Company Registration Number: 08153776 (England & Wales)

HOOK WITH WARSASH CHURCH OF ENGLAND ACADEMY

(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018

HOOK WITH WARSASH CHURCH OF ENGLAND ACADEMY
(A company limited by guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS FOR THE YEAR ENDED 31 AUGUST 2018

Members

Mr R Johnson
Mr R Clear
Mrs G Gailor
Mr D Nice
Mrs A Hughes (appointed 23 May 2018)
Mr R Appleby (appointed 22 March 2018)
Mrs E Dannan (appointed 22 March 2018)
Mr S Lowes (appointed 22 March 2018)
Mr P Upward

Trustees

Mr R Clear, First governor (foundation) (Vice Chair)[1,2]
Mrs G Gailor, First governor[2]
Mr R Johnson, First governor (appointed)[1]
Mr D Nice, First governor (appointed)[1,2]
Mr N St John, Appointed governor (foundation) (appointed 8 September 2017)
Rev J M Terry, Appointed governor (foundation)
Mr I Wilkie, Appointed governor (foundation)[1,2]
Mr A Beadsworth, Elected governor (parent)
Mr P Caiger-Watson, Elected governor (parent) (appointed 5 February 2018)[1]
Mrs K Cumming, Elected governor (parent) (resigned 3 October 2017)[2]
Miss C Forder, Appointed governor (parent) (appointed 4 May 2018)
Mr P Johnson, Appointed governor (staff) (resigned 28 February 2018)
Miss J Nunn, Appointed governor (staff)
Miss N Whybrow, Appointed governor (staff) (appointed 1 March 2018)
Mr L Bailey, Appointed governor[1]
Mrs K Bartlett, Appointed governor[1]
Mrs S Evans, Appointed governor[2]
Mrs A Hughes, Appointed governor (parent) (Chair of Governors 24 May 2018 to 31 August 2018)[2]
Mrs F Munro, Appointed governor (appointed 1 November 2017)
Mr D Scott-Batey, Appointed governor
Mr P Upward, First governor (appointed) (Chair of Governors 1 September 2017 to 24 May 2018) (resigned 24 July 2018)[1,2]
Mrs S Willoughby, Headteacher[1,2]

[1] Finance & Personnel Committee
[2] Governance & Audit Committee

Company registered number

08153776

Company name

Hook with Warsash Church of England Academy

Advisers (continued)

Principal and registered office

Church Road
Warsash
Southampton
Hampshire
SO31 9GF

Company secretary

Mr R Wingrove

Senior management team

Mrs S Willoughby, Headteacher
Mrs C Nice, Assistant Headteacher
Mr D Trotman, Assistant Headteacher

Independent auditors

Hopper Williams & Bell Limited
Statutory Auditor
Highland House
Mayflower Close
Chandlers Ford
Eastleigh
Hampshire
SO53 4AR

Bankers

Lloyds Bank PLC
43 West Street
Fareham
Hampshire
PO16 0BE

Solicitors

Paris Smith LLP
1 London Road
Southampton
Hampshire
SO15 2AE

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2018

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2017 to 31 August 2018.

This annual report serves the purposes of both a Trustees' report, and a directors' report under company law.

The trust operates a two-form entry Church of England Primary Academy serving a catchment area to the west of Fareham. It should be noted that Fareham Borough Council's (FBC) agreed Housing Development Plan includes the building of a substantial amount of additional housing both within and in the immediate vicinity of the Academy's catchment area. Hampshire County Council began a consultation process in March 2018, regarding the establishment of an additional form of entry in one of the local primary schools. One of the options is for that additional form of entry to be placed at the Academy. Whilst being supportive of this, the Trustees are mindful of the potential impact on pupil numbers, whether the additional form of entry is placed at the Academy or elsewhere.

It has a pupil capacity of 420 and had a roll of 419 in the school census in January 2018.

Structure, Governance and Management

Constitution

The Hook-with-Warsash Church of England Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust.

The Trustees of Hook-with-Warsash Church of England Academy Trust Limited are also the directors of the charitable company for the purposes of company law and form the Governing Body of the Academy. The charitable company is known as Hook-with-Warsash Church of England Academy.

It is not known by any other name for any purpose.

Details of the Trustees who served during the year 1 September 2017 – 31 August 2018 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 he or she is a member, or within one year after he or she ceases to be a member, such amount as may be required, not exceeding £10.00, for the debts and liabilities contracted before he or she ceased to be a member.

Trustees' Indemnity

Indemnity is provided by Bluefin Insurance with a £2,000,000 limit of indemnity covering:

- legal liability for claims arising from a breach of professional duty by reason of any neglect,
- error or omission, including:
  - loss of Documents;
  - libel and Slander;
- legal liability of individual past, present or future Governors and of managerial/supervisory employees or their spouses, heirs or legal representatives, including:
  - reimbursement to the Academy;
  - pollution defence costs;
  - criminal prosecution, if not due to fraud or dishonesty.

The Excess applicable to Professional Indemnity and Governors & Officers Liability is £1,000 each loss (nil in respect of any loss paid in respect of any individual Governor under the Governors & Officers Liability cover).

The Bluefin Insurance also provides comprehensive cover for Governors using their own vehicles on Academy business.

As noted in the Trustees' Report of December 2017, at its meeting on 5 October 2017, the Finance & Personnel Committee again considered the Risk Protection Arrangement to provide insurance cover. It noted that although this still appeared to be a cheaper option, it would still be necessary to purchase a number of additional policies to provide complete cover. It was agreed that the RPA did not, at this time, offer best value for money, but that the level of cover offered by RPA should continue to be monitored. This remained the status quo at 21 August 2018, and the decision will be reviewed again during 2018/19.

In addition, at its meeting on 16 March 2017, the Finance & Personnel Committee agreed to 'self-insure' for staff absence, reviewing the decision at each subsequent meeting. This remained the status quo at 31 August 2018.

The Companies Act 2006 s236 requires disclosure concerning qualifying third-party indemnity provisions.

Method of Recruitment and Appointment or Election of Trustees
The Trustees (also referred to as the Governing Body and the Board of Directors), consists of 20 members constituted as follows:

- 3 Parent Governors elected by secret ballot of parents of pupils attending the Academy, or, in the event of there being few candidates than available places on the Governing Body, appointed by the Governing Body;
- 10 First Governors or Governors appointed by the Members of the Academy Trust*;
- 4 First or Appointed Foundation Governors (1 of whom is, ex officio, the incumbent), nominated by the Portsmouth Diocesan Board of Education and appointed by the Foundation Members of the Academy Trust;
- the Headteacher (ex officio);
- 2 other Appointed Staff Governors one of whom shall be a teacher, elected by secret ballot of the staff of the Academy

At the beginning of the academic Year, the members of the Trust meet to review pending vacancies on the Governing Body, and instruct the Company Secretary to put in train, at the appropriate times, the procedures necessary for the appointment of election of Trustees.

Vacancies for Appointed Governors are advertised on both the Academy and the Church website and on Hantsweb. In addition, Fareham Borough Council, Warsash Residents' Association and both Portsmouth and Southampton Universities are informed. Governors use their own networks with local businesses to make vacancies known to the wider community. Use is also made of Governors for Schools and Inspiring Governance, with variable results.

Vacancies for Parent Governors are publicised on the Academy website and in the Headteacher's regular communications to parents. Elections are then held in accordance with the Articles of Association and Hampshire County Council procedures.

Vacancies for Staff Governors are publicised at Staff Meetings and elections, where necessary, are by secret ballot.

Policies and Procedures Adopted for the Induction and Training of Trustees

New Governors are issued with a copy of the current Governors' Handbook giving information on:

- Where do I Start? – Guidance for new Governors;
- Details of the Governing Body;
- Training Opportunities;
- Committees, Working Groups, Panels & Other Groups;
- Insurance/Legal Protection for Governors;
- Useful websites;
- Pen Portraits of Current Governors;
- Governing Body Committee Membership & those in Attendance 2018/19;
- Governing Body Officers 2018/19;
- Governing Body Terms of Reference 2018/19;
- Governing Body Policies;
- Financial Roles and Responsibilities;
- Guidance on Visits to the Academy by Governors;
- Meeting Dates 2018/19;
- Governing Body Cycle of Business 2018/19;
- Governors' Statutory Responsibilities;
- Glossary of Terms;

together with a copy of the Articles of Association and a breakdown of the Governing Body's discharge of its Statutory Duties.

The Academy purchases full access to face-to-face and on-line Governor Training provided by Hampshire County Council (HCC) and details of training opportunities are posted on the Governors' Portal of the Academy website.

New Governors attend Induction Training organised by HCC.

New Governors meet with the Chair of Governors and the Headteacher and are expected to attend a round of committee meetings before opting to join a particular committee. (In the event of a specific, identified vacancy, new Governors may be asked to join a particular committee, in order to meet the Governing Body's strategic and operational needs).

The Development and Training Governor is pro-active in guiding new (and established) Governors to appropriate training.

Mr Roger Clear (Vice Chair) is responsible for the induction of new Governors.

Organisational Structure

There are three main committees that have some delegated powers, meet twice termly and report to the Full Governing Body:

- Pupil Discipline, Curriculum & Early Years;
- Finance & Personnel;
- Sites and Buildings.

The delegated powers of these committees are defined in their Terms of Reference, with all decisions being reported to the Full Governing Body for ratification.

There are three additional committees that meet at least once a term:

- Forging Links;
- Governance and Audit;
- Pay and Appraisal

The areas of responsibility of these committees are defined in their Terms of Reference, with all decisions being reported to the Full Governing Body for ratification.

In view of the uncertainties that result from FBC's development plans and HCC's response to them, a standing Marketing, Promotion & Media Working-Group was established in June 2018 with the primary aim of ensuring that the Academy roll is full.

Additionally, The Finance & Personnel Committee will be establishing a Working Group during 2018/19 to consider the medium and longer-term financial landscape and to devise contingency plans to manage any future reduction in funding. These plans may encompass investigation of the possibility of forming an 'empty' Multi-Academy Trust.

Governing Body Panels relating to:

- Staff Discipline;
- Discipline Appeals;
- Complaints;

are convened as required.

As a result of effective chairing of Full Governing Body and Committee meetings, the prompt writing and circulation of accurate minutes and the use of the Governors' Portal of the Academy website, lines of internal communication and accountability are secure.

The Headteacher is the lead professional of the Academy and as such:

- manages the Academy, including its financial position, at a strategic and operational level;
- has the responsibility for the day-to day management of the Academy, including quality of teaching, & educational standards, Human Resources and effective systems of internal control;
- leads and manages all employees of the Academy;
- has a key role to involve the Governing Body when drawing up the Academy Strategic Plan;
- ensures that the Strategic Plan is implemented and that the Governing Body is fully involved in monitoring that implementation;
- has authority for all tasks delegated by the governing body but not responsibility;
- has delegated authority for:
  - individual items of non-staffing expenditure (in line with the Strategic Plan) not exceeding £1,000;
  - virements and alterations to the budget which do not exceed £1,000 and which do not increase the total expenditure beyond the budget agreed by the Governing Body;
  - alterations to the budget to reflect resources made available to the LA for Statements of Special Educational Needs and cases of extended sickness;
- as Accounting Officer, has personal responsibility for:
  - the propriety and regularity of public finances for which she is answerable.
  - keeping proper accounts and ensuring that financial statements are properly presented and adequately supported;
  - prudent and economical administration;
  - avoidance of waste and extravagance;
  - ensuring value for money;
  - efficient and effective use of resources in their charge;
  - advising the Members of the Academy Trust in writing if the Governing Body appears to be failing to act as required by the terms of the Handbook or Funding Agreement.

The Business Manager is the Chief Financial Officer and is responsible for day to day procedures e.g.:

- processing orders and invoices, collection and banking of dinner money, trips, petty cash, etc.
- ensuring accuracy of accounting information (held on PSF);
- providing appropriate financial reports for Headteacher and governors;
- assisting with other financial tasks e.g., budget preparation, costing Strategic Plan, devolved capital;
- ensuring appropriate documentation is available to support financial management

Arrangements for setting pay and remuneration of key management personnel

All arrangements for setting pay and remuneration of staff are carried out in accordance with the:

- Appraisal of Teachers' Performance Policy;
- Support Staff Performance Management Policy;
- Teachers' Pay Policy;
- Support Staff Pay Policy.

These are reviewed in detail annually by the Pay & Appraisal Committee and, following consultation with staff, ratified by the Full Governing Body.

The Headteacher's Appraisal is carried out by a panel of three Governors, supported by an external advisor appointed by the Governing Body. In accordance with the Appraisal of Teachers' Performance Policy, the Headteacher's targets are set at a meeting of the panel at the beginning of the Autumn Term. These confidential targets relate to Academy Performance and the Published Annual Strategic Plan. Review meetings are held during the year with a final formal meeting at the end of the Summer Term. The Pay and Appraisal Committee decides on any pay progression for the Headteacher, on the basis of a report from this final meeting, at a further meeting at the beginning of the following Autumn term. This meeting also confirms the Headteacher's Salary range for that year.

The Assistant Headteachers' Appraisal is carried out by the Headteacher. In accordance with the Appraisal of Teachers' Performance Policy, the Assistant Headteachers' targets are set at a meeting at the beginning of the Autumn Term. These confidential targets relate to Academy Performance and the Published Annual Strategic Plan. Review meetings are held during the year with a final formal meeting at the end of the Summer Term. The Pay and Appraisal Committee decides on any pay progression for the Assistant Headteachers, on the basis of a report from this final meeting, at a further meeting at the beginning of the following Autumn term. This meeting also confirms the Assistant Headteachers' Salary range for that year.

Other members of the teaching staff are appraised by either the Headteacher of one of the Assistant Headteachers and a similar pattern of deciding on any pay progression is followed.

The Business Manager (Chief Financial Officer)'s Performance Management is carried out by the Headteacher. In accordance with the Support Staff Performance Management Policy, appropriate targets are set at a first meeting of the cycle in April. Review meetings are held during the year with a final formal meeting the following January. The Pay and Appraisal Committee decides on any pay progression, on the basis of a report from this final meeting, at a further meeting in January.

Trade Union Facility Time

The academy has less than 49 Full-time employees and is, therefore not required to report on Trade Union Facility Time

Risk Management
The Business Continuity Plan and the Risk Register, reported on at each meeting of the Finance & personnel Committee, identifies the following significant risks:
- pandemic or epidemic;
- severe weather events;
- power outage;
- utilities disruption;
- telephony failure;
- fire affecting the Academy Premises;
- widespread or localised flooding;
- mass staff absence;
- transport disruption;
- violent extremist activity on Academy Premises;

The Business Continuity Plan gives details of plans to minimise and manage these risks. As reported in the Trustees' Report of August 2017, the effectiveness of the Business Continuity Plan was tested by Governors in a desk-top simulation exercise in June 2017, led by the Internal Audit Officer. A number of Action Points were identified and acted upon by the end of the term and followed up on during 2017/18, including establishing 'lock-down' procedures.

In addition, the Trustees understand the further risks inherent in:
- not maintaining a full pupil roll at the Academy;
- not maintaining financial viability.

Consequently:
- the Finance & Personnel Committee uses three-year budgetary planning data to develop ongoing plans to ensure effective use of public funds and future financial viability;
- as noted above (page 8), the Finance & Personnel Committee will be establishing a Working Group during 2018/19 to consider the medium and longer-term financial landscape and to devise contingency plans to manage any future reduction in funding.
- the Forging Links Committee ensures strong links with the Church and Local Community, thus meeting its secondary objective as detailed in the Articles of Association;
- the Full Governing Body will be holding a Whole Governing Body Training Session on "Communicating with the Community";
- as noted above (page 7), a standing Marketing, Promotion & Media Working-Group was established in June 2018 with the primary aim of ensuring that the Academy roll is full.
- funds are only utilised for major development after proposals have been closely scrutinised by either the Pupil Discipline, Curriculum and Early Years Committee or the Sites and Buildings Committee and the Finance & Personnel Committee and agreed by the Full Governing Body.

Connected Organisations including Related Party Relationships
The Academy is connected to the Portsmouth Diocese and, specifically with the Parish Church of St Mary's, Hook-with-Warsash.

Through subscription to Hampshire County Council Governor Services, the Academy is a member of the Hampshire South-East Governors' Forum.

Mr R Johnson is an Academies' representative for South-East Hampshire on the Hampshire Schools' Forum.

Objectives and Activities

Objects and Aims

The Objects of the Academy Trust are those explicitly and implicitly detailed in the Articles of Association:

- to provide the strategic lead to a high-quality Primary School with a Church of England character, offering a broad and balanced curriculum to pupils in Warsash and its immediate vicinity, thus creating a happy, secure and stimulating learning environment based on Christian principles in which all members of the Academy community can grow in self-esteem and develop their potential as human beings;
- to provide recreational and other leisure facilities for the inhabitants of Warsash and its immediate vicinity, particularly those who suffer social and other disadvantage.

Objectives, Strategies and Activities

Strategic Plan September 2017 – July 2018

Drawing on Governors' knowledge of the Academy, its achievements and its challenges, gained through the meetings structure and the Implementation of the Governors' Monitoring Programme for 2016/17, the Governance and Audit Committee met with the Senior Leadership Team on 19 June 2017 to agree the Strategic Priorities for 2017/18.

The Strategic Plan set following this meeting, and agreed by the Full Governing Body at its meeting on 5 October 2017, set the following improvement outcomes:

With regard to pupil achievement

- To raise standards in the teaching and learning of reading, writing and maths throughout the school by ensuring all pupils make year on year progress that is graded at reaching Age Related Expectations (ARE) and are aware of what they need to do in order to progress. In particular:
- Ensuring that the expected floor standards for each year group is met as agreed at Performance Management and increasing the percentage of pupils making expected and better than expected progress in reading, writing and maths;
- That children develop a deeper understanding of 'Mastery' within Maths and English;
- That Pupil Premium Pupils make at least expected progress or better than expected progress;
- Developing teachers' understanding of mathematical concepts and strategies available.

With regard to the quality of teaching and provision

- To raise standards in the teaching and learning of reading, writing and maths throughout the school by:
- Increasing opportunities to develop mastery tasks;
- Developing marking to ensure that it moves pupils' learning forward;
- Ensuring that pre-teaching opportunities are utilised effectively in each year group;
- Developing the use of visual models in the classroom to support learning in both English and Maths (e.g. 3D models and Numicon resources to support Maths);
- Developing learning walls to ensure that pupils have easy access to materials that can support their learning and allow for mastery opportunities (e.g. range of easily accessible writing genres in every room);
- Providing more specific measurable outcomes for Pupil Premium pupils in reading, writing and Maths through programmes identified by the SENDCO.

With regard to the quality of school leadership and management (including Governors)

- To improve leadership and management through:
- Rigorous monitoring and evaluation that ensures key milestones are on track term by term to achieve July 2018 outcomes;
- Utilising the management skills of the ICT leader to guide other subject leaders on school improvement actions in their areas;
- Working with local cluster groups and schools to ensure practice is up-to-date and providing feedback to staff;
- Governors playing a full and active role in setting the school's strategic direction and supporting the development of the Academy's Strategic Plan and School's self-evaluation process. Governors providing evidence of monitoring and progress towards milestones on track to reach July 2018 outcomes.

The Governance & Audit Committee led in identifying the following non-curricular priorities for 2017-20, which were incorporated in the Strategic Plan:

With regard to Sites & Buildings

To improve Site Security by:

- installing an electronic signing in system;
- completing the reconfiguration of the front office configuration with electronic shutter and door codes;
- introducing a photo ID system for volunteers.

To improve ICT provision by:

- introducing safeguarding software;
- developing a rolling programme for replacement laptops for staff.

To develop the building by:

- completing the ICT suite reconfiguration as a preparation, meeting and small group facility.
- upgrading the lighting throughout the building;
- developing a new block of toilets for Year R and refurbishing the existing infant toilets (subject to a successful Condition Improvement Fund Grant Application).

With regard to Community Links

To improve Community Links by:

- further developing cluster school initiatives;
- further developing environmental area to increase community use;
- developing links with care homes in the community.

With regard to Pupil Voice

To further develop Pupil Voice by:

- the School Council to setting priority projects and instigating fund-raising initiatives to achieve them;
- the Collective Worship Council developing themes for worship;

The progress of the plan was particularly monitored by the Pupil Discipline, Curriculum & Early Years Committee but was also reported to all and monitored s appropriate by other Governing Body Committees and to the Full Governing Body.

The Governors' Monitoring Plan continued to include:

- areas of development which had been confirmed during the Ofsted inspection of July 2014;
- areas of development which had been identified during the SIAMs inspection of June 2015 (Forging Links Committee);
- the implementation of the Strategic Plan;
- the Governors' Statutory Responsibilities;
- Health and Safety and Premises Management considerations.

The Governors completed and reported on over sixty monitoring visits to support the Academy in the implementation of its plans during 2017/18, in addition to receiving presentations from SLT and Subject Leaders at Pupil Discipline, Curriculum & Early Years Committee Meetings.

Members of the Sites & Buildings Committee completed six Sites walkabouts with the Facilities Manager and the staff Health and Safety Representative to monitor the management of the site;

The Internal Audit Officer led members of the Finance & Personnel Committee in visiting the Academy to carry out regular financial checks

These processes contributed to Governors' triangulation within the monitoring process, thus ensuring that Governors were able to play a full part both in holding the Academy to account for its success and in future Strategic Planning. In June 2018, members of the Governance & Audit Committee again met with the SLT to establish the parameters of the Strategic Plan 2018/19.

Public Benefit

The Academy's trustees have complied with their duty to have due regard to the guidance on public benefit published by the charity commission. In particular, they satisfy the benefit aspect of public benefit by ensuring that the purposes of the Academy are for the advancement of its pupils for an education purpose. The public aspect of the public benefit is satisfied as the Academy benefits the public in general by admitting pupils to the Academy according to agreed admission criteria that disbars no particular group.

Achievements and Performance
In order to assess the achievements of the Academy Trust we refer to pupil progress and attainment indicators as defined by the Academy's own tracking and national attainment and progress indicators. The analysis below indicates pupil outcomes with regard to the Key Stage 1 & Key Stage 2 SATs results and Phonics and includes the outcomes for Disadvantaged Pupils.

Early Years Foundation Stage
Good Learning Development (GLD) 77%; National 72%

Subject	GLD+	Exceeding
Reading	85% (87%)	27% (18%)
Writing	77% (77%)	17% (15%)
Number	93% (92%)	37% (22%)

Figures in brackets are for 2017

Phonics Screening
87% of pupils in Year 1 passed. Of the 4 pupils in Year 2 who resat, having not passed in Year 1 in 2017, 3 passed. The National pass rate in 2017 was 83% and in Hampshire 84%.

Key Stage 1 Teacher Assessment

Subject	Working below ARE +	National Average ARE + (2017)	Age Related Expectation (ARE) +	Working above ARE	National Average above ARE (2017)
Reading	12% (15%)	75%	88% (85%)	38% (35%)	26%
Writing	15% (27%)	70%	85% (73%)	18% (15%)	16%
Maths	12% (20%)	76%	88% (80%)	25% (15%)	22%

Figures in brackets are for 2017

It should be noted that in Key Stage 1 Writing development was generally slower than Reading development.

At the time of writing, there is no National data for 2018 available relating to Key Stage 1 Assessment

Provisional Key Stage 2 Test Results

Key Stage 2 test result data is not fully confirmed as, at the time of writing, no notification of the threshold for pupils working at above ARE (high) had been received. Consequently, some of the information is based on last year's thresholds.

Subject	Working below ARE +	National Average ARE + (2017)	Age Related Expectation (ARE) +	Working above ARE (based on 2017 threshold)	National Average above ARE (2017)
Reading	14% (18%)	75%	86% (82%)	38% (21%)	28%
Writing	12% (7%)	78%	88% (93%)	29% (29%)	20%
SPaG	13% (13%)	77%	86% (87%)	35% (28%)	34%
Maths	14% (14%)	75%	83% (86%)	35% (32%)	24%

Floor Standard

National 2017	64%
Academy 2018	78%

Average Scaled Score 2018

Subject	**National**	**Academy**
Reading	105	107
SPaG	106	107
Maths	104	105

Disadvantaged Pupils
In Key Stage 1 100%(1/1) of disadvantaged pupils achieved ARE in Reading and Maths, but 0% (0/1) achieved ARE in Writing.

In Key Stage 2 there were 7 disadvantaged pupils. In reading 57% (4) pupils achieved ARE; in writing, maths and GPS 43% (3) achieved ARE+. The pupils who did not achieve ARE had entered Key Stage 2 at a low level and were in receipt of ELSA and/or SEND additional support.

It is pleasing that the Academy's results appeared to outperform National results.

Triangulated Data related to Teaching
Based on the SLT's Learning Walks, Work Scrutiny and Lesson Observations, comparative overall data for teaching for December 2017 and July 2018 was as follows:

Date	**Good**	**Outstanding**
December 2017	87%	13%
July 2018	60%	40%

Other areas of success during the year included:

- the quality of leadership of Academy development given by the Senior Leadership Team;
- the ongoing rigorous and wide-ranging monitoring of the quality of teaching across the Academy by the Senior Leadership, and the monitoring of this process by the Governing Body;
- throughout the year all lessons were judged as at least 'good' (see above);
- the robust Strategic Plan, which continued to address issues related to pupil progress and factors impacting on that progress;
- the continuing high level of quality monitoring carried out by Governors in support of the Academy;
- the continuation of the Adopt-a-Governor initiative;
- the further development of more substantive links with the Church;
- the opening of a successful Healthy Tuck Shop – an initiative led by the School Council;
- the successful residential visits to: Stubbington Study Centre – Year 4; Dorset – Year 5; Normandy – Year 6;
- the successful production of School of Rock at Ferneham Hall, which involved all pupils from Years 1-6;
- the wide range of extra-curricular activities, including participation of a large proportion of pupils in a large number of sports;
- the role of the Collective Worship Council in the ongoing development of Collective Worship;
- the strategic lead given by the Governing Body in upgrading the ICT Infrastructure and equipment, within the context of a two/three-year plan:
  - to improve site security and the entrance to the building;
  - to improve the lighting, replacing obsolete lights with more energy efficient and effective lighting in all areas;
  - to complete the improvement of the office space and teachers' preparation facilities, thus improving the efficiency and effectiveness of the Academy (see Objectives, Strategies and Activities above);
- the ongoing development of a new Academy website to improve communication with stakeholders;
- the ongoing development on the website of Governors' Portal, which has greatly improved communication and increased the efficiency of Governance;
- the successful Ofsted inspection in March 2018 which recognised:
  - the good quality of education;
  - the good progress made by pupils over time;
  - the strong community spirit;
  - the enthusiasm shown by the staff and the strong relationship between staff and pupils;
  - the very good behaviour of the pupils who embrace the whole school and Christian values of the school – "Our values means a lot to us – they show us how to behave and act";
  - the positive interactions between pupils and the opportunities for them to develop their leadership skills;
  - the challenge of the broad curriculum;
  - the extra-curricular activities and the pupils' interaction with the Church and the community;
  - the strong understanding of the school's strengths and weaknesses shown by senior leaders and governors;
  - the ongoing improvement in writing and maths;
  - the skills of middle leaders;
  - safeguarding is "fit for purpose" and closely monitored by governors – pupils feel safe and can identify a "trusted adult" to approach if necessary.

The inspection noted that governors should ensure that:

- strategies to improve pupils' rate of progress in reading are securely embedded throughout the school;
- a larger proportion of pupils achieve the higher standards in reading, writing and mathematics in each year group.

These points had already been identified by Governors and Senior Leaders and are incorporated into the Strategic Plan 2018/19

These successes should be seen in the context of prudent financial control, including careful recruitment, without damaging either the quality of teaching and learning in the classroom or the overall experience of pupils across the Academy (see page 12).

Key Financial Performance Indicators
The Academy has an income that is set against national criteria. It considers benchmarking activities in order to review its performance against Academies operating in a similar manner. In particular consideration is given to employee costs and overall expenditure against pupil performance to ensure that the Academy gives at least good value for money.

The Governing Body carried out a detailed Self-Assessment of its Committees' procedures, based on a Time/Effort vis-à-vis Impact on Learning/School Improvement/Pupil Learning and Well-being in January 2018 and the conclusion was that the Committees were working effectively.

Governors' Skills are kept under review and no significant gaps were identified during 2017/18. However, the retirement of the then Chair in July 2018 and the impending retirement of another experienced Governor in December 2018 will present some challenges.

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

Financial Review
The principal source of funding for the Academy is the Education Funding Agency. A detailed Academy Strategic Plan is prepared as stated above and this plan ensures that financial decisions are made which support the key objectives of the Academy Trust.

The principal financial management policies adopted and/or reviewed during the year are:

- Anti-Fraud & Corruption Policy;
- Charging & Remission Policy
- Competitive Tendering Policy;
- Debt Recovery Policy;
- Finance Policy
    - Appendix 1 – Financial Roles and Responsibilities;
    - Appendix 2 – Best Value Statement;
    - Appendix 3 – Statement of Financial Expectations;
    - Appendix 4 – Annual Statement of Internal Control;
- Reserves Policy;
- Sponsorship Policy.

As a consequence of the sound and prudent financial management by the Accounting Officer and the Business Manager (Chief Financial Officer), the budgeted in-year deficit of £144,273, was reduced through the year to deficit of £15,195 (excluding restricted pensions reserve) whilst a significant number of the developments and refurbishments identified as part of the Strategic Plan, were completed.

The Academy trust has £50,000 invested at Lloyds Bank on a 32-day renewable basis (Balance with interest at 31 August 2018 £51,500) and £150,000 invested at Lloyds Bank in a 1-year fixed rate bond with a yield on 0.9% (Current balance £151,000). The Finance & Personnel Meeting reviews the Investment Policy annually and reviews its investment position at each meeting.

Principal Risks and Uncertainties
The income of the Academy only faces the uncertainty of the possibility of diminishing public resource as it is entirely state funded. The uncertainty is exacerbated by current national economic and financial uncertainty, including Fareham Borough Council and Hampshire County Council plans, as detailed in the introduction to this report (page 5). The principal risk to the Academy pertains to pupil numbers as its income is dependent on the number of pupils on roll. As a result of Hampshire County Council's actions, The Governing Body had identified the Year R intake of September 2018 as one where an issue could arise. However, this proved to be less of a problem than anticipated and the Academy admitted 57 pupils (against a PAN of 60) for its Year R intake, and full in all other Year groups.

The Governing Body is fully aware of the Government's policy to establish Multi-Academy Trusts (MAT), and will keep this under review, particularly noting the concept of the 'empty' MAT.

The Governing Body is also concerned by:
- the implications of the ongoing underfunding National Teacher's Pay Awards;
- the 'hidden' reduction in the funding of 'front-line' educational services.

Reserves Policy
The Reserves Policy states:
"Our aim is to use the allocated funding each year for the full benefit of our current pupils. However, we also consider it necessary to carry forward some reserves:
- to provide sufficient working capital to cover delays between spending and receipt of grants;
- to invest in future years' priorities for the children at the Academy, specifically:
  - the completion of the redevelopment of the former ICT suite to provide improved planning space for members of staff; improved meeting space; improved space for 1:1/small group work with pupils;
  - the completion of necessary significant repairs to the fabric of the building, for which a partial grant will be sought;
  - the provision of improved toilet facilities for Reception pupils, for which a partial grant will be sought;
- to exercise due prudence in a situation in which there remains some financial uncertainty due to possible changes in Government policy, particularly with reference to the potential under-funding of any future Teachers' Pay Award.

In exceptional circumstances, the Governing Body may decide to hold temporarily a larger contingency reserve, in which case the decision will be made at a meeting of the Full Governing Body and be minuted.

Total funds at 31 August 2018 were £3,697,611. The balance on restricted general funds (excluding pension reserve) is £121,284 and the balance on unrestricted funds is £94,566, giving a total of £215,850.

The projected revenue deficit on the 1 September 2018 - 31 August 2019 budget is £142,018, giving a projected cumulative surplus (balance in hand) of £73,832.

The budget set supports the priorities identified in the Strategic Plan 2018/19 and it should be noted that the planned expenditure includes £25,000 as a match-funding contribution towards the cost of building of a new, much needed, Toilet Block for Reception Pupils – project which will dependant on a successful Condition Improvement Fund Grant Application. The current provision is inadequate and the Academy submitted applications for a Condition Improvement Fund Grant to meet this need in 2015/16, 2016/17, 2017/18 and on all three occasions were unsuccessful (in 2017/18 by the narrowest of margins). The intention of the Governing Body is that a further application will be made in November 2018, which will include the element of match funding identified above. A provisional decision on whether or not to go ahead with the project will be made when the budget is revised in January 2019, with a final decision being dependant on the outcome of the application.

Investment Policy

The Academy trust ensures that investment decisions are made where it can maximize income for the Academy by investing rather than holding cash balances. Currently £202,500 is invested with Lloyds Bank. It is anticipated that all investments will be tied to the bank that the Academy Trust chooses to hold and manage its cash balances.

Fundraising

The Academy does not seek to raise substantial funds from external sources. Small amounts of sponsorship are raised from local businesses to support items such as the production of the termly newsletter.

Pupils raise funds through internal fund-raising days, non-uniform days and other activities to support projects identified by the School Council.

The PTFA raises funds for the Academy through its own voluntary activities.

No unreasonably intrusive or persistent fundraising approaches or undue pressure to donate are employed and during 2017/18 no complaints have been received with regard to any fund-raising activities.

Plans for Future Periods

The key objectives for the future are to continue to maintain and improve standards, attainment, progress and well-being of pupils. As in previous years an annual strategic review will be undertaken with this in mind, and detailed actions, including any necessary revisions to the Academy Strategic Plan, formulated as a result of this review.

The Pupil Discipline, Curriculum & Early Years Committee will continue to lead on the monitoring of the Curriculum, of Teaching and Learning of Pupil attainment, progress and well-being.

The Finance & Personnel Committee will continue to monitor the budget closely, being mindful of the agreed three-year budget projection, and will prepare contingency plans to be implemented in the event of any future financial allocation issues.

The Sites & Buildings Committee will monitor Health & Safety matters – continually striving to improve practice - oversee the agreed further development programme to maximise the quality of the site as a learning environment.

The Forging Links Committee will monitor Academy-Church-Community interaction.

Additionally, the Governance & Audit Committee will lead on refining the relationship between Members of the Academy Trust and Governors (Trustees) in order to ensure that there is a "significant degree of separation between the individuals who are members and those who are trustees(governors)" so that members can exercise their powers with objectivity"

All proposed actions for 2018/19 are included in the Strategic Plan 2018/19 as follows:

With regard to pupil achievement

To raise standards in the teaching and learning of reading, writing and maths throughout the school by ensuring all pupils make year on year progress that is graded at reaching Age Related Expectations (ARE) and are aware of what they need to do in order to progress. In particular:

- Ensuring that the expected floor standards for each year group is met as agreed at Performance Management and increase the percentage of pupils making expected and better than expected progress in reading, writing and maths;
- That medium-term plans to provide opportunities for mastery in all year groups are in place;
- Ensuring that regular assessments across the curriculum are used effectively to target areas for development and inform planning;
- That Pupil Premium Pupils make at least expected progress or better than expected progress;

With regard to the quality of teaching and provision:

To raise standards in the teaching and learning of reading, writing and maths throughout the school by:

- Effective use of mastery tasks in both English and Maths;
- Ensuring that there are high expectations of grammar, handwriting and punctuation in all written work;
- Continuing to use pre-teaching to target pupils that need further supportive as identified from regular teacher assessment;
- Developing teachers' understanding of visual models and how these can be used as a tool to enhance learning. (e.g. bar-modelling in Maths; 'S' planning for writing);
- Ensuring that learning walls provide both visual models and toolkits that can be easily accessed by pupils;
- Providing more specific measurable outcomes for PP pupils in reading, writing and Maths through programmes identified by the SENDCO.

With regard to the quality of school leadership and management (including Governors):

To improve leadership and management through:

- Rigorous monitoring and evaluation that ensures key milestones are on track term-by-term to achieve July 2019 outcomes;
- Utilising the management skills of the ICT leader to guide other subject leaders on school improvement actions in their areas including tracking assessment within their subject across the school;
- Working with local cluster groups and schools to ensure practice is up-to-date and providing feedback to staff;
- Governors playing a full and active role in setting the school's strategic direction and supporting the development of the Academy's Strategic Plan and School's self-evaluation process;
- Governors providing evidence of monitoring and progress towards milestones on track to reach July 2019 outcomes.

With regard to Sites & Buildings

To improve Site Security by:

- Ensuring the full implementation and operation of the electronic signing in system

To improve ICT provision by:

- Maintaining a rolling programme for the replacement of IT hardware

To develop the building by:

- Installing LED lighting as planned
- Furnishing the PPA room
- Submitting a further application for Condition Improvement Fund Grant in order to develop a new block of toilets for Year R and refurbishing the existing infant toilets for a Toilet Block

With regard to Community Links

To improve Community Links by:

- Further developing cluster school initiatives;
- Improving external signage;
- Further developing links with care homes;
- Continuing to develop the site, including the Environmental Area, for increased community use;
- Ensuring that press releases and other methods of publicising the achievements of the Academy and its pupils are as comprehensive as possible;
- Developing pupil links with pre-schools.

With regard to Pupil Voice

To further develop Pupil Voice by:

- Continuing to allow the School Council to identify priority projects and to raise funds to achieve them
- Continue to allow the Collective Worship Council to play an active role in Collective Worship, including the development of new themes for Collective Worship.

With regard to Governance

To further strengthen the Governance of the Academy by:

- Completing the process of appointing additional Members of the Academy Trust who are not Governors to achieve a majority of non-Governors;
- Recruiting new Governors from across the community as necessary;
- Maintaining forward financial planning to ensure sustainability;
- Developing Individual Training Plans for Governors;
- Improving the Mentoring of New Governors;
- Continuing to develop the effectiveness of monitoring by Governors;
- Ensuring that all Safeguarding measures are up-to-date and fully implemented.

Funds Held as Custodian Trustee on Behalf of Others

None

Auditor

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Approved by order of the Board of Trustees on 10 December 2018 and signed on its behalf by:

AK Hughes ....

Mrs A Hughes
Chair of Trustees

GOVERNANCE STATEMENT

Scope of Responsibility

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

The board of trustees has delegated the day-to-day responsibility to the Headteacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Hook-with-Warsash Church of England Academy 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 Full Governing Body (Board of Trustees)** has formally met eight times during the year. Attendance during the year at meetings of the Board of Trustees was as follows::

	Meeting attended	Out of
Mrs Gillian Gailor	8	8
Mr Peter Upward	8	8
Mr Roger Clear	8 (1 by proxy)	8
Mrs Sandra Evans	8 (1 by proxy)	8
Mrs Alexandra Hughes	8 (1 by proxy)	8
Mr Nick St John	8 (1 by proxy)	8
Mrs Sara Willoughby	8 (1 by proxy)	8
Mr Iain Wilkie	8 (2 by proxy)	8
Mr Luke Bailey	7 (2 by proxy)	8
Mrs Kate Bartlett	7 (2 by proxy)	8
Mr David Scott-Batey	7 (2 by proxy)	8
Rev John Michael Terry	7 (2 by proxy)	8
Mrs Fran Munro	6	6
Miss Julie Nunn	6	8
Mr Darren Nice	6 (1 by proxy)	8
Mr Richard Johnson	6 (3 by proxy)	8
Mr Paul Johnson	4	4
Miss Nicole Whybrow	4	4
Mr Andrew Beadsworth	4 (3 by proxy)	8
Mr Paul Caiger-Watson	3	4
Miss Chrissy Forder	2	2
Mrs Katherine Cumming	0	1

NB one extra meeting was called at short notice on 17 April 2018, to discuss FBC and HCC plans.

The overall attendance rate at Full Governing Body Meetings was 90.0%

Governance (continued)

At the General Meeting of the Members of the Trust held on 5 July 2018, members discussed the attendance record of the Governing Body and the Chair of Governors contacted Governors whose attendance was causing concern.

Mr Nick St John who had been appointed by the Diocese as a Foundation Governor in July 2017, took up his post on 8 September 2017.
Mrs Katie Cumming resigned as a Governor on 3 October 2017 due to business commitments, at which time the Members reduced the number of elected Parent Governors to three.
Mrs Fran Munro was appointed to fill the vacancy on 1 November 2017.
Mr Paul Caiger-Watson was elected as a Parent Governor on 5 February 2018.
Mr Paul Johnson stepped down from the Governing Body on 28 February 2018 at the end of his term and Miss **Nicole Whybrow** was elected as a Staff Governor (Teacher) to replace him on 3 March 2018.
As there remained a vacancy for a Parent Governor and no candidates for election came forward,
Miss Chrissy Forder, who is a parent of a pupil of the Academy, was appointed by the Members as a Parent Governor.
Mr Peter Upward stepped down as Chair of Governors on 24 May 2018 and **Mrs Alex Hughes** was elected a Chair, in the first instance until 7 September 2018.
Mr Upward then retired as a Governor, after 12 years, on 24 July 2018.

With the agreement of the Diocese, the number of Members was increased in order to move towards a position in which the majority of Members were not Governors and Mr Richard Appleby, Mrs Eleanor Dannan and Mr Simon Lowes were appointed as members of the Trust on 22 March 2018,
Mr Upward was appointed by the Diocese as a non-Governor Foundation Member on 25 July 2018.

Mrs Gill Gailor's term as a Governor ends in December 2018 and she has indicated that she will not seek re-appointed. At that time, she will become a non-Governor Member of the Trust, at which time the Trust will have nine members, five of whom will not be Governors.

The Finance and Personnel Committee is a committee of the Full Governing Body (Board of Trustees) with delegated powers. Its purpose on behalf of the Governing Body is to:

- promote the Objects of the Academy Trust as detailed in paragraphs 4a and 4b of the Articles;
- carry out and monitor the implementation of the duties detailed in paragraphs 5 and 6.1 – 6.9 of the Articles, specifically to:
  - set and monitor the management of the annual budget and the three-year projected budget plan
  - deciding how to spend the Academy's budget in accordance with its Financial Policies
  - determine the staffing complement and a salary policy for the Academy;
- have oversight and keep under review the Academy's Whistleblowing Policy.

Attendance during the year at meetings of the Committee was as follows:

	Meeting attended	Out of
Mr Peter Upward	6	6
Mrs Sara Willoughby	6	6
Mr Luke Bailey	6 (1 by proxy)	6
Mr Roger Clear	6 (1 by proxy)	6
Mr Iain Wilkie	6 (1 by proxy)	6
Mr Richard Johnson	5 (2 by proxy)	6
Mr Darren Nice	5 (3by proxy)	6
Mrs Kate Bartlett	4 (1 by proxy)	4

The overall attendance rate at Finance & Personnel Committee Meetings was 93.8%

Governance (continued)

The Governance & Audit Committee is also a committee of the Full Governing Body (Board of Trustees). Its purpose is to:

- review the structure and effectiveness of the Governing Body;
- co-ordinate the Governing Body's input into to annual Strategic Plan;
- maintain an oversight of the effectiveness of the Governing Body, monitoring the exercise of the Governing Body's Statutory Responsibilities and system for Policy Review;
- advise the Board/Governing Body and Accounting Officer on risk management and value for money systems and frameworks, thus maintaining an oversight of internal control;
- meet with the external auditor, to receive feedback on the annual audit;
- review the fraud response plan and ensuring that all allegations of fraud or irregularity are managed and investigated appropriately;
- supporting the work of the Internal Audit Officer.

In addition, the Committee maintains an oversight of Governor Self-Evaluation and the process of policy review by Committees, in order to ensure that all policies are ones that Governors would be comfortable defending in public.

Its membership comprised:
Mr Roger Clear, Vice Chair of Governors
Mrs Sandra Evans, Chair of the Sites & Building Committee/Training & Development Governor
Mrs Gillian Gailor, Chair of the Pupil Discipline, Curriculum & Early Years Committee
Mrs Alex Hughes, Chair of Governors
Mr Darren Nice, Internal Audit Officer
Mr Peter Upward, Chair of Governors
Mr Iain Wilkie, Chair of the Finance & Personnel Committee
Mrs Sara Willoughby, Headteacher/Accounting Officer
Mrs Sandra Evans, Development & Training Governor.

Specifically:

At its meeting on 4 October 2017, the Committee reviewed the Structure and Effectiveness of the Governing Body, based on the "Twenty Questions that evert Governing Board should ask itself" from the National Governors' Association and was satisfied with the outcomes identified and noted that the Expectations of Governors were included in the Governors' Handbook, the DfE paper on Governor Competencies was published on the Governors' Portal and these were made known to all new Governors.

At its meeting on 23 November 2017, members of the Committee met with Mr Richard Hurst, HWB Chartered Accountants, to receive feedback on the annual audit, the outcomes of which were pleasing.

At its meeting on 7 June 2018 (postponed from May due to the Ofsted inspection, the Committee collated the findings of the Self-Evaluation exercise carried out by the Committees and found that, "The outcome of this evaluation was that there were very few tasks that were carried out which had a high demand in terms of time for a relatively low impact. These were all statutory obligations. Committee activities which did not completely fit the definition of Strategic Governance all contributed to Governors' knowledge of the Academy, its pupils and its staff. The Committee also identified Strategic Priorities for 2018/19.

At its meeting on 11 June 2018, the Committee met with the Senior Leadership Team and the Strategic Priorities for 2018/19 were finalised.

The Ofsted inspector had commented favourably on the Governors' knowledge and understanding of the Academy."

Governance (continued)

Internal audit responsibilities were carried rigorously. The Internal Audit Officer visited the Academy regularly to carry out appropriate checks and was assisted by three members of the Finance & Personnel Committee, who supported him in monitoring financial systems.

The Internal Audit Officer delivered regular written reports to the Finance & Personnel Committee. These were circulated to all Governors, thus allowing questions to be raised at Full Governing Body Meetings. No significant issues were identified.

Review of Value for Money

As Accounting Officer, the Headteacher has responsibility for ensuring that the Academy delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

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

• with the Governing Body continuing to hold the Staffing Structure under review to ensure that the needs of the pupils the objectives of the Academy are met in the most cost-effective way;

• ensuring that the provision of services by outside bodies is kept under review by relevant Committees, in accordance with a published calendar, and more cost-effective Service Level Agreements are negotiated;

• ensuring that all expenditure is kept under review and that more effective administration leads to savings;

• seeking to ensure that the parents of all pupils in Key Stage 1 who are entitled to Free School Meals, register for these, thus maximising Pupil Premium income;

• ensuring that principles of best value are applied at all times.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of 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 Hook-with-Warsash Church of England Academy for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the 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 ongoing process for identifying, evaluating and managing the Academy's significant risks, that has been in place for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The Risk and Control Framework

The 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 and agreed by the board of trustees;
- regular reviews by the Finance and Personnel Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties;
- identification and management of risks.

The board of trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed Mr D Nice MBA FCCA, a Trustee, to carry out a programme of internal checks.

The Internal Audit Officer's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. In particular the checks carried out in the current period included checking that:

- financial systems are operated by more than one person, including two signatures to draw funds from accounts;
- bank accounts are never overdrawn;
- a competitive tendering system is in place;
- a whistleblowing policy is in place and readily available to all members of staff;
- credit card statements are checked monthly and cleared in full and that there are no 'suspect' transactions;
- Business Continuity Plan and Risk Registers are in place and up-to-date;
- PAYE, National Insurance and VAT procedures are appropriate and followed, with payments are made in a timely manner.

In carrying out checks the Internal Audit Officer is supported by the Chair and other members of the Finance & Personnel Committee thus ensuring the widest possible coverage and an ever-increasing awareness of financial systems on the part of members of the Committee.

On a regular basis, the Internal Audit Officer reports to the board of trustees through the Finance and Personnel Committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

During 2017/18 all appropriate checks as planned the Internal Audit Officer were carried out and no material control issues were found. However, as a result of the checks, the Academy proposes during the period 1 September 2018 to 31 August 2019 to take the following steps to strengthen the levels of internal control:

1) In accordance with DfE guidelines, to complete the process of appointing additional Members of the Academy Trust who are not Governors of the Academy in order to ensure that there is a "significant degree of separation between the individuals who are members and those who are trustees(governors) so that members can exercise their powers with objectivity"
2) In accordance with the letter from Eileen Milner, Accounting Officer, ESFA, to Academy Accounting Officers, stating that, Chairs must receive financial reports every month, the current robust system of twice termly reporting to the Finance & Personnel Committee and thence to the Full Governing Body, supported by a regular programme of financial checks led by the Internal Audit Officer and monthly financial statements being made available to the Chair of the Finance & Personnel Committee, will be augmented by monthly reports being copied to the Chair of Governors.

Review of Effectiveness

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

- the work of the Internal Audit Officer;
- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance and Personnel Committee and a plan to ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 10 December 2018 and signed on their behalf, by:

A Hughes
Mrs A Hughes
Chair of Trustees

Sara Willoughby
Mrs S Willoughby
Accounting Officer

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Hook with Warsash Church of England Academy I have considered my responsibility to notify the academy trust board of trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

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

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

Sara Willoughby

Mrs S Willoughby
Accounting Officer

Date: 10 December 2018

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

The Trustees (who act as governors of Hook-with-Warsash Church of England Academy and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with the Annual Accounts Direction issued by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from ESFA/DfE have been applied for the purposes intended.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by order of the members of the board of trustees on 10 December 2018 and signed on its behalf by:

AHughes
....

Mrs A Hughes
Chair of Trustees

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF HOOK WITH WARSASH CHURCH OF ENGLAND ACADEMY

OPINION

We have audited the financial statements of Hook with Warsash Church of England Academy (the 'Academy') for the year ended 31 August 2018 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2018 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

BASIS FOR OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the 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.

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF HOOK WITH WARSASH CHURCH OF ENGLAND ACADEMY

OTHER INFORMATION

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

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

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

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

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF HOOK WITH WARSASH CHURCH OF ENGLAND ACADEMY

RESPONSIBILITIES OF TRUSTEES

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

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

USE OF OUR REPORT

This report is made solely to the 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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Richard Hurst FCA (Senior statutory auditor)
for and on behalf of
Hopper Williams & Bell Limited
Statutory Auditor
Highland House
Mayflower Close
Chandlers Ford
Eastleigh
Hampshire
SO53 4AR
Date: 14 December 2018

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO HOOK WITH WARSASH CHURCH OF ENGLAND ACADEMY AND THE EDUCATION & SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 4 September 2017 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Hook with Warsash Church of England Academy during the year 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Hook with Warsash Church of England Academy and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Hook with Warsash Church of England Academy 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 Hook with Warsash Church of England Academy and the ESFA, for our work, for this report, or for the conclusion we have formed.

RESPECTIVE RESPONSIBILITIES OF HOOK WITH WARSASH CHURCH OF ENGLAND ACADEMY'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The Accounting Officer is responsible, under the requirements of Hook with Warsash Church of England Academy's funding agreement with the Secretary of State for Education dated 1 September 2012, and the Academies Financial Handbook extant from 1 September 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2017 to 2018. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

APPROACH

We conducted our engagement in accordance with the Academies Accounts Direction 2017 to 2018 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO HOOK WITH WARSASH CHURCH OF ENGLAND ACADEMY AND THE EDUCATION & SKILLS FUNDING AGENCY (continued)

SUMMARY OF THE WORK UNDERTAKEN

We carried out the following:
- planning of assurance procedures including identifying key risks;
- substantive testing including analytical review;
- concluding on procedures carried out.

Substantive testing included the following procedures:
- confirming that activities conform to the Academy's framework of authorities;
- considering the evidence supporting the Accounting Officer's statement on regularity, propriety and compliance;
- evaluating the general control environment of the Academy;
- testing a sample of transactions to consider whether the transaction is permissible within the Academy's framework of authorities;
- confirming whether any extra-contractual payments have been made and whether appropriate authority was obtained;
- reviewing documentation for evidence of borrowing and confirming if approval was obtained from the ESFA;
- confirming whether ESFA approval was obtained for any disposals of assets;
- reviewing the internal control procedures relating to credit cards;
- reviewing for any indication of purchases for personal use by staff or officers;
- reviewing the list of suppliers to consider whether supplies are from related parties;
- considering whether income generating activities are permissible within the Academy's charitable objects;
- reviewing whether lettings to related parties are made at favourable rates.

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Richard Hurst FCA

Hopper Williams & Bell Limited
Statutory Auditor
Highland House
Mayflower Close
Chandlers Ford
Eastleigh
Hampshire
SO53 4AR

Date: 14 December 2018

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

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	*Total funds 2017 £*
INCOME FROM:						
Donations and capital grants	2	-	32,955	8,601	41,556	*44,222*
Charitable activities	3	-	1,602,459	-	1,602,459	*1,545,212*
Other trading activities	4	14,005	-	-	14,005	*7,822*
Investments	5	1,368	-	-	1,368	*541*
TOTAL INCOME		15,373	1,635,414	8,601	1,659,388	*1,597,797*
EXPENDITURE ON:						
Charitable activities		-	1,724,982	93,316	1,818,298	*1,764,698*
TOTAL EXPENDITURE	6	-	1,724,982	93,316	1,818,298	*1,764,698*
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES		15,373	(89,568)	(84,715)	(158,910)	*(166,901)*
Actuarial gains on defined benefit pension schemes	21	-	124,000	-	124,000	*132,000*
NET MOVEMENT IN FUNDS		15,373	34,432	(84,715)	(34,910)	*(34,901)*
RECONCILIATION OF FUNDS:						
Total funds brought forward		79,193	(338,148)	3,991,476	3,732,521	*3,767,422*
TOTAL FUNDS CARRIED FORWARD		94,566	(303,716)	3,906,761	3,697,611	*3,732,521*

The notes on pages 37 to 58 form part of these financial statements.

BALANCE SHEET
AS AT 31 AUGUST 2018

	Note	£	2018 £	£	2017 £
FIXED ASSETS					
Tangible assets	12		**3,894,199**		*3,980,998*
CURRENT ASSETS					
Debtors	13	**113,864**		*41,700*	
Investments	14	**150,900**		*100,000*	
Cash at bank and in hand		**222,140**		*277,186*	
		486,904		*418,886*	
CREDITORS: amounts falling due within one year	15	**(240,540)**		*(177,363)*	
NET CURRENT ASSETS			**246,364**		*241,523*
TOTAL ASSETS LESS CURRENT LIABILITIES			**4,140,563**		*4,222,521*
CREDITORS: amounts falling due after more than one year	16		**(17,952)**		-
NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES			**4,122,611**		*4,222,521*
Defined benefit pension scheme liability	21		**(425,000)**		*(490,000)*
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			**3,697,611**		*3,732,521*
FUNDS OF THE ACADEMY					
Restricted income funds:					
Restricted income funds	17	**121,284**		*151,852*	
Restricted fixed asset funds	17	**3,906,761**		*3,991,476*	
Restricted income funds excluding pension liability		**4,028,045**		*4,143,328*	
Pension reserve		**(425,000)**		*(490,000)*	
Total restricted income funds			**3,603,045**		*3,653,328*
Unrestricted income funds	17		**94,566**		*79,193*
TOTAL FUNDS			**3,697,611**		*3,732,521*

BALANCE SHEET (continued)
AS AT 31 AUGUST 2018

The financial statements on pages 33 to 58 were approved by the Trustees, and authorised for issue, on ...10... December 2018 and are signed on their behalf, by:

....

Mrs A Hughes
Chair of Trustees

The notes on pages 37 to 58 form part of these financial statements.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2018

	Note	2018 £	*2017 £*
Cash flows from operating activities			
Net cash used in operating activities	19	**(4,146)**	*(7,176)*
Cash flows from investing activities:			
Purchase of tangible fixed assets		**-**	*(9,368)*
Purchase of short term investments		**(50,900)**	*(100,000)*
Net cash used in investing activities		**(50,900)**	*(109,368)*
Change in cash and cash equivalents in the year		**(55,046)**	*(116,544)*
Cash and cash equivalents brought forward		**277,186**	*393,730*
Cash and cash equivalents carried forward	20	**222,140**	*277,186*

1. ACCOUNTING POLICIES

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

1.1 Basis of preparation of financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Hook with Warsash Church of England Academy constitutes a public benefit entity as defined by FRS 102.

1.2 Fund accounting

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

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

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Department for Education Group.

1. ACCOUNTING POLICIES (continued)

1.3 Income

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

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

General Annual Grant is recognised in full in the Statement of financial activities incorporating income and expenditure account in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

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

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

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

1.4 Expenditure

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

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

All expenditure is inclusive of irrecoverable VAT.

1. ACCOUNTING POLICIES (continued)

1.5 Going concern

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

1.6 Tangible fixed assets and depreciation

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

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

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

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is not charged on freehold land. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Long-term leasehold land	-	Not provided
Long-term leasehold buildings	-	the shorter of 50 years or the length of the lease
Furniture and fixtures	-	5 years straight line
Computer equipment	-	3 years straight line

Long leasehold land has not been depreciated as it is similar to freehold land which does not require depreciation.

1.7 Operating leases

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

1. ACCOUNTING POLICIES (continued)

1.8 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.

1.9 Debtors

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

1.10 Cash at Bank and in hand

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

1.11 Liabilities and provisions

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

1.12 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 13. Prepayments are not financial instruments. Amounts due to the Academy's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in notes 15 and 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or other financial instruments. Amounts due to the Academy's wholly owned subsidiary are held at face value less any impairment.

1. ACCOUNTING POLICIES (continued)

1.13 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 21, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

1. ACCOUNTING POLICIES (continued)

1.14 Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	*Total funds 2017 £*
Donations	-	32,955	-	32,955	*32,141*
Capital grants	-	-	8,601	8,601	*12,081*
	-	32,955	8,601	41,556	*44,222*
Total 2017	*-*	*32,141*	*12,081*	*44,222*	

3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	*Total funds 2017 £*
DfE/ESFA grants				
General Annual Grant (GAG)	-	1,326,817	1,326,817	*1,324,915*
DfE/ESFA other grants	-	156,649	156,649	*110,622*
	-	1,483,466	1,483,466	*1,435,537*
Other government grants				
Local authority grants	-	-	-	*9,343*
	-	-	-	*9,343*
Other funding				
Trip income	-	56,729	56,729	*47,917*
Tuition fee income	-	12,855	12,855	*11,989*
Catering income	-	45,559	45,559	*38,204*
Other income	-	3,850	3,850	*2,222*
	-	118,993	118,993	*100,332*
	-	1,602,459	1,602,459	*1,545,212*
Total 2017	*-*	*1,545,212*	*1,545,212*	

4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	*Total funds 2017 £*
Lettings	10,410	-	10,410	*6,004*
Sale of goods and services	3,595	-	3,595	*1,818*
	14,005	-	14,005	*7,822*
Total 2017	*7,822*	*-*	*7,822*	

5. INVESTMENT INCOME

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	*Total funds 2017 £*
Bank interest	1,368	-	1,368	*541*
Total 2017	*541*	*-*	*541*	

6. EXPENDITURE

	Staff costs 2018 £	Premises 2018 £	Other costs 2018 £	Total 2018 £	*Total 2017 £*
Academy's educational operations:					
Direct costs	1,021,522	-	180,856	1,202,378	*1,131,217*
Support costs	239,090	125,523	251,307	615,920	*633,481*
	1,260,612	125,523	432,163	1,818,298	*1,764,698*
Total 2017	*1,194,807*	*149,972*	*419,919*	*1,764,698*	

7. ANALYSIS OF SUPPORT COSTS

	Academy trust educational £	Total 2018 £	*Total 2017 £*
Technology costs	11,259	11,259	*13,099*
Premises costs	125,523	125,523	*149,972*
Governance costs	7,985	7,985	*7,460*
Other costs	145,264	145,264	*142,080*
Wages and salaries	146,483	146,483	*134,299*
National insurance	8,063	8,063	*7,180*
Pension cost	84,544	84,544	*87,911*
Depreciation	86,799	86,799	*91,480*
	615,920	615,920	*633,481*
Total 2017	*587,917*	*587,917*	

8. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2018 £	*2017 £*
Depreciation of tangible fixed assets:		
- owned by the charity	86,799	*91,480*
Auditors' remuneration - audit	5,055	*4,940*
Auditors' remuneration - other services	2,930	*2,630*
Operating lease rentals	3,847	*6,130*

9. STAFF COSTS

a. Staff costs

Staff costs were as follows:

	2018	2017
	£	£
Wages and salaries	968,365	918,749
Social security costs	80,711	76,331
Operating costs of defined benefit pension schemes	211,536	199,727
	1,260,612	1,194,807

b. Staff numbers

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

	2018	2017
	No.	No.
Teachers	15	15
Admin/Support	48	46
Senior Management Team	3	3
	66	64

c. Higher paid staff

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

	2018	2017
	No.	No.
In the band £60,001 - £70,000	1	1

d. Key management personnel

The key management personnel of the academy trust comprises the senior management team as listed on page 2. The total amount of staff costs in respect of key management personnel was £194,116 (2017: £187,299).

10. TRUSTEES' REMUNERATION AND EXPENSES

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

		2018 £'000	*2017* *£'000*
A total of three (2017: three) staff governors	Remuneration	**110-115**	*110-115*
	Pension contributions paid	**15-20**	*15-20*

During the year ended 31 August 2018, no Trustees received any reimbursement of expenses (2017: £nil).

11. TRUSTEES' AND OFFICERS' INSURANCE

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. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2018 was £884 *(2017 - £884).*

12. TANGIBLE FIXED ASSETS

	Leasehold property £	Furniture and fixtures £	Computer equipment £	Total £
Cost				
At 1 September 2017 and 31 August 2018	**4,276,000**	**26,000**	**96,055**	**4,398,055**
Depreciation				
At 1 September 2017	**333,200**	**26,000**	**57,857**	**417,057**
Charge for the year	**66,640**	**-**	**20,159**	**86,799**
At 31 August 2018	**399,840**	**26,000**	**78,016**	**503,856**
Net book value				
At 31 August 2018	**3,876,160**	**-**	**18,039**	**3,894,199**
At 31 August 2017	*3,942,800*	*-*	*38,198*	*3,980,998*

13. DEBTORS

	2018 £	2017 £
Trade debtors	1,503	-
Prepayments and accrued income	88,787	25,916
Tax recoverable	23,574	15,784
	113,864	41,700

14. CURRENT ASSET INVESTMENTS

	2018 £	2017 £
Short term deposits	150,900	100,000

15. CREDITORS: Amounts falling due within one year

	2018 £	2017 £
Trade creditors	96,239	50,233
Other taxation and social security	20,335	19,071
Other creditors	20,988	18,190
Accruals and deferred income	102,978	89,869
	240,540	177,363

	2018 £	2017 £
Deferred income		
Deferred income at 1 September 2017	48,362	47,413
Resources deferred during the year	68,229	48,362
Amounts released from previous years	(48,362)	(47,413)
Deferred income at 31 August 2018	68,229	48,362

At the balance sheet date the academy trust was holding funds received in advance from the ESFA for provisional funding received in respect of the Universal Infant Free School Meals programme, and trips in respect of the autumn term 2018/19.

16. CREDITORS: Amounts falling due after more than one year

	2018 £	2017 £
Other loans	17,952	-

Included within creditors falling due after more than one year is a loan of £17,952 from Salix Finance, which is provided on an interest free basis and is repayable in instalments over eight years between October 2018 and September 2026.

17. STATEMENT OF FUNDS

	Balance at 1 September 2017 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 August 2018 £
Unrestricted funds					
Reserves	79,193	15,373	-	-	94,566
Restricted funds					
General Annual Grant (GAG)	-	1,326,817	(1,326,817)	-	-
Pupil premium	-	65,142	(65,142)	-	-
Other DfE/ESFA grants	-	91,507	(91,507)	-	-
Other educational activities	151,852	151,948	(182,516)	-	121,284
Pension reserve	(490,000)	-	(59,000)	124,000	(425,000)
	(338,148)	1,635,414	(1,724,982)	124,000	(303,716)
Restricted fixed asset funds					
Fixed asset fund	3,980,998	-	(86,799)	-	3,894,199
Devolved formula capital	10,478	8,601	(6,517)	-	12,562
	3,991,476	8,601	(93,316)	-	3,906,761
Total restricted funds	3,653,328	1,644,015	(1,818,298)	124,000	3,603,045
Total of funds	3,732,521	1,659,388	(1,818,298)	124,000	3,697,611

17. STATEMENT OF FUNDS (continued)

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

General annual grant
This includes all funding received from the ESFA to carry out the objectives of the academy. It includes the following funding streams:
- school budget share;
- minimum funding guarantee;
- education services grant;
- insurance;
- rates;
- pre-16 high need funding.

Pupil premium and other DfE/ESFA grants
This is funding received from the ESFA for specific purposes.

Other educational activities
This includes all other educational income/expenditure.

Pension reserve
This represents the negative reserve in respect of the liability on the LGPS pension scheme which was transferred to the academy on conversion.

Fixed asset fund
The fund includes the value of the tangible fixed assets of the academy on conversion, and amounts transferred from GAG or other restricted funds specifically for expenditure on tangible fixed assets, and the annual charges for depreciation of these assets.

DfE/ESFA capital grants
This is money received from the DfE/ESFA specifically for expenditure on tangible fixed assets.

17. STATEMENT OF FUNDS (continued)

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
General funds						
Reserves	70,830	8,363	-	-	-	79,193
	70,830	8,363	-	-	-	79,193
Restricted funds						
General Annual Grant (GAG)	-	1,324,915	(1,324,915)	-	-	-
Pupil premium	-	31,783	(31,783)	-	-	-
Other DfE/ESFA grants	-	78,839	(78,839)	-	-	-
Local authority grants	-	9,343	(9,343)	-	-	-
Other DfE/ESFA grants	171,308	132,473	(142,561)	(9,368)	-	151,852
Pension reserve	(556,000)	-	(66,000)	-	132,000	(490,000)
	(384,692)	1,577,353	(1,653,441)	(9,368)	132,000	(338,148)
Restricted fixed asset funds						
Fixed asset fund	4,063,110	-	(91,480)	9,368	-	3,980,998
Devolved formula capital	13,920	8,658	(16,354)	4,254	-	10,478
Roof projects	3,791	-	-	(3,791)	-	-
Extractor fan	463	-	-	(463)	-	-
Other Capital Grants	-	3,423	(3,423)	-	-	-
	4,081,284	12,081	(111,257)	9,368	-	3,991,476
Total restricted funds	3,696,592	1,589,434	(1,764,698)	-	132,000	3,653,328
Total of funds	3,767,422	1,597,797	(1,764,698)	-	132,000	3,732,521

A CURRENT YEAR 12 MONTHS AND PRIOR YEAR 12 MONTHS COMBINED POSITION IS AS FOLLOWS:

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Unrestricted funds						
Reserves	70,830	23,736	-	-	-	94,566
	70,830	23,736	-	-	-	94,566
Restricted funds						
General Annual Grant (GAG)	-	2,651,732	(2,651,732)	-	-	-
Pupil premium	-	96,925	(96,925)	-	-	-
Other DfE/ESFA grants	-	170,346	(170,346)	-	-	-
Local authority grants	-	9,343	(9,343)	-	-	-
Other DfE/ESFA grants	171,308	132,473	(142,561)	(9,368)	-	151,852
Other educational activities	-	151,948	(182,516)	-	-	(30,568)
Pension reserve	(556,000)	-	(125,000)	-	256,000	(425,000)
	(384,692)	3,212,767	(3,378,423)	(9,368)	256,000	(303,716)
Restricted fixed asset funds						
Fixed asset fund	4,063,110	-	(178,279)	9,368	-	3,894,199
Devolved formula capital	13,920	17,259	(22,871)	4,254	-	12,562
Roof projects	3,791	-	-	(3,791)	-	-
Extractor fan	463	-	-	(463)	-	-
Other Capital Grants	-	3,423	(3,423)	-	-	-
	4,081,284	20,682	(204,573)	9,368	-	3,906,761
	3,696,592	3,233,449	(3,582,996)	-	256,000	3,603,045
Total of funds	3,767,422	3,257,185	(3,582,996)	-	256,000	3,697,611

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	3,894,199	3,894,199
Current assets	94,566	379,776	12,562	486,904
Creditors due within one year	-	(240,540)	-	(240,540)
Creditors due in more than one year	-	(17,952)	-	(17,952)
Pension liability	-	(425,000)	-	(425,000)
	94,566	(303,716)	3,906,761	3,697,611

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2017 £	*Restricted funds 2017 £*	*Restricted fixed asset funds 2017 £*	*Total funds 2017 £*
Tangible fixed assets	-	-	*3,980,998*	*3,980,998*
Current assets	*79,193*	*329,215*	*10,478*	*418,886*
Creditors due within one year	-	*(177,363)*	-	*(177,363)*
Pension liability	-	*(490,000)*	-	*(490,000)*
	79,193	*(338,148)*	*3,991,476*	*3,732,521*

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

	2018 £	*2017 £*
Net expenditure for the year (as per Statement of Financial Activities)	**(158,910)**	*(166,901)*
Adjustment for:		
Depreciation charges	**86,799**	*91,480*
(Increase)/decrease in debtors	**(72,164)**	*16,169*
Increase/(decrease) in creditors	**81,129**	*(13,924)*
Defined benefit pension scheme cost less contributions payable	**59,000**	*66,000*
Net cash used in operating activities	**(4,146)**	*(7,176)*

20. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2018 £	*2017 £*
Cash in hand	**15**	*15*
Notice deposits (less than 3 months)	**222,125**	*277,171*
Total	**222,140**	*277,186*

21. PENSION COMMITMENTS

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

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

Contributions amounting to £20,799 were payable to the schemes at 31 August 2018 *(2017 - £18,180)* and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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 £102,068 *(2017 - £92,160).*

21. PENSION COMMITMENTS (continued)

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £83,000 *(2017 - £72,000)*, of which employer's contributions totalled £64,000 *(2017 - £55,000)* and employees' contributions totalled £19,000 *(2017 - £17,000)*. The agreed contribution rates for future years are 15.1% 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.
Principal actuarial assumptions:

	2018	*2017*
Discount rate for scheme liabilities	**2.80 %**	*2.50 %*
Rate of increase in salaries	**3.60 %**	*3.60 %*
Rate of increase for pensions in payment / inflation	**2.10 %**	*2.10 %*
Inflation assumption (CPI)	**2.10 %**	*2.10 %*

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

	2018	*2017*
Retiring today		
Males	**24.1**	*24.0*
Females	**27.2**	*27.0*
Retiring in 20 years		
Males	**26.2**	*26.0*
Females	**29.4**	*29.3*

Sensitivity analysis	**At 31 August 2018 £**	*At 31 August 2017 £*
Discount rate +0.1%	**1,410,000**	*1,362,000*
Discount rate -0.1%	**1,468,000**	*1,418,000*
Mortality assumption - 1 year increase	**1,480,000**	*1,432,000*
Mortality assumption - 1 year decrease	**1,398,000**	*1,349,000*

21. PENSION COMMITMENTS (continued)

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

	Fair value at 31 August 2018 £	*Fair value at 31 August 2017 £*
Equities	**648,000**	*551,000*
Property	**70,000**	*59,000*
Government bonds	**232,000**	*223,000*
Corporate bonds	**12,000**	*10,000*
Cash and other liquid assets	**23,000**	*27,000*
Other	**29,000**	*30,000*
Total market value of assets	**1,014,000**	*900,000*

The actual return on scheme assets was £66,000 *(2017 - £120,000)*.

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

	2018 £	*2017 £*
Current service cost	**(111,000)**	*(110,000)*
Net interest cost	**(12,000)**	*(11,000)*
Total	**(123,000)**	*(121,000)*

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

	2018 £	*2017 £*
Opening defined benefit obligation	**1,390,000**	*1,286,000*
Current service cost	**111,000**	*110,000*
Interest cost	**35,000**	*26,000*
Employee contributions	**19,000**	*17,000*
Actuarial gains	**(81,000)**	*(27,000)*
Benefits paid	**(35,000)**	*(22,000)*
Closing defined benefit obligation	**1,439,000**	*1,390,000*

21. PENSION COMMITMENTS (continued)

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

	2018	*2017*
	£	*£*
Opening fair value of scheme assets	**900,000**	*730,000*
Interest income	**23,000**	*15,000*
Actuarial losses	**43,000**	*105,000*
Employer contributions	**64,000**	*55,000*
Employee contributions	**19,000**	*17,000*
Benefits paid	**(35,000)**	*(22,000)*
Closing fair value of scheme assets	**1,014,000**	*900,000*

22. OPERATING LEASE COMMITMENTS

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

	2018	*2017*
	£	*£*
Amounts payable:		
Within 1 year	**3,847**	*4,747*
Between 1 and 5 years	**3,847**	*9,304*
Total	**7,694**	*14,051*

23. RELATED PARTY TRANSACTIONS

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 10.

24. 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.