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 2017

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REFERENCE AND ADMINISTRATIVE DETAILS FOR THE YEAR ENDED 31 AUGUST 2017

Members

Mr R Johnson
Mrs G Gailor
Mr D Nice
Mr P Upward

Trustees

Mr R Clear, First governor (foundation)[1,2]
Mr R Johnson, First governor (appointed)[1]
Mr D Nice, First governor (appointed)[2,3]
Mr P Upward, First governor (appointed)[1,2]
Mrs G Gailor, First governor[2]
Rev J M Terry, Appointed governor (foundation)
Mr I Wilkie, Appointed governor (foundation)[1,2]
Mr A Beadsworth, Appointed governor (parent)
Mrs K Cumming, Appointed governor (parent)[2]
Mrs A Hughes, Appointed governor (parent)
Mr S Lowes, Appointed governor (parent) (resigned 31 August 2017)[2]
Mr P Johnson, Appointed governor (staff)[1]
Miss J Nunn, Appointed governor (staff)
Mr L Bailey, Appointed governor (appointed 10 March 2017)
Mrs K Bartlett, Appointed governor
Mr L Cutler, Appointed governor (resigned 5 December 2016)
Mrs S Evans, Appointed governor
Mrs G Pickburn, Appointed governor (resigned 13 March 2017)
Mr D Scott-Batey, Appointed governor
Ms C Turner, Appointed governor (resigned 31 August 2017)[1]
Mrs S Willoughby, Headteacher[1,2]

[1] Finance & Personnel Committee
[2] Governance & Audit Committee
[3] Internal Audit Officer

Company registered number

08153776

Company name

Hook with Warsash Church of England Academy

Principal and registered office

Church Road
Warsash
Southampton
Hampshire
SO31 9GF

Advisers (continued)

Company secretary

Mr R Wingrove

Senior management team

Mrs S Willoughby, Headteacher
Mrs C Nice, Assistant Headteacher
Mr D Trotman, Assistant Headteacher
Mrs A Willmott, Business Manager (Chief Financial Officer)

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

Details of all Governors are entered on:
- the DfE Edubase database;
- Hampshire Governor Services database;
- the Diocese of Winchester & Portsmouth Department of Education database.

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2017

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the 1 September 2016 to 31 August 2017. The 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 has a pupil capacity of 420 and had a roll of 410 in the school census in January 2017.

Structure, governance and management

Constitution

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 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 are included in the Reference and Administrative Details on Page 1.

Members' Liability

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

Trustees' 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.

Trustees' Indemnity (continued)

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. Insurance costs for 2017/18 would be 2.1% higher than in 2016/17. 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.

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 2017.

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:

- Four First or Appointed Parent Governors elected by secret ballot of parents of pupils attending the Academy;
- Nine First Governors or Governors appointed by the Members of the Academy Trust*;
- Four 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);
- Two other Appointed Staff Governors one of whom shall be a teacher, elected by secret ballot of the staff of the Academy

Vacancies for Appointed Governors are advertised on both the Academy and the Church website. 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 SGOSS - Governors for Schools and Inspiring Governance, with variable results.

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 2015/16;
- Governing Body Officers 2015/16;
- Governing Body Terms of Reference 2015/16;
- Governing Body Policies;
- Financial Roles and Responsibilities;
- Guidance on Visits to the Academy by Governors;
- Meeting Dates 2016/17;
- Governing Body Cycle of Business 2016/17;
- 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 Governor Training provided by Hampshire County Council (HCC), including ELC and Modern Governor on-line training. 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). Mr Roger Clear (Vice Chair) and Mr Peter Upward (Chair) are 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

A fourth additional committee – Marketing – continued to meet during 2016/17. However, the Full Governing Body, at its meeting on 7 September 2017, agreed to disband this committee.

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.

Organisational Structure (continued)

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.

Risk Management

The Business Continuity Plan, reviewed in September 2016 and the Risk Register, reviewed in November 2016, 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. The effectiveness of the Business Continuity Plan was tested by Governors in a desktop 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.

In addition, the Trustees understand the further risks inherent in:

- not maintaining a full pupil roll at the Academy (as of 1 September 2017, the Academy is oversubscribed).
- 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;
- 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;
- funds are only utilised for major development after proposals have been closely scrutinised by either the Pupils 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.

Strategic report

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 2016 – July 2017
The Strategic Plan 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 least as meeting the appropriate end of year Age Related Expectations (ARE) and are aware of what they need to do in order to progress. In particular:

- Ensure the expected floor standards for each year group as agreed at Performance Management target setting
- Children develop an understanding of what 'Mastery' looks like at each age related level
- Increase the percentage of pupils making expected and better than expected progress in reading, writing and maths as agreed at Performance Management target setting
- Narrow the gender gaps in progress so that both groups make equally strong progress
- Narrow the gap in achievement for pupils with Pupil Premium so that it is in line with non-FSM pupils in the school
- Narrow the gap between achievement of SEN pupils in the school and SEN pupils nationally, especially in reading and maths

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:

- Ensuring 'active assessment' within Maths lessons is moving pupils' forward in their learning including the use of 'pre-teaching';
- Developing an 'active assessment' approach with English through coaching with the SLT;
- Encouraging pupils to reflect on their own learning and embed the use of the marking code within books to avoid lengthy comments;
- Ensuring high quality texts are used frequently across the school to improve the quality of writing and reading depth.
- Improving spelling across the school.

With regard to the Quality of school leadership and management (including Governors)
To improve leadership and management so that:

- Monitoring and evaluation is rigorous and key milestones are on track term by term to achieve July 2017 outcomes
- Core subject leaders lead on school improvement actions in their areas and are able to evidence measurable impact on teaching and learning and pupils' progress
- Governors play a full and active role in the school self-evaluation process and are able to provide evidence of triangulation of monitoring and progress towards milestones that is on track to reach July 2017 outcomes

Subsequent to the agreement of the Strategic Plan 2016/17, the Governance & Audit Committee prepared a Governors' Appendix to the Plan which identified the following non-curricular priorities for 2016-19:

With regard to Sites & Buildings
To improve Site Security by:

- redeveloping the Main Entrance;
- upgrading site fencing;
- refurbishing Early Years perimeter fencing.

To improve ICT provision by:

- upgrading the ICT infrastructure;
- developing the ICT suite as a usable space.

To develop the building by:

- developing a new block of toilets for Year R;
- refurbishing the existing infant toilets.

With regard to Community Links

- further develop cluster school initiatives;
- develop environmental area to increase community use;
- develop further Church/School links, including:
    1. Linking songs/hymns;
    2. Sea Sunday.

With regard to Pupil Voice

- the School Council to set priority projects and instigate fund raising initiatives to achieve them;
- the Collective Worship Council to develop themes for worship;
- the introduction of Restorative Justice procedures to resolve relationship issues at playtime and lunchtime.

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.

This process contributed to Governors' triangulation within the monitoring process, as did visits by Mr Ian Troup, HCC, in March and May 2017, during which he had met with the SLT and Governors and challenged both the Self-Evaluation Form and the progress of the Strategic Plan, 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 2017, members of the Governance & Audit Committee met with the SLT to establish the parameters of the Strategic Plan 2017/18.

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.

Strategic report

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
National Good Learning Development (GLD) expectation 77% (75%)

Subject	GLD+	Exceeding
Reading	87% (90%)	18% (20%)
Writing	77% (75%)	15% (3%)
Number	92% (85%)	22% (10%)

Figures in brackets are for 2016

Phonics Screening
93% of pupils in Year 1 passed. Of the 7 pupils in Year 2 who had resat, having not passed in Year 1 in 2016, 5 had passed. The National pass rate in 2016 was 74% and in Hampshire 75%.

Key Stage 1 Teacher Assessment

Subject	Working below ARE	National Average ARE + (2016)	Age Related Expectation (ARE) +	Working above ARE	National Average above ARE (2016)
Reading	15% (20%)	74%	85% (80%)	35% (27%)	24%
Writing	27% (23%)	65%	73% (77%)	15% (18%)	13%
Maths	20% (18%)	73%	80% (82%)	15% (17%)	15%

Figures in brackets are for 2016

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 2017 available relating to Key Stage 1 Assessment.

Achievements and performance (continued)

Key Stage 2 test result data is not fully confirmed as some papers had been sent for remarking and there had not, at the time of writing, been any notification of the threshold for pupils working at above ARE (high). 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 2016 threshold)**	**National Average above ARE (2016)**
Reading*	18% (20%) TA 7%	71%	82% (80%) TA 93%	21% (27%)	19%
Writing	7% (17%) TA 7%	76%	93% (83%) TA 93%	29% (20%) TA 29%	15%
SPaG	13% (13%)	77%	87% (87%)	28% (28%)	22%
Maths	14% (10%) TA 13%	75%	86% (90%) TA 87%	32% (27%)	17%

*the threshold in the Reading test was raised Nationally by 10% after the Teacher Assessments had been completed.

<u>Floor Standard</u>

National 2016	65%
Academy 2017	77%

<u>Average Scaled Score 2017</u>

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

<u>Disadvantaged Pupils</u>
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 80 % (4/5) of disadvantaged pupils achieved at least ARE in all four subject areas. The pupil who did not achieve ARE had entered Key Stage 2 at a very low level and had made outstanding progress.

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

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', except for one issue which was subsequently resolved

Achievements and performance (continued)

Triangulated Data related to Teaching
Based on the SLT's Learning Walks, Work Scrutiny and Lesson Observations, comparative overall data for teaching for December 2016 and July 2017 was as follows:

Date	Good	Outstanding
December 2016	86%	14%
July 2017	60%	33%

- the robust Strategic Plan, which continued to address issues related to pupil progress and its impact 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 planning for a Tuck Shop – an initiative led by the School Council;
- 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 office space and teachers' preparation facilities, thus improving the efficiency and effectiveness of the Academy (see Objectives, Strategies and Activities above);
- the development of a new Academy website to improve communication with stakeholders;
- the development on the website of Governors' Portal to increase the efficiency of Governance;
- the significant over-subscription of parents applying for places for their children in Year R for September 2017.

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.

Key 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 Training and Development Governor carried out a detailed skills audit in February 2017 and the conclusion was that there were no significant gaps in the sills set of the Governing Body, including those related to financial control.

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 £91,755, was reduced through the year to deficit of £1,725 (excluding restricted pension reserve), whilst a significant number of the developments and refurbishments identified as part of the Governors' Appendix to the Strategic Plan were completed.

The Academy trust has £100,000 invested in Lloyds Bank on a 32-day renewable basis (current balance with interest £101,167). At its meeting on 17 November 2016 the Finance & Personnel Meeting agreed that an additional £100,000 should be transferred to a one-year bond with a yield of 0.90%. The Committee will review its investment position at its meeting on 5 October 2017.

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 installation of LED lighting throughout the Academy buildings;
  - 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.

Reserves Policy (continued)

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 2017 were £3,732,521, including restricted funds, not available for general purposes of £3,653,328. The balance on restricted general funds (excluding pension reserve) is £151,852 and the balance on unrestricted funds is £79,193, giving total restricted and unrestricted income funds of £231,045.

The projected revenue deficit on the 1 September 2017 to 31 August 2018 budget is £144,273, giving a cumulative surplus (balance in hand) of £86,772.

The budget set supports the priorities identified in the Strategic Plan 2017/18 and it should be noted that the planned expenditure includes £76,680 for the building of a new, much needed, toilet block for Reception pupils. The current provision is inadequate and the Academy submitted applications for a Condition Improvement Fund Grant to meet this need in 2015/16 and 2016/17 and on both occasions were unsuccessful. The intention of the Governing Body is that a further application will be made in November 2017, which will include an element of match funding. A decision on whether or not to go ahead with the project, regardless of the success or otherwise of the application, will be made when the budget is revised in January 2018.

No fund is materially in deficit.

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 £200,000 is invested with Lloyds Bank (see above). It is anticipated that all investments will be tied to the bank that the Academy Trust chooses to hold and manage its cash balances.

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. The principal risk to the Academy pertains to pupil numbers as its income is dependent on the number of pupils on roll. The Governing Body had identified the Year R intake of September 2017 as one where an issue could arise. However, this proved not to be the case and the Academy was oversubscribed 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, and has kept this under review.

The Governing Body is also concerned by the implications of any underfunded National Teacher's Pay Award.

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 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 reduction in financial allocation to the Academy.

The Sites & Buildings Committee will oversee the agreed further development programme to maximise the quality of the site as a learning environment.

The Energy Working Group will work with the pupils and staff of the Academy to promote energy efficiency.

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.

The Trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 11 December 2017 and signed on its behalf by:

P. W. Upward

Mr P Upward
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 seven times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

	Meeting attended	**Out of**
Miss Julie Nunn	7	7
Mr Peter Upward	7	7
Mrs Sara Willoughby	7	7
Mrs Gillian Gailor	7 (1 by proxy)	7
Mrs Alexandra Hughes	7 (1 by proxy)	7
Mr Paul Johnson	7 (1 by proxy)	7
Mr Darren Nice	7 (1 by proxy)	7
Rev John Michael Terry	7 (1 by proxy)	7
Mr Iain Wilkie	7 (1 by proxy)	7
Mrs Kate Bartlett	7 (2 by proxy)	7
Mr Richard Johnson	7 (2 by proxy)	7
Mrs Katherine Cumming	7 (3 by proxy)	7
Mrs Sandra Evans	6	7
Mr Roger Clear	6 (1 by proxy)	7
Mrs Gillian Pickburn	6 (2 by proxy)	6
Mr David Scott-Batey	6 (2 by proxy)	7
Mr Simon Lowes	4 (2 by proxy)	7
Ms Clare Turner	3 (1 by proxy)	7
Mr Andrew Beadsworth	3 (2 by proxy)	7
Mr Luke Bailey	2	3
Mr Lee Cutler	0	3

The overall attendance rate at Full Governing Body Meetings was 86.7%.

Governance (continued)

At the General Meeting of the Members of the Trust held on 7 September 2017, members discussed the attendance record of the Governing Body and the Chair of Governors contacted Governors whose attendance was causing concern.

Mr Lee Cutler resigned as a Governor on 5 December 2016 due to business commitments, after 15 years as a Governor. Mrs Gillian Pickburn stepped down from the Governing Body on 13 March 2017 at the end of her term. Mr Simon Lowes and Ms Clare Turner resigned as Governors on 31 August 2017, due to work commitments.

Mr Luke Bailey was appointed as Governor on 10 March 2017 and joined the Sites & Buildings Committee. Mr Nick St John was appointed as a Foundation Governor on 6 July 2017, to take up is position on 7 September 2017, from which date Mr Peter Upward became an Appointed Governor and Mr Roger Clear became the Foundation Member of the Trust.

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
Mr Iain Wilkie	6	6
Mrs Sara Willoughby	6	6
Mr Roger Clear	6 (1 by proxy)	6
Mr Richard Johnson	6 (2 by proxy)	6
Mr Darren Nice	5 (1 by proxy)	6
Ms Clare Turner	2	6
Mr Paul Johnson	2 (1 by proxy)	6

The overall attendance rate at Finance & Personnel Committee Meetings was 83.0%.

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;
- meeting with the external auditor, if required;
- 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 Katherine Cumming, Chair of the Marketing Committee
Mrs Gillian Gailor, Chair of the Pupil Discipline, Curriculum & Early Years Committee
Mr Simon Lowes, Chair of the Sites & Buildings Committee
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 29 September 2016, the Committee reviewed the Structure and Effectiveness of the Governing Body and found that, "the current structure was effective and served the needs of the Governing Body and the Academy. However, it noted that the circumstances of some Governors had changed making it more difficult, at times, for them to attend as much as they had in the past"
- at its meeting on 16 March 2017, the Committee again reviewed the Committee Structure and concluded that it should be maintained at present; it encouraged all Governors to play a full part in monitoring the activities of the Academy; it noted with some satisfaction the breadth shown by the Skills Audit.

The Committee will carry out a further review of Effectiveness at its meeting on 5 October 2017.

Internal audit responsibilities were carried rigorously. The Internal Audit Officer visited the Academy regularly to carry out appropriate checks and was assisted by two 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:

- 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 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 2016 to 31 August 2017 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 2016 to 31 August 2017 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 Trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular it includes:

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- regular reviews by the finance and general purposes 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 Darren Nice MBA, FCCA, a trustee and certified accountant, as Responsible Officer.

The Responsible Officer's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems, in accordance with a published programme, including 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 Responsible Officer is supported by the Chair and other members of the Finance & Personnel Committee thus ensuring:

- the widest possible coverage;
- an ever increasing awareness of financial systems on the part of members of the Committee.

Twice a term, the Responsible Officer reports to the Finance & Personnel Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

During 2016/17 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 2017 to 31 August 2018 to take the following steps to strengthen the levels of internal control:

- in accordance with DfE guidelines, to seek to appoint 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"

GOVERNANCE STATEMENT (continued)

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 auditor;
- the financial management and governance self-assessment process;
- the work of the Business Manager (Chief Financial Officer) within the Academy Trust who has 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 & Personnel Committee and plans to ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 11 December 2017 and signed on their behalf, by:

P. W. Upward

Mr P Upward
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 and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2016.

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 2016.

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: 11 December 2017

STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE YEAR ENDED 31 AUGUST 2017

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 and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the 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 2016 to 2017;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 11 December 2017 and signed on its behalf by:

P. W. Upward
....

Mr P Upward
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 for the year ended 31 August 2017 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'.

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 Auditor's 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.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2017 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 2016 to 2017 issued by the Education and Skills Funding Agency.

BASIS OF 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 Auditor's 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 Auditor's report thereon. Our opinion on the financial statements does not cover the 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 which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report and the Strategic report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of our knowledge and understanding of the 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' remunerations specified by law 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's or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S 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 Auditor's 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. The description forms part of our Auditor's report.

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: 18 December 2017

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

In accordance with the terms of our engagement letter dated 4 September 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, 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 2016 to 31 August 2017 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 2016, 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 2016 to 2017. 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 2016 to 31 August 2017 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 2016 to 2017 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 AND 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 2016 to 31 August 2017 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: 18 December 2017

STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2017

	Note	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	*Total funds 2016 £*
INCOME FROM:						
Donations and capital grants	2	-	32,141	12,081	44,222	*65,843*
Charitable activities	3	-	1,545,212	-	1,545,212	*1,564,821*
Other trading activities	4	7,822	-	-	7,822	*9,527*
Investments	5	541	-	-	541	*1,201*
TOTAL INCOME		8,363	1,577,353	12,081	1,597,797	*1,641,392*
EXPENDITURE ON:						
Charitable activities		-	1,653,441	111,257	1,764,698	*1,726,358*
TOTAL EXPENDITURE	6	-	1,653,441	111,257	1,764,698	*1,726,358*
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS		8,363	(76,088)	(99,176)	(166,901)	*(84,966)*
Transfers between Funds	16	-	(9,368)	9,368	-	*-*
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES		8,363	(85,456)	(89,808)	(166,901)	*(84,966)*
Actuarial gains/(losses) on defined benefit pension schemes	20	-	132,000	-	132,000	*(256,000)*
NET MOVEMENT IN FUNDS		8,363	46,544	(89,808)	(34,901)	*(340,966)*
RECONCILIATION OF FUNDS:						
Total funds brought forward		70,830	(384,692)	4,081,284	3,767,422	*4,108,388*
TOTAL FUNDS CARRIED FORWARD		79,193	(338,148)	3,991,476	3,732,521	*3,767,422*

The notes on pages 33 to 52 form part of these financial statements.

HOOK WITH WARSASH CHURCH OF ENGLAND ACADEMY
(A company limited by guarantee)
REGISTERED NUMBER: 08153776

BALANCE SHEET
AS AT 31 AUGUST 2017

	Note	£	2017 £	£	2016 £
FIXED ASSETS					
Tangible assets	12		**3,980,998**		*4,063,110*
CURRENT ASSETS					
Debtors	13	**41,700**		*57,869*	
Investments	14	**100,000**		-	
Cash at bank and in hand		**277,186**		*393,730*	
		418,886		*451,599*	
CREDITORS: amounts falling due within one year	15	**(177,363)**		*(191,287)*	
NET CURRENT ASSETS			**241,523**		*260,312*
TOTAL ASSETS LESS CURRENT LIABILITIES			**4,222,521**		*4,323,422*
Defined benefit pension scheme liability	20		**(490,000)**		*(556,000)*
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			**3,732,521**		*3,767,422*
FUNDS OF THE ACADEMY					
Restricted income funds:					
Restricted income funds	16	**151,852**		*171,308*	
Restricted fixed asset funds	16	**3,991,476**		*4,081,284*	
Restricted income funds excluding pension liability		**4,143,328**		*4,252,592*	
Pension reserve		**(490,000)**		*(556,000)*	
Total restricted income funds			**3,653,328**		*3,696,592*
Unrestricted income funds	16		**79,193**		*70,830*
TOTAL FUNDS			**3,732,521**		*3,767,422*

The financial statements on pages 30 to 52 were approved by the Trustees, and authorised for issue, on 11 December 2017 and are signed on their behalf, by:

P.W. Upward
....
Mr P Upward
Chair of Trustees

The notes on pages 33 to 52 form part of these financial statements.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2017

	Note	2017 £	2016 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	18	**(7,176)**	*30,136*
Cash flows from investing activities:			
Purchase of tangible fixed assets		**(9,368)**	*(48,747)*
Purchase of short term investments		**(100,000)**	-
Net cash used in investing activities		**(109,368)**	*(48,747)*
Change in cash and cash equivalents in the year		**(116,544)**	*(18,611)*
Cash and cash equivalents brought forward		**393,730**	*412,341*
Cash and cash equivalents carried forward	19	**277,186**	*393,730*

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 2016 to 2017 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 the Department for Education where the asset acquired or created is held for a specific purpose.

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

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
Fixtures and fittings	-	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.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of financial activities incorporating income and expenditure account.

1. ACCOUNTING POLICIES (continued)

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.

1.8 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. ACCOUNTING POLICIES (continued)

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 note 15. 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.

1.13 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 20, 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 20, 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 2017. 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	*Total funds 2016 £*
Donations	-	32,141	-	32,141	*46,752*
Capital grants	-	-	12,081	12,081	*19,091*
	-	32,141	12,081	44,222	*65,843*
Total 2016	-	*46,752*	*19,091*	*65,843*	

3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	*Total funds 2016 £*
DfE/ESFA grants				
General Annual Grant (GAG)	-	1,324,915	1,324,915	*1,339,148*
DfE/ESFA other grants	-	110,622	110,622	*131,898*
	-	1,435,537	1,435,537	*1,471,046*
Other government grants				
Local authority grants	-	9,343	9,343	-
	-	9,343	9,343	-
Other funding				
Trip income	-	47,917	47,917	*45,511*
Tuition fee income	-	11,989	11,989	*9,838*
Catering income	-	38,204	38,204	*34,020*
Other income	-	2,222	2,222	*4,406*
	-	100,332	100,332	*93,775*
	-	1,545,212	1,545,212	*1,564,821*
Total 2016	-	*1,564,821*	*1,564,821*	

4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	*Total funds 2016 £*
Lettings	**6,004**	**-**	**6,004**	*5,974*
Sale of goods and services	**1,818**	**-**	**1,818**	*3,553*
	7,822	**-**	**7,822**	*9,527*
Total 2016	*9,527*	*-*	*9,527*	

5. INVESTMENT INCOME

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	*Total funds 2016 £*
Bank interest	**541**	**-**	**541**	*1,201*
Total 2016	*1,201*	*-*	*1,201*	

6. EXPENDITURE

	Staff costs 2017 £	Premises 2017 £	Other costs 2017 £	Total 2017 £	*Total 2016 £*
Academy's educational operations:					
Direct costs	965,417	-	165,800	1,131,217	*1,138,441*
Support costs	229,390	149,972	254,119	633,481	*587,917*
	1,194,807	149,972	419,919	1,764,698	*1,726,358*
Total 2016	*1,129,614*	*167,803*	*428,941*	*1,726,358*	

7. ANALYSIS OF SUPPORT COSTS

	Academy trust educational £	Total 2017 £	*Total 2016 £*
Technology costs	13,099	13,099	*5,529*
Premises costs	149,972	149,972	*167,803*
Governance costs	7,460	7,460	*7,650*
Other costs	142,080	142,080	*152,115*
Wages and salaries	134,299	134,299	*130,857*
National insurance	7,180	7,180	*5,058*
Pension cost	87,911	87,911	*41,452*
Depreciation	91,480	91,480	*77,453*
	633,481	633,481	*587,917*
At 31 August 2016	*587,917*	*587,917*	

8. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2017 £	*2016 £*
Depreciation of tangible fixed assets:		
- owned by the charity	91,480	*77,453*
Auditors' remuneration - audit	4,940	*4,795*
Auditors' remuneration - other services	2,630	*2,615*
Operating lease rentals	6,130	*6,449*

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

9. STAFF COSTS

Staff costs were as follows:

	2017 £	2016 £
Wages and salaries	918,749	912,599
Social security costs	76,331	63,659
Operating costs of defined benefit pension schemes	199,727	153,356
	1,194,807	1,129,614

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

	2017 No.	2016 No.
Teachers	15	18
Admin/Support	46	42
Senior Management Team	3	3
	64	63

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

	2017 No.	2016 No.
In the band £60,001 - £70,000	1	1

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 £187,299 (2016: £165,788).

10. TRUSTEES' REMUNERATION AND EXPENSES

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

		2017 £'000	*2016 £'000*
A total of three (2016: three) staff governors	Remuneration	110-115	*100-105*
	Pension contributions paid	15-20	*15-20*

During the year ended 31 August 2017, no Trustees received any reimbursement of expenses (2016 - £NIL to # Trustees).

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 2017 was £884 *(2016 - £884).*

12. TANGIBLE FIXED ASSETS

	Long-term leasehold property £	Fixtures and fittings £	Computer equipment £	Total £
Cost				
At 1 September 2016	4,276,000	26,000	86,687	4,388,687
Additions	-	-	9,368	9,368
At 31 August 2017	4,276,000	26,000	96,055	4,398,055
Depreciation				
At 1 September 2016	266,560	20,800	38,217	325,577
Charge for the year	66,640	5,200	19,640	91,480
At 31 August 2017	333,200	26,000	57,857	417,057
Net book value				
At 31 August 2017	3,942,800	-	38,198	3,980,998
At 31 August 2016	*4,009,440*	*5,200*	*48,470*	*4,063,110*

13. DEBTORS

	2017 £	2016 £
Other debtors	-	8,805
Prepayments and accrued income	25,916	23,105
Tax recoverable	15,784	25,959
	41,700	57,869

14. CURRENT ASSET INVESTMENTS

	2017 £	2016 £
Short term deposits	100,000	-

15. CREDITORS: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	50,233	96,706
Other taxation and social security	19,071	19,499
Other creditors	18,190	18,879
Accruals and deferred income	89,869	56,203
	177,363	191,287

	2017 £	2016 £
Deferred income		
Deferred income at 1 September 2016	47,413	56,192
Resources deferred during the year	48,362	47,413
Amounts released from previous years	(47,413)	(56,192)
Deferred income at 31 August 2017	48,362	47,413

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 2017/18.

16. STATEMENT OF FUNDS

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
Unrestricted funds						
Reserves	70,830	8,363	-	-	-	79,193

Restricted funds

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
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 educational activities	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

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
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 project	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

16. STATEMENT OF FUNDS (continued)

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 September 2015 £	*Income* £	*Expenditure* £	*Transfers in/out* £	*Gains/ (Losses)* £	*Balance at 31 August 2016* £
Unrestricted funds						
Reserves	60,102	10,728	-	-	-	70,830
	60,102	10,728	-	-	-	70,830

Restricted funds

	Balance at 1 September 2015 £	*Income* £	*Expenditure* £	*Transfers in/out* £	*Gains/ (Losses)* £	*Balance at 31 August 2016* £
General Annual Grant (GAG)	-	1,339,148	(1,339,148)	-	-	-
Pupil premium	-	50,877	(50,877)	-	-	-
Other DfE/ESFA grants	-	81,021	(81,021)	-	-	-
Other educational activities	163,996	140,527	(88,618)	(44,597)	-	171,308
Pension reserve	(279,000)	-	(21,000)	-	(256,000)	(556,000)
	(115,004)	1,611,573	(1,580,664)	(44,597)	(256,000)	(384,692)

Restricted fixed asset funds

	Balance at 1 September 2015 £	*Income* £	*Expenditure* £	*Transfers in/out* £	*Gains/ (Losses)* £	*Balance at 31 August 2016* £
Fixed asset fund	4,091,816	7,996	(77,453)	40,751	-	4,063,110
Devolved formula capital	9,457	11,095	(10,478)	3,846	-	13,920
Roof project	30,997	-	(27,206)	-	-	3,791
Extractor fan	31,020	-	(30,557)	-	-	463
	4,163,290	19,091	(145,694)	44,597	-	4,081,284
Total restricted funds	4,048,286	1,630,664	(1,726,358)	-	(256,000)	3,696,592
Total of funds	4,108,388	1,641,392	(1,726,358)	-	(256,000)	3,767,422

16. 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. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	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 reserve	-	(490,000)	-	(490,000)
	79,193	(338,148)	3,991,476	3,732,521

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS (continued)

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds	*Restricted funds*	*Restricted fixed asset funds*	*Total funds*
	2016	*2016*	*2016*	*2016*
	£	*£*	*£*	*£*
Tangible fixed assets	*-*	*-*	*4,063,110*	*4,063,110*
Current assets	*70,830*	*362,595*	*18,174*	*451,599*
Creditors due within one year	*-*	*(191,287)*	*-*	*(191,287)*
Provisions for liabilities and charges	*-*	*(556,000)*	*-*	*(556,000)*
	70,830	*(384,692)*	*4,081,284*	*3,767,422*

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

	2017	*2016*
	£	*£*
Net expenditure for the year (as per Statement of Financial Activities)	**(166,901)**	*(84,966)*
Adjustment for:		
Depreciation charges	**91,480**	*77,453*
Decrease/(increase) in debtors	**16,169**	*(23,218)*
(Decrease)/increase in creditors	**(13,924)**	*39,867*
Defined benefit pension scheme cost less contributions payable	**66,000**	*21,000*
Net cash (used in)/provided by operating activities	**(7,176)**	*30,136*

19. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2017	*2016*
	£	*£*
Cash in hand	**15**	*15*
Notice deposits (less than 3 months)	**277,171**	*393,715*
Total	**277,186**	*393,730*

20. 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 £18,180 were payable to the schemes at 31 August 2017 *(2016 - £18,859)* 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 (currently 14.1%)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS 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.

20. PENSION COMMITMENTS (continued)

The employer's pension costs paid to TPS in the period amounted to £92,160 *(2016 - £93,801).*

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2017 was £72,000 *(2016 - £66,000)*, of which employer's contributions totalled £55,000 *(2016 - £50,000)* and employees' contributions totalled £17,000 *(2016 - £16,000)*. The agreed contribution rates for future years are 13.1% 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:

	2017	*2016*
Discount rate for scheme liabilities	**2.50 %**	*2.00 %*
Rate of increase in salaries	**3.60 %**	*3.50 %*
Rate of increase for pensions in payment / inflation	**2.10 %**	*2.00 %*
Inflation assumption (CPI)	**2.10 %**	*2.00 %*

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

	2017	*2016*
Retiring today		
Males	**24.0**	*24.6*
Females	**27.0**	*26.4*
Retiring in 20 years		
Males	**26.0**	*26.7*
Females	**29.3**	*28.7*

Sensitivity analysis	**At 31 August 2017 £**	*At 31 August 2016 £*
Discount rate +0.1%	**1,362,000**	*1,262,000*
Discount rate -0.1%	**1,418,000**	*1,310,000*
Morality assumption - 1 year increase	**1,349,000**	*1,245,000*
Morality assumption - 1 year decrease	**1,432,000**	*1,327,000*

20. PENSION COMMITMENTS (continued)

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

	Fair value at 31 August 2017 £	*Fair value at 31 August 2016 £*
Equities	**551,000**	*414,000*
Property	**59,000**	*54,000*
Government bonds	**223,000**	*192,000*
Corporate bonds	**10,000**	*13,000*
Cash and other liquid assets	**27,000**	*38,000*
Other	**30,000**	*19,000*
Total market value of assets	**900,000**	*730,000*

The actual return on scheme assets was £120,000 *(2016 - £119,000).*

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

	2017 £	*2016 £*
Current service cost	**(110,000)**	*(61,000)*
Net interest cost	**(11,000)**	*(10,000)*
Total	**(121,000)**	*(71,000)*

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

	2017 £	*2016 £*
Opening defined benefit obligation	**1,286,000**	*843,000*
Current service cost	**110,000**	*61,000*
Interest cost	**26,000**	*32,000*
Employee contributions	**17,000**	*16,000*
Actuarial (gains)/losses	**(27,000)**	*353,000*
Benefits paid	**(22,000)**	*(19,000)*
Closing defined benefit obligation	**1,390,000**	*1,286,000*

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

20. PENSION COMMITMENTS (continued)

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

	2017	2016
	£	£
Opening fair value of scheme assets	730,000	564,000
Interest income	15,000	22,000
Actuarial losses	105,000	97,000
Employer contributions	55,000	50,000
Employee contributions	17,000	16,000
Benefits paid	(22,000)	(19,000)
Closing fair value of scheme assets	900,000	730,000

21. OPERATING LEASE COMMITMENTS

At 31 August 2017 the total of the Academy trust's future minimum lease payments under non-cancellable operating leases was:

	2017	2016
	£	£
Amounts payable:		
Within 1 year	4,747	5,167
Between 1 and 5 years	9,304	124
Total	14,051	5,291

22. 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.

23. 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.