	(122,000)
Benefits paid	(17,000)	(12,000)
	<hr/>	<hr/>
Closing defined benefit obligation	4,321,000	4,036,000
	<hr/> <hr/>	<hr/> <hr/>

THREE WAYS SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

23. PENSION COMMITMENTS (continued)

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

	2018	2017
	£	£
Opening fair value of scheme assets	1,270,000	846,000
Interest income	36,000	22,000
Actuarial gains	31,000	112,000
Employer contributions	249,000	225,000
Employee contributions	91,000	85,000
Benefits paid	(17,000)	(12,000)
Administration expenses	(8,000)	(8,000)
	<hr/>	<hr/>
Closing fair value of scheme assets	1,652,000	1,270,000
	<hr/> <hr/>	<hr/> <hr/>

24. OPERATING LEASE COMMITMENTS

At 31 August 2018 the total of the School's future minimum lease payments under non-cancellable operating leases was:

	2018	2017
	£	£
AMOUNTS PAYABLE:		
Within 1 year	3,456	5,941
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**THREE WAYS SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

25. RELATED PARTY TRANSACTIONS

Owing to the nature of the School 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 in accordance with the requirements of the AFH and with the School's financial regulations and normal procurement procedures relating to connected and related party transactions.

During the year, ASDAN, a charitable company with common trustees, charged Three Ways School £619 (2017: £845) for course costs.

During the year, Three Ways School Parent, Teacher and Friends Association (Three Ways School PTFA), a charity with common trustees, paid Three Ways School £1,173 (2017: £1,468) for purchases that were made on its behalf. It also made donations to the School of £6,040 (2017: £17,704) towards purchases of salary and other costs. At the year end Three Ways School PTFA owed £782 (2017: £150) to Three Ways School.

During the year the School recharged Bath Opportunity Pre-school, a charity with common trustees, £10,500 (2017: £13,961) in respect of costs incurred on its behalf. At the end of the year £Nil (2017: £Nil) was owed to Three Ways School.

26. GENERAL INFORMATION

Three Ways School is a company limited by guarantee, incorporated in England and Wales. The registered office is 180 Frome Road, Bath, Avon, BA2 5RF.

27. AGENCY ARRANGEMENTS

The School distributes 16-19 bursary funds to students as an agent for the ESFA. In the year ended 31 August 2018 the School received £1,200 (2017: £4,800) and disbursed £1,200 (2017: £4,800) from the fund.