

**REGISTERED COMPANY NUMBER: 07660995 (England and Wales)**

**HENLEY-IN-ARDEN SCHOOL  
TRUSTEES' REPORT AND  
FINANCIAL STATEMENTS FOR THE PERIOD  
1 SEPTEMBER 2018 TO 31 MARCH 2019**

**CONTENTS OF THE FINANCIAL STATEMENTS  
for the Period 1 September 2018 to 31 March 2019**

	<b>Page</b>
<b>Reference and Administrative Details</b>	<b>1 to 2</b>
<b>Trustees' Report</b>	<b>3 to 8</b>
<b>Governance Statement</b>	<b>9 to 10</b>
<b>Statement on Regularity, Propriety and Compliance</b>	<b>11</b>
<b>Statement of Trustees Responsibilities</b>	<b>12</b>
<b>Report of the Independent Auditors</b>	<b>13 to 14</b>
<b>Independent Accountant's Report on Regularity</b>	<b>15</b>
<b>Statement of Financial Activities</b>	<b>16</b>
<b>Balance Sheet</b>	<b>17</b>
<b>Cash Flow Statement</b>	<b>18</b>
<b>Notes to the Cash Flow Statement</b>	<b>19</b>
<b>Notes to the Financial Statements</b>	<b>20 to 35</b>

**REFERENCE AND ADMINISTRATIVE DETAILS  
FOR THE PERIOD 1 SEPTEMBER 2018 TO 31 MARCH 2019**

**MEMBERS**

Mrs S Westmacott (Chair of Trustees)  
Mr S MacDonald (Vice Chair)  
Mr R Bonsall (resigned 6.12.18)  
Mrs S Clery-Ackland  
Mrs L V Dale-Barron (resigned 31.3.19)  
Mr R A Ford  
Mr C R Howe  
Mr S A Jefferies  
Mme M Pierre  
Mrs W P Stanton  
Mr M L York (resigned 21.3.19)

**TRUSTEES**

Mrs S Westmacott (Chair of Trustees)  
Mr S MacDonald (Vice Chair)  
Mr R Bonsall (resigned 6.12.18)  
Mrs S Clery-Ackland  
Mrs L V Dale-Barron (resigned 31.3.19)  
Mr R A Ford  
Mr C R Howe  
Mr S A Jefferies  
Mme M Pierre  
Mrs W P Stanton  
Mr M L York (resigned 21.3.19)

**COMPANY SECRETARY**

Mr I S C Paterson

**REGISTERED OFFICE**

Henley-in-Arden School  
Stratford Road  
Henley-in-Arden  
Warwickshire  
B95 6AF

**REGISTERED COMPANY NUMBER**

07660995 (England and Wales)

**AUDITORS**

Cooper Adams Ltd  
Chartered Accountants  
and Statutory Auditors  
12 Payton Street  
Stratford upon Avon  
Warwickshire  
CV37 6UA

**BANKERS**

Lloyds Bank, 25 Gresham Street, London, EC2V 7HN

**REFERENCE AND ADMINISTRATIVE DETAILS  
FOR THE PERIOD 1 SEPTEMBER 2018 TO 31 MARCH 2019**

**SENIOR MANAGEMENT TEAM**

Mr S Jefferies (Headteacher)  
Mr M McCulley (Deputy Headteacher)  
Mrs N Thompson (Assistant Headteacher)  
Mrs L Laszcz (Assistant Headteacher)  
Mrs D Price (Associate Headteacher)  
Mrs A Alsop (School Business Manager)

**TRUSTEES' REPORT**

**for the Period 1 September 2018 to 31 March 2019**

The trustees who are also directors of the academy for the purposes of the Companies Act 2006, present their report with the financial statements of the academy for the period 1 September 2018 to 31 March 2019. The trustees have adopted the provisions of 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) (effective 1 January 2015) and the Academies Accounts Direction issued by the Education and Skills Funding Agency.

**OBJECTIVES AND ACTIVITIES**

**Objectives and aims**

The Academy's main objectives are encompassed in its mission statement in which Henley-in-Arden School aims for all its stakeholders to achieve excellence together.

**Objectives, strategies and activities**

The main objectives for the period were stated in the 2018-2019 School Development Plan. This is summarised below. Considerably more detail is available on request from the school.

**Key Priorities**

- A rich variety of challenging and motivating approaches to learning, tailored to pupils' needs
- At all times students show positive behaviour, and pride in their community
- All students are meeting or exceeding targets, particularly boys and High Prior Attainers

**Outcomes**

- Headline Performance Figures: P8 0.35; A8 53-55
- Monitoring of SEN as "virtual year group"
- Improvement of Maths outcomes to match English

**Personal Development, Behaviour and Welfare**

- Pastoral team central to improvement in academic progress
- Behaviour is proactively tackled in a manner focused on pupil groups
- Students are proud of their community and take responsibility for it, showing positive behaviour around the school

**Teaching Learning and Assessment**

- Planning focuses on how to deliver varied, challenging and motivating lessons which are responsive to individual needs and driven by progress towards targets
- Students are invested in their own learning
- Quality feedback for Y7-11 is driven by assessment data that is robust, valid and standardised against Key Stage 4 qualification assessment criteria

**Leadership and Management**

- SLT resolutely focused on development of teaching and learning
- Development of staff and systems to ensure relentless focus on teaching and learning
- Clearer communication of key values and priorities to internal and external stakeholders
- School has become part of AMAT

**Public benefit**

In setting the objectives, trustees have given consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary guidance on education.

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

**TRUSTEES' REPORT**

for the Period 1 September 2018 to 31 March 2019

**STRATEGIC REPORT****Achievement and performance**

Due to the short period of account, achievements and performance shown below are taken from the latest data available, which is from the accounting year ended 31 August 2018.

Cohort	<u>Total</u>	<u>%</u>
	101	100
<u>Attainment/Progress 8 Summary</u>	<u>Total</u>	<u>%</u>
Average Total Attainment 8	49.59	
Average Attainment 8 Grade	4.96	
Average KS2 Prior Attainment	4.74	
Average Estimated A8	46	
Average Total Progress 8	0.364	
Pupils Included (Progress 8 Coverage)	97	96
Pupils achieving a Positive Progress 8 score	63	64.9
<u>Basics 9-7</u>	<u>Total</u>	<u>%</u>
Students Achieving 9-7 in English and Maths	9	8.9
Students Achieving 9-7 in English	30	29.7
Students Achieving 9-7 in Maths	14	13.9
<u>Basics 9-5</u>	<u>Total</u>	<u>%</u>
Students Achieving 9-5 in English and Maths	43	42.6
Students Achieving 9-5 in English	81	80.2
Students Achieving 9-5 in Maths	43	42.6
<u>Basics 9-4</u>	<u>Total</u>	<u>%</u>
Students Achieving 9-4 in English and Maths	81	80.2
Students Achieving 9-4 in English	91	90.1
Students Achieving 9-4 in Maths	83	82.2
<u>KS4 Results</u>	<u>Total</u>	<u>%</u>
Students achieving 5 Standard Passes inc EM	73	72.3
Students achieving 5 Strong Passes inc EM	41	40.6
Students taking more than 1 Language (GCSE only)	0	0
Students taking 3 Single Sciences (GCSE only)	12	11.9
Students taking Combined Science	89	88.1
Students entered and achieving 99-44 in Combined Science	62	69.7
Students entered and achieving 99-55 in Combined Science	33	37.1
Students entered and achieving 99-77 in Combined Science	5	5.6
Pupils achieving at least 1 qualification	101	100
Average Entries per Student	8.1	
Average Entries per Student (GCSE only)	7.9	
<u>EBacc Total Measure</u>	<u>Total</u>	<u>%</u>
Students Entered For the EBacc	59	58.4
Average Number of Slots Filled for cohort	5.58	
Average Points Score Per EBacc Slot for cohort	4.46	
Students in cohort Achieving the EBacc (Standard Pass)	31	30.7
Students in cohort Achieving the EBacc (Strong Pass)	21	20.8
<u>Attainment/Progress 8 - English</u>	<u>Total</u>	
Average English Attainment 8	11.27	
Average English Attainment 8 Grade	5.63	
Average English Estimated Attainment 8	9.92	
Average English Progress 8	0.713	
<u>Attainment/Progress 8 - Maths</u>	<u>Total</u>	
Average Maths Attainment 8	9.11	
Average Maths Attainment 8 Grade	4.55	

**TRUSTEES' REPORT**

for the Period 1 September 2018 to 31 March 2019

**STRATEGIC REPORT****Achievement and performance**

Average Maths Estimated Attainment 8	8.89
Average Maths Progress 8	0.091

<u>Attainment/Progress 8 - EBacc</u>	<u>Total</u>
Average EBacc Attainment 8	14.45
Average EBacc Attainment 8 Grade	4.82
Average EBacc Estimated Attainment 8	13.11
Average EBacc Progress 8	0.444

<u>Attainment/Progress 8 - Open</u>	<u>Total</u>
Average Open Attainment 8	14.77
Average Open Attainment 8 Grade	4.92
Average Open Estimated Attainment 8	14.08
Average Open Progress 8	0.234

**Financial review***Principal funding sources*

The majority of the Academy's income is obtained from the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA in this period and the associated expenditure are shown as restricted funds in the statement of financial activities.

*Investment policy and objectives*

In a period of financial uncertainty and low interest rates, the Academy's policy generally, has been to maximise liquidity and minimise risk. When additional funds have been given to the Academy for specific projects, these have been invested in low risk short term bank deposits.

*Reserves policy*

The level of reserves held takes into account the nature of the income and expenditure streams, the need to match them with commitments, including future capital projects and the nature of reserves. The trustees will keep the level of reserves under review.

*Going concern*

On 1 April 2019 the assets and liabilities of the academy were transferred to a multi academy trust.

**Principal risks and uncertainties**

Following a review of the Risk Management Policy, the trustees consider that the principal risks and uncertainties facing the Academy are:

- Financial risk resulting from the Academy not operating within its budget;
- Changes in Government Policy impacting on funding;
- Loss of information systems and data which may result in the loss of financial data;
- Loss of, or damage to, Academy assets due to unforeseen circumstances;
- Inability to appoint appropriately qualified and experienced teaching staff;
- Building maintenance plans are not robust, or not fully costed, resulting in additional expenditure.

To minimise the risks we have developed a Risk Management Action Plan in which each of the risks identified has been examined in more detail and a set of actions/controls are in place to mitigate those risks.

**Financial and risk management objectives and policies**

The Academy has a robust Finance Policy which enables it to minimise the risk of financial problems impacting on the smooth running of the school.

The Policy covers the following areas:

1. The roles of trustees / headteacher.
2. The management of unrestricted funds.
3. The processes involved in academy financial planning.
4. The processes involved in budget monitoring.

## **TRUSTEES' REPORT**

for the Period 1 September 2018 to 31 March 2019

### **STRATEGIC REPORT**

#### **Financial and risk management objectives and policies**

5. Purchasing.
6. Financial controls.
7. Income.
8. Banking.
9. Payroll.
10. Petty cash.
11. Tax.
12. Assets and security.
13. Insurance.
14. Data security.

#### **Future plans**

Due to the short period of account, formal development plans for the next period have not yet been published, however future plans will include:

- Progress 8 score of +0.25 or better
- Curriculum review
- Restorative justice approach to behaviour management
- Revised Quality assurance processes
- An increased focus on the results of pupils for whom the school receives an additional funding and other vulnerable learners

### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

#### **Constitution**

The Academy is a company limited by guarantee and an exempt charity. The Charitable Company's memorandum and articles of association are the primary governing documents of the Academy.

The trustees of Henley-in-Arden School are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Henley-in-Arden School.

Details of the trustees who served throughout the year except as noted are included in the Reference and Administrative Details on page 1.

#### **Members' liability**

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

#### **Trustees' indemnities**

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

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

The Governing Body consists of members. The members may appoint staff trustees through such a process as they may determine, usually by secret ballot, provided that the total number of trustees who are employees of the Academy does not exceed the lesser of four in number and one third of the total number of trustees. The Headteacher shall be treated as an ex-officio trustee. At present there is one parent trustees. They are elected by parents of registered students at the Academy in a secret ballot.



## **TRUSTEES' REPORT**

**for the Period 1 September 2018 to 31 March 2019**

### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

#### **Organisational structure**

As specified in the Articles of Association the business of the Academy is managed by the trustees who exercise all the powers of the Academy. In exercising their responsibilities, trustees consider the advice given by the Headteacher and other executive officers.

A unified leadership structure operates to help improve the effectiveness of the Academy. The structure consists of the trustees and the senior leadership team. The aim of the management structure is to devolve responsibility and encourage decision making at all levels.

The trustees are responsible for the strategic development of the Academy, adopting an annual School Integrated Development Plan and Financial Budget. In addition, they are responsible for Health and Safety, Capital Expenditure, the maintenance of the site and senior staff appointments.

To ensure an efficient and effective committee structure with the Academy's School Integrated Development Plan at its core, there are trustee committees responsible for Performance and Standards, Safety and Premises and Finance.

The senior leadership team comprises of the Headteacher, one deputy Headteacher two Assistant Headteachers, the School Business Manager and one associate member of the SLT on a one year secondment. These leaders direct the Academy at an executive level implementing the policies laid down by the trustees and reporting back to them. The senior managers are responsible for the authorisation of spending within agreed budgets and the appointment of staff, through interview panels that always contain a trustee.

Heads of Subject are responsible for the day to day operation of the curriculum and accordingly organise their teaching staff, capitation resources, facilities and students.

#### **Policies and procedures adopted for the Induction and training of trustees**

An Induction Pack is given to all newly appointed trustees. The Induction Pack outlines their role as a trustee and gives some information about the school and the Governing Body (organisational structures; the work of the committees and a meeting framework). The induction of trustees is managed by the chair of trustees and the trustee responsible for training. Trustees are encouraged to identify their training needs which the Academy endeavours to meet either through bespoke or generic training.

#### **Key management remuneration**

The pay of key management personnel (other than the Headteacher) is determined as part of the academy's normal Performance Management process. The Headteacher uses performance information and other factors to form a view as to whether specific objectives have, or have not, been met. The Headteacher makes pay recommendations to the governors pay committee.

The Headteacher's pay is determined by a committee comprising the chairs of each sub-committee and the overall chair of Governors. This committee also reviews and sets the Headteacher's Performance Management objectives. The committee is advised by an external consultant appointed by the committee.

#### **Connected organisations, including related party relationships**

As part of its operation the Academy liaises with organisations such as the Local Authority, The South Warwickshire Education Partnership, The National College for School Leadership, The Specialist Schools and Academies Trust as well as with other education providers and trainers such as local schools, further education institutions and universities. These links are maintained in the interest of supporting good practice, information sharing and the consolidation of mutually supportive associations.

#### **FUNDS HELD AS CUSTODIAN FOR OTHERS**

The Academy holds no funds on behalf of others as a Custodian Trustee.

#### **STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the trustees are aware, there is no relevant information (as defined by Section 418 of the Companies Act 2006) of which the academy's auditors are unaware, and each trustee has taken all the steps that they ought to have taken as a trustee in order to make them aware of any audit information and to establish that the academy's auditors are aware of that information.

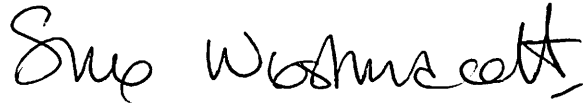
**TRUSTEES' REPORT**

**for the Period 1 September 2018 to 31 March 2019**

**AUDITORS**

The auditors, Cooper Adams Ltd, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Trustees' report, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 16 July 2019 and signed on the board's behalf by:

A handwritten signature in black ink, appearing to read 'Mrs S Westmacott', written in a cursive style.

Mrs S Westmacott - Chair of Trustees

## GOVERNANCE STATEMENT FOR THE PERIOD 1 SEPTEMBER 2018 TO 31 MARCH 2019

### Scope of Responsibility

As trustees we acknowledge we have overall responsibility for ensuring that Henley-in-Arden 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 principal, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Henley-in-Arden School and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

### Governance

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

Trustee	Meetings attended	Out of a possible
Mrs S Westmacott (Chair)	4	4
Mr S Macdonald (Vice-Chair)	3	4
Mr R Bonsall (Resigned 6.12.18)	3	3
Mme M Pierre	2	4
Mr S Jefferies	4	4
Mr C Howe	4	4
Mrs L Dale-Barron	1	4
Mr R A Ford	3	4
Mrs S Clery-Ackland	3	4
Mrs Wendy Stanton	4	4
Mr Michael York	4	4

There are three sub-committees:

- i. Performance & Standards Committee
- ii. Premises & Safety Committee
- iii. Finance Committee

The Performance and Standards Committee manages all aspects of school performance, and the production of key schools documents.

The Welfare, Safety and Premises Committee focuses on three key areas; health and safety, safeguarding and the maintenance of the school building and any capital projects.

The Finance Committee is responsible for setting and monitoring the school budget, and for overseeing the auditing process to ensure that the Academy is compliant in its statutory duties.

### Review of Value for Money

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

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

- Continuing to streamline expenditure on contracts for goods and services
- Joining a local Multi-Academy Trust; this will provide opportunities for savings through sharing services with other schools

**GOVERNANCE STATEMENT  
FOR THE PERIOD 1 SEPTEMBER 2018 TO 31 MARCH 2019**

**The Purpose of the System of Internal Control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy 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 Henley-in-Arden School for the period 1 September 2018 to 31 March 2019 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 academy 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 on-going process for identifying, evaluating and managing the academy's significant risks that has been in place for the period 1 September 2018 to 31 March 2019 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 Academy'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 by the Governing Body;
- Regular reviews by the Finance Committee of reports which indicate financial performance against forecasts and of major purchase plans, capital works and expenditure programmes including the School Integrated Development Plan;
- Setting budgets and targets to measure financial and other performance;
- Clearly defined purchasing guidelines;
- Delegation of authority and segregation of duties;
- Identification and management of risks.

**Review of Effectiveness**

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

- The work of the external auditor
- The work of the senior managers within the Academy who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has reviewed the system of internal control 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 16 July 2019 and signed on its behalf by:



Mrs S Westmacott - Chair of Trustees



Mr S Jefferies - Accounting Officer

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE  
for the Period 1 September 2018 to 31 March 2019**

As accounting officer of Henley-in-Arden School I have considered my responsibility to notify the academy board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy, under the funding agreement in place between the academy 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 2018.

I confirm that I and the academy board of trustees are able to identify any material irregular or improper use of all funds by the academy, or material non-compliance with the terms and conditions of funding under the academy's funding agreement and the Academies Financial Handbook 2018.

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.

A handwritten signature in blue ink, appearing to be 'S Jefferies', with a long horizontal stroke extending to the right.

Mr S Jefferies - Accounting Officer

16 July 2019

**STATEMENT OF TRUSTEES RESPONSIBILITIES**  
**for the Period 1 September 2018 to 31 March 2019**

The trustees (who act as governors of Henley-in-Arden School and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Academies Accounts Direction issued by the Education and 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 academy and of the incoming resources and application of resources, including the income and expenditure, of the academy for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the academy will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the academy's transactions and disclose with reasonable accuracy at any time the financial position of the academy and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the academy 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 academy applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the ESFA/DfE have been applied for the purposes intended.

Approved by order of the members of the board of trustees on 16 July 2019 and signed on its behalf by:



Mrs S Westmacott - Chair of Trustees



## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF HENLEY-IN-ARDEN SCHOOL**

### **Opinion**

We have audited the financial statements of Henley-in-Arden School (the 'academy') for the period ended 31 March 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, 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) and the Accounts Direction 2017 to 2018 issued by the Education and Skills Funding Agency (ESFA).

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 March 2019 and of its incoming resources and application of resources, including its income and expenditure, for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and Academies Accounts Direction 2017 to 2018.

### **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 academy in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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 academy'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 Report of the Independent Auditors 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. We have nothing to report in this regard.

### **Opinions 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; and
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

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

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

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

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

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

**Responsibilities of trustees**

As explained more fully in the Statement of Trustees Responsibilities, the trustees (who are also the directors of the charitable company 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 academy'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 academy or to cease operations, or have no realistic alternative but to do so.

**Our 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 a Report of the Independent Auditors 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Independent Auditors.

**Use of our report**

This report is made solely to the academy'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 academy's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the academy and the academy's members as a body, for our audit work, for this report, or for the opinions we have formed.



David Cooper FCA (Senior Statutory Auditor)  
for and on behalf of Cooper Adams Ltd  
Chartered Accountants  
and Statutory Auditors  
12 Payton Street  
Stratford upon Avon  
Warwickshire  
CV37 6UA

16 July 2019



## **INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO HENLEY-IN-ARDEN SCHOOL AND THE EDUCATION AND SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement and further to the requirements of the Education and 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 Henley-in-Arden School during the period 1 September 2018 to 31 March 2019 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 Henley-in-Arden School and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Henley-in-Arden 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 Henley-in-Arden School and the ESFA, for our work, for this report, or for the conclusion we have formed.

### **Respective responsibilities of Henley-in-Arden School's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Henley-in-Arden School's funding agreement with the Secretary of State for Education 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 period 1 September 2018 to 31 March 2019 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 academy's income and expenditure.

### **Conclusion**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2018 to 31 March 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Cooper Adams Ltd  
Chartered Accountants  
12 Payton Street  
Stratford upon Avon  
Warwickshire  
CV37 6UA

16 July 2019

**STATEMENT OF FINANCIAL ACTIVITIES**  
for the Period 1 September 2018 to 31 March 2019

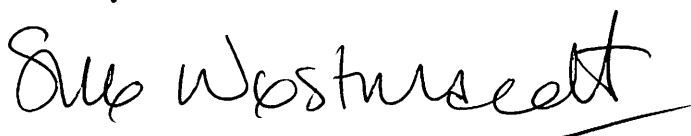
					Period 1.9.18 to 31.3.19	Year Ended 31.8.18
	Notes	Unrestricted fund £'000	Restricted fixed asset fund £'000	Restricted general fund £'000	Total funds £'000	Total funds £'000
<b>INCOME AND ENDOWMENTS FROM</b>						
Donations and capital grants	3	4	-	30	34	21
<b>Charitable activities</b>						
Funding for the academy's educational operations	4	-	-	1,754	1,754	2,987
Other trading activities	5	164	-	-	164	256
Other income		16	-	33	49	212
<b>Total</b>		<u>184</u>	<u>-</u>	<u>1,817</u>	<u>2,001</u>	<u>3,476</u>
<b>EXPENDITURE ON</b>						
Raising funds		15	-	25	40	211
<b>Charitable activities</b>						
Academy's educational operations		<u>123</u>	<u>146</u>	<u>1,866</u>	<u>2,135</u>	<u>3,602</u>
<b>Total</b>	6	<u>138</u>	<u>146</u>	<u>1,891</u>	<u>2,175</u>	<u>3,813</u>
<b>NET INCOME/(EXPENDITURE)</b>						
		46	(146)	(74)	(174)	(337)
<b>Transfers between funds</b>	20	<u>(47)</u>	<u>16</u>	<u>31</u>	<u>-</u>	<u>-</u>
<b>Other recognised gains/(losses)</b>						
Actuarial gains/(losses) on defined benefit schemes		<u>-</u>	<u>-</u>	<u>(233)</u>	<u>(233)</u>	<u>215</u>
<b>Net movement in funds</b>		(1)	(130)	(276)	(407)	(122)
<b>RECONCILIATION OF FUNDS</b>						
<b>Total funds brought forward</b>		251	9,086	(798)	8,539	8,661
<b>TOTAL FUNDS CARRIED FORWARD</b>		<u>250</u>	<u>8,956</u>	<u>(1,074)</u>	<u>8,132</u>	<u>8,539</u>

The notes form part of these financial statements

**BALANCE SHEET**  
**At 31 March 2019**

	Notes	2019 £'000	2018 £'000
<b>FIXED ASSETS</b>			
Tangible assets	12	8,956	9,086
<b>CURRENT ASSETS</b>			
Debtors	13	142	84
Cash at bank		398	431
		<u>540</u>	<u>515</u>
<b>CREDITORS</b>			
Amounts falling due within one year	14	(256)	(233)
<b>NET CURRENT ASSETS</b>		<u>284</u>	<u>282</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		9,240	9,368
<b>CREDITORS</b>			
Amounts falling due after more than one year	15	(6)	(11)
<b>PENSION LIABILITY</b>	21	(1,102)	(818)
<b>NET ASSETS</b>		<u>8,132</u>	<u>8,539</u>
<b>FUNDS</b>	20		
Unrestricted funds:			
Unrestricted fund		250	251
Restricted funds:			
Restricted general fund		28	20
Restricted pension fund		(1,102)	(818)
Restricted fixed asset fund		8,956	9,086
		<u>7,882</u>	<u>8,288</u>
<b>TOTAL FUNDS</b>		<u>8,132</u>	<u>8,539</u>

The financial statements were approved by the Board of Trustees on 16 July 2019 and were signed on its behalf by:



Mrs S Westmacott -Chair of Trustees

The notes form part of these financial statements

**CASH FLOW STATEMENT**

for the Period 1 September 2018 to 31 March 2019

	Notes	Period 1.9.18 to 31.3.19 £'000	Year Ended 31.8.18 £'000
<b>Cash flows from operating activities:</b>			
Cash generated from operations	1	(40)	(44)
Interest paid		(2)	(5)
<b>Net cash provided by (used in) operating activities</b>		<u>(42)</u>	<u>(49)</u>
<b>Cash flows from investing activities:</b>			
Purchase of tangible fixed assets		(16)	(48)
Capital grants from DfE/ESFA		30	14
<b>Net cash provided by (used in) investing activities</b>		<u>14</u>	<u>(34)</u>
<b>Cash flows from financing activities:</b>			
Loan repayments in year		(5)	(5)
<b>Net cash provided by (used in) financing activities</b>		<u>(5)</u>	<u>(5)</u>
<b>Change in cash and cash equivalents in the reporting period</b>		<u>(33)</u>	<u>(88)</u>
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<u>431</u>	<u>519</u>
<b>Cash and cash equivalents at the end of the reporting period</b>		<u><u>398</u></u>	<u><u>431</u></u>

The notes form part of these financial statements

**NOTES TO THE CASH FLOW STATEMENT**  
**for the Period 1 September 2018 to 31 March 2019**

**1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	Period 1.9.18 to 31.3.19 £'000	Year Ended 31.8.18 £'000
<b>Net income/(expenditure) for the reporting period (as per the statement of financial activities)</b>	(174)	(337)
<b>Adjustments for:</b>		
Depreciation	139	248
Capital grants from DfE/ESFA	(30)	(14)
Loss on disposal of fixed assets	7	-
Interest paid	2	5
Increase in debtors	(58)	(33)
Increase/(decrease) in creditors	23	(31)
Difference between pension charge and cash contributions	51	118
<b>Net cash provided by (used in) operating activities</b>	<b>(40)</b>	<b>(44)</b>

**NOTES TO THE FINANCIAL STATEMENTS**  
**for the Period 1 September 2018 to 31 March 2019**

**1. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

The financial statements of the academy, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Academies Accounts Direction 2017 to 2018 issued by the ESFA, the Charities Act 2011 and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Henley-in-Arden School meets the definition of a public benefit entity under FRS 102.

**Going concern**

On 1 April 2019 the assets and liabilities of the academy were transferred to a multi academy trust.

**Income**

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

**Grants**

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

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 grants are reflected in the balance sheet 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**

Donations are recognised on a receivable basis (where there are no performance related conditions), where it is probable that the income will be received and the amount can be measured reliably.

**Other income**

Other income including the hire of facilities, is recognised in the period it is receivable and to the extent the academy has provided the goods or services.

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**for the Period 1 September 2018 to 31 March 2019**

**1. ACCOUNTING POLICIES - continued**

**Expenditure**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the academy to that expenditure, 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 accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

**Charitable activities**

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

**Governance costs**

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

All resources expended are inclusive of irrecoverable VAT.

**Tangible fixed assets**

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy's depreciation policy.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset on a straight-line/reducing balance basis over their expected useful lives, as follows:

Long leasehold buildings	- 2% on a straight line basis
Property improvements	- 10% on a straight line basis
Fixtures, fittings and equipment	- 20% on a reducing balance basis
ICT equipment	- 33% on a straight line basis

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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.

**Long leasehold buildings**

The Academy has a 125 year lease for the property it operates from. The lease terms and conditions have been considered by the Governors and they have concluded that the risk and rewards of ownership have transferred to the Academy. Therefore a long leasehold buildings asset has been recognised within fixed assets and depreciated in line with the accounting policy. The long leasehold buildings have been included in the financial statements at a valuation carried out on 10 December 2012.

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**for the Period 1 September 2018 to 31 March 2019**

**1. ACCOUNTING POLICIES - continued**

**Taxation**

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

**Fund accounting**

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

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

Restricted general funds comprise all other restricted funds received and include grants from the Education Funding Agency and the Academy's share of the surplus / (deficit) on the Local Government Pension Scheme.

**Pension benefits**

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 23, the TPS is a multi-employer scheme and the Academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the Academy 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 method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

**2. GENERAL ANNUAL GRANT (GAG)**

Under the funding agreement with the Secretary of State the academy trust was subject to limits at 31 March 2019 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes.

The academy trust has not exceeded these limits during the period ended 31 March 2019.



**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**for the Period 1 September 2018 to 31 March 2019**

**3. DONATIONS AND CAPITAL GRANTS**

	Period 1.9.18 to 31.3.19 £'000	Year Ended 31.8.18 £'000
Donations	4	7
Capital grants	30	14
	<u>34</u>	<u>21</u>

**4. FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS**

	Unrestricted funds £'000	Restricted funds £'000	31.3.19 Total funds £'000	31.8.18 Total funds £'000
<b>DfE / ESFA grants</b>				
General Annual Grant (GAG)	-	1,611	1,611	2,769
Other DfE / ESFA grants	-	91	91	113
<b>Other government grants</b>				
SEN from local authority	-	43	43	79
Behaviour partnership grant	-	-	-	11
Other grants	-	9	9	15
	<u>-</u>	<u>1,754</u>	<u>1,754</u>	<u>2,987</u>

**5. OTHER TRADING ACTIVITIES**

	Period 1.9.18 to 31.3.19 £'000	Year Ended 31.8.18 £'000
Other income	19	35
Hire of facilities	15	26
Catering income	130	195
	<u>164</u>	<u>256</u>

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**for the Period 1 September 2018 to 31 March 2019**

**6. EXPENDITURE**

				Period 1.9.18 to 31.3.19	Year Ended 31.8.18
	Staff costs £'000	Non-pay Premises £'000	expenditure Other costs £'000	Total £'000	Total £'000
<b>Raising funds</b>					
<b>Costs of other income resources</b>					
Direct costs	-	-	40	40	211
<b>Charitable activities</b>					
<b>Academies educational operations</b>					
Direct costs	1,265	-	166	1,431	2,386
Allocated support costs	332	90	282	704	1,216
	<u>1,597</u>	<u>90</u>	<u>488</u>	<u>2,175</u>	<u>3,813</u>

Net income/ (expenditure) for the year includes:	31.3.19 £'000	31.8.18 £'000
Operating lease rentals	8	15
Depreciation	139	248
Fees payable to auditor for:		
- audit	4	4
- other services	4	4

**7. CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS**

			Period 1.9.18 to 31.3.19	Year Ended 31.8.18
	Unrestricted funds £'000	Restricted funds £'000	Total funds £'000	Total funds £'000
<b>Direct costs</b>	-	1,431	1,431	2,386
<b>Support costs</b>	123	581	704	1,216
	<u>123</u>	<u>2,012</u>	<u>2,135</u>	<u>3,602</u>

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**for the Period 1 September 2018 to 31 March 2019**

**7. CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS - continued**

	Period 1.9.18 to 31.3.19 Total £'000	Year Ended 31.8.18 Total £'000
<b>Analysis of support costs</b>		
Support staff costs	332	516
Depreciation	146	248
ICT	17	33
Premises costs	90	225
Other support costs	107	177
Governance costs	12	17
<b>Total support costs</b>	<b>704</b>	<b>1,216</b>

**8. TRUSTEES' REMUNERATION AND BENEFITS**

One or more trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment.

The value of trustees' remuneration, other benefits, for the 7 months to 31 March 2019 was as follows:

**S Jefferies (principal and trustee):**

Remuneration £45,000 - £50,000 (year to 31.8.18: £75,000 - £80,000)  
Employer's pension contributions £5,000 - £10,000 (year to 31.8.18: £10,000 - £15,000)  
Expenses reimbursed: £162 (year to 31.8.18: £285)

**M Pierre (staff trustee)**

Remuneration £25,000 - £30,000 (year to 31.8.18: £40,000 - £45,000)  
Employer's pension contributions £nil - £5,000 (year to 31.8.18: £5,000 - £10,000)  
Expenses reimbursed: £nil (year to 31.8.18: £113)

**Trustees' expenses**

During the 7 months to 31.3.19, expenses totalling £162 (year to 31.8.18: £398) were reimbursed or paid directly to 1 trustee (year to 31.8.18: 2 trustees).

Other related party transactions involving the trustees are set out in note 23.

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**for the Period 1 September 2018 to 31 March 2019**

**9. STAFF COSTS**

	Period 1.9.18 to 31.3.19 £'000	Year Ended 31.8.18 £'000
Wages and salaries	1,244	2,051
Social security costs	110	176
Operating costs of defined benefit pension schemes	201	327
	<u>1,555</u>	<u>2,554</u>
Supply teacher costs	42	58
	<u>1,597</u>	<u>2,612</u>
Included within wages and salaries are:		
	31.3.19 £'000	31.8.18 £'000
Redundancy payments	-	16
Severance payments	17	-
	<u>17</u>	<u>16</u>

The average number of persons (including senior management team) employed by the academy during the period was as follows:

	Period 1.9.18 to 31.3.19	Year Ended 31.8.18
Teachers	36	30
Administration and support	36	27
Management	5	5
	<u>77</u>	<u>62</u>

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

	Period 1.9.18 to 31.3.19	Year Ended 31.8.18
£70,001 - £80,000	1	1
	<u>1</u>	<u>1</u>

The above employee participated in the Teachers Pension Scheme.

Due to the short period of account, no employees received total employee benefits (excluding employer pension costs) that exceeded £60,000.

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on pages 1 and 2. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £240,000 (year to 31.8.18: £363,000).

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
for the Period 1 September 2018 to 31 March 2019

**10. TRUSTEES' AND OFFICERS' INSURANCE**

The academy 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.

**11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES**

	Unrestricted fund £'000	Restricted fixed asset fund £'000	Restricted general fund £'000	Total funds £'000
<b>INCOME AND ENDOWMENTS FROM</b>				
Donations and capital grants	7	-	14	21
<b>Charitable activities</b>				
Funding for the academy's educational operations	-	-	2,987	2,987
Other trading activities	256	-	-	256
Other income	20	-	192	212
<b>Total</b>	<b>283</b>	<b>-</b>	<b>3,193</b>	<b>3,476</b>
<b>EXPENDITURE ON</b>				
Raising funds	24	-	187	211
<b>Charitable activities</b>				
Academy's educational operations	182	248	3,172	3,602
<b>Total</b>	<b>206</b>	<b>248</b>	<b>3,359</b>	<b>3,813</b>
<b>NET INCOME/(EXPENDITURE)</b>	<b>77</b>	<b>(248)</b>	<b>(166)</b>	<b>(337)</b>
<b>Transfers between funds</b>	<b>(35)</b>	<b>56</b>	<b>(21)</b>	<b>-</b>
<b>Other recognised gains/(losses)</b>				
Actuarial gains/(losses) on defined benefit schemes	-	-	215	215
<b>Net movement in funds</b>	<b>42</b>	<b>(192)</b>	<b>28</b>	<b>(122)</b>
<b>RECONCILIATION OF FUNDS</b>				
<b>Total funds brought forward</b>	<b>209</b>	<b>9,278</b>	<b>(826)</b>	<b>8,661</b>
<b>TOTAL FUNDS CARRIED FORWARD</b>	<b>251</b>	<b>9,086</b>	<b>(798)</b>	<b>8,539</b>

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
for the Period 1 September 2018 to 31 March 2019

**12. TANGIBLE FIXED ASSETS**

	Leasehold property £'000	Improvements to property £'000	Fixtures and fittings £'000	Computer equipment £'000	Totals £'000
<b>COST</b>					
At 1 September 2018	10,462	21	89	321	10,893
Additions	-	-	16	-	16
Disposals	-	-	-	(67)	(67)
At 31 March 2019	<u>10,462</u>	<u>21</u>	<u>105</u>	<u>254</u>	<u>10,842</u>
<b>DEPRECIATION</b>					
At 1 September 2018	1,478	11	49	269	1,807
Charge for year	122	1	7	9	139
Eliminated on disposal	-	-	-	(60)	(60)
At 31 March 2019	<u>1,600</u>	<u>12</u>	<u>56</u>	<u>218</u>	<u>1,886</u>
<b>NET BOOK VALUE</b>					
At 31 March 2019	<u>8,862</u>	<u>9</u>	<u>49</u>	<u>36</u>	<u>8,956</u>
At 31 August 2018	<u>8,984</u>	<u>10</u>	<u>40</u>	<u>52</u>	<u>9,086</u>

**13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2019 £'000	2018 £'000
Trade debtors	18	21
Other debtors	54	38
Prepayments	70	25
	<u>142</u>	<u>84</u>

**14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2019 £'000	2018 £'000
Other loans (see note 16)	5	5
Trade creditors	23	62
Social security and other taxes	88	85
Accruals	14	49
Deferred income	126	32
	<u>256</u>	<u>233</u>
<b>Deferred income</b>		
	31.3.19 £'000	31.8.18 £'000
Deferred income at 1 September	32	48
Released from previous years	(32)	(48)
Resources deferred in the year	126	32
Deferred Income at 31 August	<u>126</u>	<u>32</u>

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**for the Period 1 September 2018 to 31 March 2019**

**15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2019 £'000	2018 £'000
Other loans (see note 16)	<u>6</u>	<u>11</u>

**16. LOANS**

An analysis of the maturity of loans is given below:

	2019 £'000	2018 £'000
Amounts falling due within one year on demand:		
Other loans	<u>5</u>	<u>5</u>
Amounts falling between one and two years:		
Other loans - 1-2 years	<u>6</u>	<u>5</u>
Amounts falling due between two and five years:		
Other loans - 2-5 years	<u>-</u>	<u>6</u>

Other loans of £11,000 (year to 31.8.18: £16,000) are made up of loans from Salix. The loans are interest free and are repayable over the periods shown above.

**17. LEASING AGREEMENTS**

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2019 £'000	2018 £'000
Within one year	14	8
Between one and five years	26	43
	<u>40</u>	<u>51</u>

**18. 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.

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**for the Period 1 September 2018 to 31 March 2019**

**19. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

				2019
	Unrestricted fund £'000	Restricted fixed asset fund £'000	Restricted general fund £'000	Total funds £'000
Fixed assets	-	8,956	-	8,956
Current assets	262	-	278	540
Current liabilities	(12)	-	(244)	(256)
Long term liabilities	-	-	(6)	(6)
Pension liability	-	-	(1,102)	(1,102)
	<u>250</u>	<u>8,956</u>	<u>(1,074)</u>	<u>8,132</u>

Comparative information in respect of the preceeding period is as follows:

				2018
	Unrestricted fund £'000	Restricted fixed asset fund £'000	Restricted general fund £'000	Total funds £'000
Fixed assets	-	9,086	-	9,086
Current assets	261	-	254	515
Current liabilities	(10)	-	(223)	(233)
Long term liabilities	-	-	(11)	(11)
Pension liability	-	-	(818)	(818)
	<u>251</u>	<u>9,086</u>	<u>(798)</u>	<u>8,539</u>



**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**for the Period 1 September 2018 to 31 March 2019**

**20. MOVEMENT IN FUNDS**

	Balance at 1.9.18 £'000	Income resources £'000	Resources expended £'000	Gains, losses and transfers £'000	Balance at 31.3.19 £'000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	-	1,611	(1,642)	31	-
Local Authority and other ESFA grants	-	173	(173)	-	-
School fund account	20	33	(25)	-	28
Pension reserve	(818)	-	(51)	(233)	(1,102)
	<u>(798)</u>	<u>1,817</u>	<u>(1,891)</u>	<u>(202)</u>	<u>(1,074)</u>
<b>Restricted fixed asset funds</b>					
ESFA and Local Authority capital grants	4	-	(1)	-	3
Transfer on Academy conversion	8,913	-	(122)	-	8,791
Capital expenditure from GAG	167	-	(23)	16	160
Capital expenditure from other restricted funds	2	-	-	-	2
	<u>9,086</u>	<u>-</u>	<u>(146)</u>	<u>16</u>	<u>8,956</u>
<b>Total restricted funds</b>	<u>8,288</u>	<u>1,817</u>	<u>(2,037)</u>	<u>(186)</u>	<u>7,882</u>
<b>Unrestricted funds</b>					
Unrestricted funds	251	184	(138)	(47)	250
<b>Total unrestricted funds</b>	<u>251</u>	<u>184</u>	<u>(138)</u>	<u>(47)</u>	<u>250</u>
<b>Total funds</b>	<u>8,539</u>	<u>2,001</u>	<u>(2,175)</u>	<u>(233)</u>	<u>8,132</u>

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

- i) The General Annual Grant (GAG) and other grants receivable from the Local Authority and ESFA are used towards the Academy's normal running costs.
- ii) Other restricted funds represent various smaller amounts received for specific purposes, as well as the liabilities transferred to the Academy on conversion.
- iii) The school fund account is held for the purpose of Academy trips and events.
- iv) The pension reserve is the Academy's share of the surplus/(deficit) in the Local Government Pension Scheme.
- v) The fixed asset funds include fixed assets and loans transferred on Academy conversion, capital grants, additions, disposals and depreciation.

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**for the Period 1 September 2018 to 31 March 2019**

**21. PENSION AND SIMILAR OBLIGATIONS**

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

Contributions amounting to £41,000 were payable to the schemes at 31 March 2019 (31 August 2018: £40,000) and are included within creditors.

**Teachers' pension scheme**

*Introduction*

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' 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.

The employer's pension costs paid to TPS in the period amounted to £126,000 (31 August 2018: £213,000).

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

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

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**for the Period 1 September 2018 to 31 March 2019**

**21. PENSION AND SIMILAR OBLIGATIONS**  
**- continued**

**Local government pension scheme**

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the period ended 31 March 2019 was £102,000 (31 August 2018: £147,000), of which employer's contributions totalled £80,000 (31 August 2018: £113,000) and employees' contributions totalled £22,000 (31 August 2018: £34,000). The agreed contribution rates for future years are 20.3% for employers and between 5.5% and 12.5% for employees.

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

The scheme is in deficit, and the academy has entered into an agreement to pay an additional £7,000 for the year ended 31st March 2018, £14,000 for the year ended 31st March 2019, and £21,000 for the year ending 31st March 2020, in addition to the normal employer funding level of 20.3%.

The amounts recognised in the balance sheet are as follows:

	Defined benefit pension plans	
	2019 £'000	2018 £'000
Fair value of plan assets	1,129	1,037
	<u>1,129</u>	<u>1,037</u>
Surplus	1,129	1,037
	<u>1,129</u>	<u>1,037</u>
Net asset	<u>1,129</u>	<u>1,037</u>

The amounts recognised in the statement of financial activities are as follows:

	Defined benefit pension plans	
	2019 £'000	2018 £'000
Current service cost	117	207
Net interest from net defined benefit asset/liability	14	24
	<u>131</u>	<u>231</u>
Actual return on plan assets	<u>17</u>	<u>23</u>

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**for the Period 1 September 2018 to 31 March 2019**

**21. PENSION AND SIMILAR OBLIGATIONS**  
**- continued**

Changes in the present value of the defined benefit obligation are as follows:

	Defined benefit pension plans	
	2019	2018
	£'000	£'000
Defined benefit obligation	1,855	1,772
Current service cost	117	207
Contributions by scheme participants	22	34
Interest cost	31	47
Benefits paid	(7)	(9)
Actuarial (gains)/losses from changes in financial assumptions	213	(196)
	<u>2,231</u>	<u>1,855</u>

Changes in the fair value of scheme assets are as follows:

	Defined benefit pension plans	
	2019	2018
	£'000	£'000
Fair value of scheme assets	1,037	857
Contributions by employer	80	113
Contributions by scheme participants	22	34
Return on plan assets (excluding interest income)	(20)	19
Interest income	17	23
Benefits paid	(7)	(9)
	<u>1,129</u>	<u>1,037</u>

The amounts recognised in other recognised gains and losses are as follows:

	Defined benefit pension plans	
	2019	2018
	£'000	£'000
Actuarial (gains)/losses from changes in financial assumptions	(213)	196
Return on plan assets (excluding interest income)	(20)	19
	<u>(233)</u>	<u>215</u>

The major categories of scheme assets as amounts of total scheme assets are as follows:

	Defined benefit pension plans	
	2019	2018
	£'000	£'000
Equities	689	653
Bonds	282	228
Property	147	125
Cash	11	31
	<u>1,129</u>	<u>1,037</u>

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**for the Period 1 September 2018 to 31 March 2019**

**21. PENSION AND SIMILAR OBLIGATIONS**  
**- continued**

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages)

	2019	2018
Rate of increase in salaries	3%	2.9%
Rate of increase for pensions in payment	2.4%	2.3%
Discount rate for scheme liabilities	2.5%	2.8%

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

	31/3/19 £'000	31/8/18 £'000
0.5% decrease in Real Discount Rate	298	247
0.5% increase in the Salary Increase Rate	41	37
0.5% increase in the Pension Increase Rate	253	207

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

	31/3/19	31/8/18
Retiring today		
- Males	22.5	22.5
- Females	24.7	24.7
Retiring in 20 years		
- Males	24.3	24.3
- Females	26.7	26.7

**22. RELATED PARTY DISCLOSURES**

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 9.

**23. FUTURE EVENTS**

On 1 April 2019 the assets and liabilities of the academy were transferred to a multi academy trust.