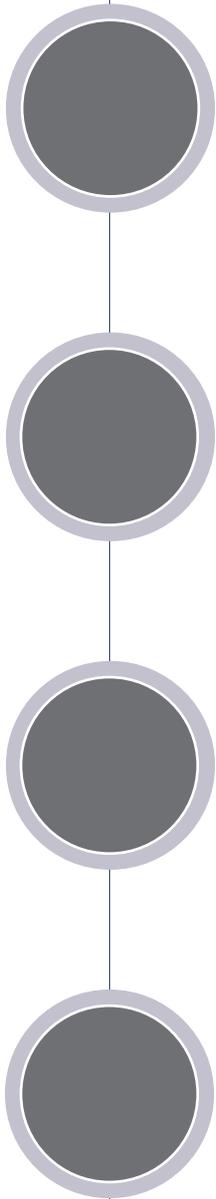





SOMERSFIELD
Montessori & International Baccalaureate ACADEMY

Welcome to 
SOMERSFIELD
Montessori & Middle Years Programme ACADEMY



THE BOARD OF DIRECTORS

Pictured from front (L-R): Laurie Orchard (Vice Chair, Governance Committee Chair), Malika Taylor (Development Committee Chair, Diversity Representative), Marcelle Lawrence (Secretary) Maria Marsh, Cynthia Thomas (Immediate Past Chair, Capital Campaign Committee Co-Chair), Charmaine Tucker, Dennis Fagundo (Construction Committee Chair), Joe Bonanno, Philip Smith (Treasurer, Finance Committee Chair), Richard Lightowler (Curriculum Committee Chair), Carlos Symonds (ex-officio, School Principal), Colm Homan (Chairman, Capital Campaign Committee Co-Chair)

Not pictured: Jason Taylor (IT/Infrastructure Committee Chair, PTA Representative), Curtis Dickinson, Richard Strachan (new member), Michelle Seymour-Smith

MESSAGE FROM THE HEAD OF SCHOOL



CARLOS SYMONDS
HEAD OF SCHOOL

Welcome to Somersfield Academy's Annual Report for the 2017/18 academic year. In keeping with our policy of transparency, the Board of Governors is committed to sharing key financial and strategic information with our primary stakeholders including parents, prospective parents, faculty and staff, community supporters and corporate sponsors. The Board is pleased to report on another strong year for our school.

Our improved financial position was bolstered by a very successful 25th Anniversary 5-Star Appeal campaign that helped us make progress on the school's long-term school-improvement and capital plan.

As a result of the support received during our 25th Anniversary celebration, we achieved our financial targets and were able to make significant progress on a number of school-improvement initiatives that include:

- The new "Legacy Walkway" that commemorates and celebrates our 25 years of delivering quality education.
- The first phase of the exciting new "natural" playground.
- Tools and equipment for the Makerspace/Robotics and Technology.
- New sound and lighting equipment.
- Replacement of laptops and desktops in the computer labs.
- Bird screens for the upstairs balcony.
- New drinking water dispensers and hydration stations.
- Other improvements included the renovation of the corner cottage to provide much-needed tutoring space and a host of other major physical plant maintenance and improvement projects.

While tuition and fees remain very competitive with similar independent schools in Bermuda, the generosity of our families, both past and present, along with our donor community allowed the school to continue to provide financial aid to students who would otherwise be unable to afford a Somersfield education.

As well as financial stewardship, the fiduciary responsibilities of the Board of Governors of Somersfield Academy include governance and strategic planning. From a governance perspective, the Board has spent the past two years completing the corporate structural transition between the non-profit legal entities of the Montessori Education Trust and Somersfield Academy Limited.

Strategic planning at Somersfield requires projecting into the future to anticipate trends in education and proactively planning our responses accordingly. While the most visible and perhaps exciting manifestation of preparing for the future is the addition of the new Center for International Education building in which the I.B. Diploma program will be delivered, we must also prepare for the increased numbers moving up through the school. As such, the 2018-19 academic year will see the execution of a full campus expansion and improvement plan.

The world is changing at an increasingly rapid pace, and the skills students require to succeed in today's

complex environment are changing with it. As such, our strategic plan must be responsive, and our enquiry-based programs must prepare our children for the dynamic array of challenges presented to them, by providing a learning environment in which creativity, collaboration, critical thinking and adaptability thrive. Most essentially, our programs must ensure that our students have access to the facilities, support and opportunity to realize their full potentials and access their daring dreams. Further to and in support of these overarching objectives, an investment in the professional development of our teachers, staff and leadership is critical if we are to remain at the forefront of teaching and learning, as we nurture a culture of excellence.

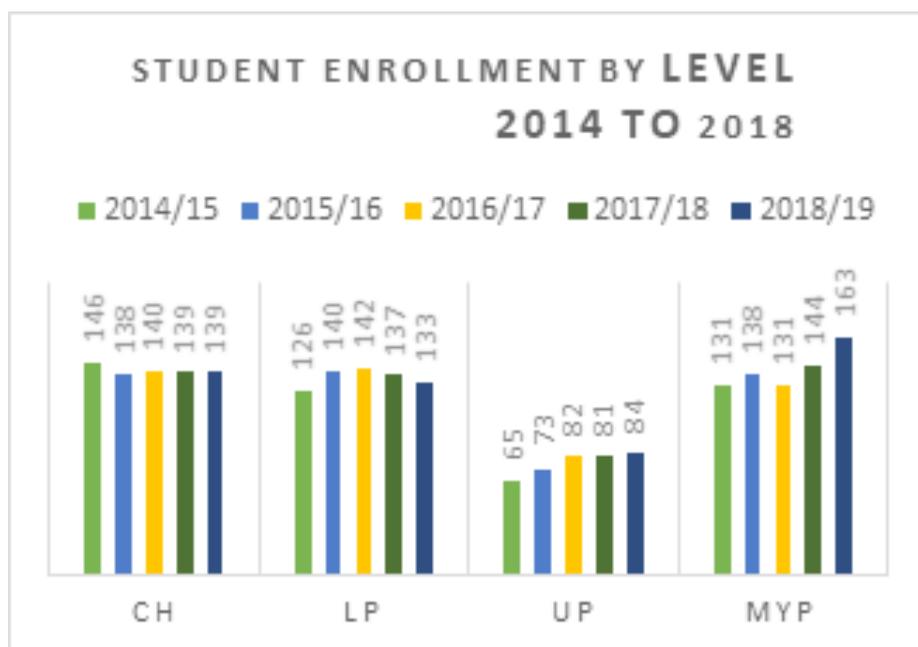
We take this opportunity to acknowledge the many accomplishments that our students, teachers and staff have made over the past year in achieving learning and school-improvement goals. Most notably, we are pleased to report a 100% I.B. MYP pass rate of our graduating classes of 2017 and 2018.

Somersfield's results compare favourably with the finest International Baccalaureate schools in the world!

ENROLLMENT -

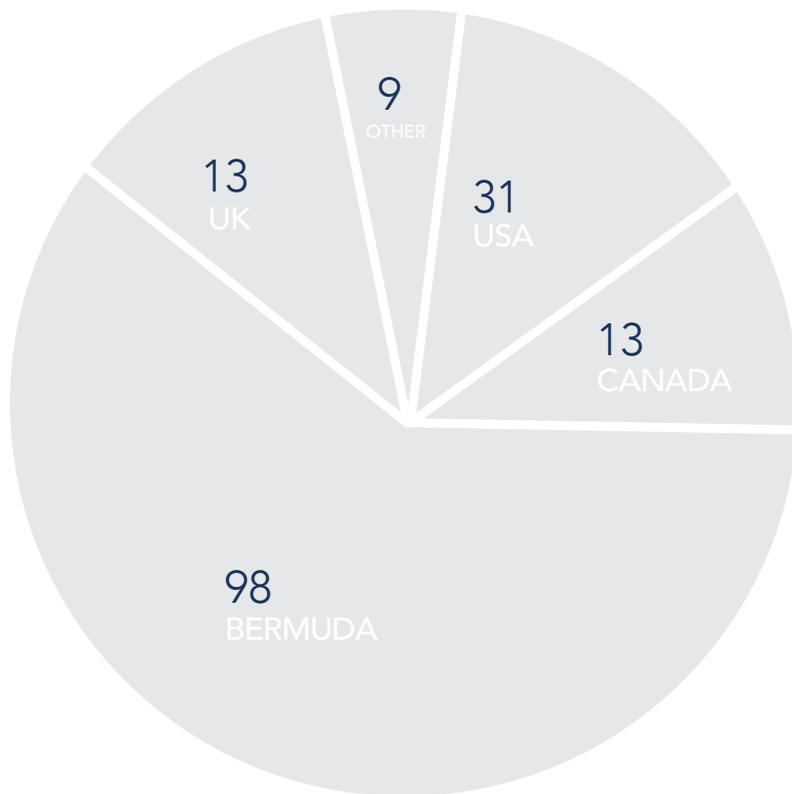
Overall enrollment increased by 22 students for the September 2018 start. Our projected enrollment for 2018 was 504 students; however, adding on a third class at our M1 level increased our total enrollment to 519. Although we had a slight decrease in 3 year old applications, we have managed to maintain a healthy number of students in our Children's House programme. Our Primary level is close to capacity, whilst the Children's House has limited availability and the Secondary level has availability at the M2 and M3 levels.

The Secondary level has increased from 144 students to 163. This is quite promising, as we progress towards opening our Diploma programme in September 2019.



OUR GRADUATES -

The majority of Somersfield graduates continue their education in Bermuda. Between 2008 and 2017 we have had 145 graduates, 89 of which have remained in Bermuda to complete their high school education. Over half of these have pursued the IB Diploma.



164 GRADUATES (2008 - 2018) BY COUNTRY



CLASS OF 2018 GRADUATES

- | | |
|-----------------------------|-----------------------------------|
| Nadia Attride-Ramella | Warwick Academy |
| Nathaniel Binenga-Northcott | Warwick Academy |
| Yusef Bushara | UWC: Lester B. Pearson |
| Bobby Cooper | Warwick Academy |
| Christina Costello | Warwick Academy |
| Carissa DaSilva | EF Academy NYC, USA |
| Joseph Didyk | Lakefield College ON, Canada |
| Jordan Etemadi | Warwick Academy |
| Neena Fagundo | Nancy Campbell Academy ON, Canada |
| Hailey Hayward | Cheshire Academy CT, USA |
| Rhiannon Higgins | Bermuda High School |
| Morgan Kempe | Warwick Academy |
| Sebastian Lee | UWC: Changschu, China |
| Cali Lindo | Warwick Academy |
| Shelby Madeiros | IMG Academy FL, USA |
| Jahzara Pluck Ming | UWC: Mahindra, India |
| Gabrielle Reid | Bermuda College |
| Enoch Richardson | Sheffield College, UK |
| Makayla Tucker | Westtown School PA, USA |

PLACEMENT OF STUDENTS LONGITUDINAL STATISTICS

Graduating class	Total number in class	USA	Canada	Bermuda	UK	Other
2007 - 2008	8	5	2	1	0	0
2008 - 2009	6	2	0	3	1	0
2009 - 2010	9	2	0	7	0	0
2010 - 2011	14	2	0	11	0	1
2011 - 2012	22	6	2	8	4	2
2012 - 2013	25	6	3	13	3	0
2013 - 2014	10	0	0	10	0	0
2014 - 2015	19	1	1	15	1	1
2015 - 2016	14	2	0	10	1	1
2016 - 2017	18	1	2	11	2	2
2017 - 2018	19	4	3	9	1	2
Totals	164	31	13	98	13	9



OUR
PEOPLE

THE BOTTOM LINE - COMMITMENT TO EXCELLENT STEWARDSHIP

Somersfield Academy's first priority is providing our children with the best education on the island. Maintaining financial stability continues to be key to our ability to deliver against this objective and important strides were made in this area last year with the consolidation of our debt facilities leading to a more stable financial platform for the school. As the school is largely dependent on tuition fees for revenue, however, we will still need to work to increase annual giving and other donations over the coming years and use those funds to help complete facility upgrades.

Donations provide approximately 4% of revenue and are used to help fund projects that would otherwise not be possible, such as improvements to our core educational programmes, financial aid/bursaries to deserving students, and enhancing the facilities, infrastructure and experiences to provide our students with the very best education.

Faculty and staff salaries and benefits account for approximately 71% of expenses. The bulk of the remainder goes toward academic and extracurricular activities. This allocation of expenses is typical among independent schools. It should be noted that our limited revenue from investments is determined by interest rates, and these have been relatively low in recent years.

Competitive Tuition and Fees:

Strong enrolment has enabled Somersfield's fees to be kept at competitive levels, while helping to ensure that we maintain high operating standards and continue to attract and retain quality teachers and staff.

PHILANTHROPY AND GIVING TO SOMERSFIELD

As a young school, we do not have the benefit of a large accumulated capital position nor do we yet have a significant alumni population which other independent schools typically rely on for significant parts of their funding. The Board feels that tuition costs need to cover the school's basic operating expenses. In order to continue with capital improvements and to reduce the school's level of reliance on external debt, the school continues to rely heavily on fund-raising campaigns in addition to the school's ongoing established development efforts.

Somersfield's Annual Giving Appeal

The Somersfield Annual Fund provides support to enhance the facilities and programs that provide our students with the very best education. Your gift to the Annual Fund supports initiatives that enrich and enhance school life that are not covered by tuition. As a result of our community's generosity, \$458,191.82 was contributed to the 2016-2017 Annual Fund and \$653,745.76 to the 2017-2018 Annual Fund.

A First Class Education for All

Somersfield is committed to providing a first rate education to its diverse student body. As a young school, our potential endowment base is still comparatively small but we have been fortunate to gain the support of some committed donors to assist us with offering financial support to mission-appropriate students.

We were delighted to award \$227,962 in financial aid and scholarships covering 58 students which represents 47 families. This number represented 11.75% per cent of our student population, during the year ending August 2017.

In the year ending August 2018, \$249,000 in financial aid and scholarships was awarded covering 60 students which represents 48 families. This number represented 11.61% per cent of our student population, during the year ending August 2018.

Somersfield continues to review its financial support policies in light of the economic realities facing our families and is committed to assisting those students who demonstrate need.

The support we have received from generous parents and alumni has enabled Somersfield to grow into the school it is today. Community support ensures that we have the spaces, the tools and a school-wide environment that foster student development. It is our community who make our programming possible and who contribute to making Somersfield Bermuda's finest school.

Thank you to our families, our generous donors and corporate sponsors, the P.T.A. and all others who have given to the school financially and/or who have volunteered their time. Our programs are enriched and our school thrives because of you!

Every gift makes a difference and we simply could not deliver on our mission and vision without your support.



NOTABLE
NUMBERS

AUDIT AND YEAR-END RESULTS

Consistent with both the local and international economies which are beginning to show signs of a slow recovery, Somersfield Academy's outlook also reflects these trends. Somersfield continues to closely monitor all areas of operations and has been focused on implementation of the school-wide strategic- planning initiative that commenced in September 2012.

Year End Results

For the fiscal year ending August 31, 2017, Somersfield's audited financial statements show a modest surplus of approximately \$561,673.

For the fiscal year ending August 31, 2018, Somersfield's unaudited financial statements show a modest surplus of approximately \$455,636.

This compares with a deficit of \$92,830.00 in the 2015- 2016 audited financial statements. These results represent an improvement on previous years.

While the Board is very pleased that the improvement in the economy has allowed the school to finally emerge from sustained periods of operating deficits, we recognise that the school is still in an accumulated deficit position and we have an ambitious capital improvement plan that will not be fully covered by these small surpluses.

The Board is also cognizant of the fact that many of our community are still facing financial difficulties; as such, tuition increases have been kept at a reasonable level. The school has continued to exercise rigorous cost control and to closely monitor all major expense categories to ensure that these are being managed in the most cost-effective manner.



Key Financial Metrics

The total revenue has for the 2016-17 year increased by 8% from 2015 to 2016. Our net donation income was just over \$84,432 compared to \$114,594 in 2016.

In the most recent year, the total revenue has increased by 4.1% from 2016 to 2017. Our net donation income was just over \$114,594 compared to \$133,285 in 2017.

Donation revenues continue to be the single most important source of discretionary revenue for the school and represent the primary method through which the school is able to plan for the types of capital improvements that will ensure that the school operates as one of the premier facilities on the island. In support of this, the Development Committee is actively exploring fundraising options to redress the decrease in donations in order to ensure that we are able to meet our targets.

Liquidity and Net Assets

The most significant change around our liquidity position was the successful replacement of our multiple bank loans with a single long term facility. This allowed us to consolidate all existing debt under a single arrangement with a repayment schedule which the Finance Committee is confident can be met from operating cash flows and provides us an ability to pay down the facility as resources allow. This consolidation of loans provides us with much greater certainty over future required payments and removes the need for re-financing in a couple of years which would otherwise have been necessary. This will allow us to have much more confidence in our ability to budget and plan for necessary capital improvements to the school.

Cash flows from core operating activities for 2016-17 resulted in a positive cash inflow of \$1,516,562. The main uses of this cash were the purchase of capital assets of \$211,187 and net loan repayments after interest of \$464,358.

Cash flows from core operating activities for 2017-18 resulted in a positive cash inflow of \$2,404,515. The main uses of this cash were the purchase of capital assets of \$205,746 and net loan repayments after interest of \$495,377.



THE FUTURE

Our activities over the last couple of years have been focused on the following key elements of our overall strategic plan:

- Implementing the financial strategy
- Expanding the educational content
- Formalizing a campus development plan
- Integrating more instructional technology
- Increasing professional development
- Introducing a new market
- Improving aspects of health and safety
- Using more surveys and feedback

As for any organisation, our success is based on a solid financial foundation coupled with a return on investment. However, we will continue to invest in and improve our approach in this area, while also pursuing alternative funding sources.

As a Board chair, my primary responsibilities will be to preserve the quality of the school and ensure its long-term success.

We thank you for your support and are planning to continue to improve the school's facilities and services.





Inpiring Socially Conscious Independent Thinkers