Registered 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 2016

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REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 AUGUST 2016

Members

Mrs E Dannan (resigned 30 March 2016)
Mr R Johnson
Mrs G Gailor
Mr D Nice
Mr P Upward (Foundation)

Trustees

Mr R Clear, First governor (foundation)[1,2]
Mr P Upward, First governor (foundation)[1,2]
Mr D Nice, First governor (appointed)[2]
Mr R Johnson, First governor (appointed)[1]
Mrs E Dannan, First governor (resigned 30 March 2016)
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)[2]
Mr A Youp, Appointed governor (parent) (resigned 17 March 2016)[2]
Mr P Johnson, Appointed governor (staff)[1]
Miss R Nunn, Appointed governor (staff)
Ms K Bartlett, Appointed governor (appointed 4 June 2016)
Mr L Cutler, Appointed governor
Ms S Evans, Appointed governor (appointed 4 June 2016)
Mrs G Pickburn, Appointed governor
Mr D Scott-Batey, Appointed governor
Ms C Turner, Appointed governor[1]
Mrs S Willoughby, Headteacher[1,2]

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

Company registered number

08153776

Company name

Hook with Warsash Church of England Academy

Principal and registered office

Church Road
Warsash
Southampton
Hampshire
SO31 9GF

REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2016

Advisers (continued)

Company secretary

Mr R Wingrove

Senior management team

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

Independent auditors

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

Bankers

Lloyds Bank PLC
43 West Street
Fareham
Hampshire
PO16 0BE

Solicitors

Paris Smith LLP
1 London Road
Southampton
Hampshire
SO15 2AE

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 2016

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2015 to 31 August 2016. 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 414 in the school census in January 2016.

Structure, governance and management

Constitution

The Academy is a charitable 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 are also the directors of the charitable company for the purpose of company law.

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.

At its meeting on 29 September 2016, the Finance & Personnel Committee again considered the Risk Protection Arrangement to provide insurance cover. It noted that although this appeared to be a cheaper option, it would be necessary to purchase a number of additional policies to provide complete cover. Furthermore, Bluefin had reduced its premiums as a result of competition from the RPA. Insurance costs for 2016/17 would be marginally higher than for 2015/16 as business cover for staff cars had been purchased. It was greed 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.

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:

- 4 First or Appointed Parent Governors elected by secret ballot of parents of pupils attending the Academy;
- 9 First Governors or Governors appointed by the Members of the Academy Trust*;
- 4 First or Appointed Foundation Governors (1 of whom is, ex officio, the incumbent), nominated by the Portsmouth Diocesan Board of Education and appointed by the Foundation Members of the Academy Trust;
- the Headteacher (ex officio);
- 2 other Appointed Staff Governors one of whom shall be a teacher, elected by secret ballot of the staff of the Academy

*At an Extraordinary General Meeting held on 17 March 2016, the Members of the Trust upheld a recommendation, made by the Full Governing Body at its meeting also held on 17 March 2016, to reduce the number of elected Parent Governors from six to four. The decision was made in order to:

- create a better balance of membership of the Full Governing Body: a number of Governors other than Parent Governors, being parents of pupils at the Academy;
- ensure that newly appointed Governors both understood the level of commitment required and could contribute to the skills balance of the Governing Body;
- embed the principle of filling skills gaps’

Further to this decision, two vacancies were advertised locally and two appointments made from a shortlist of five.

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 it 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 four additional committees that meet at least once a term:

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

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

An Energy Working Party was established during the Summer Term 2015 to make recommendations regarding energy efficiency to the Full Governing Body. It has no delegated powers. In the event this Working Party met once only, in November 2015, making the recommendation not to pursue the installation of Solar Panels and was then disbanded.

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, and 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 £1000 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;

Organisational Structure (continued)

- 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'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 Janaury.

Risk Management

The Business Continuity Plan, currently under review, 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. Following review of the Business Continuity Plan, its effectiveness will be tested by a series of desk-top simulation exercise, led by the Responsible Officer.

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

Consequently:
- the Marketing Committee develops ongoing strategies to promote the Academy;
- 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.

Objectives and Activities

Objects and Aims

• 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 2015 – July 2016
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:

- ensuring 85% of children meet the expected floor standards for each year group;
- ensuring that children develop an understanding of what 'Mastery' looks like at each age related level;
- increasing the percentage of pupils making better than expected progress in reading, writing and maths;
- narrowing the gender gaps in progress so that both groups make equally strong progress;
- narrowing the gap in achievement for pupils with Pupil Premium so that it is in line with non-FSM pupils in the school;
- narrowing 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 a 'prove it' approach to teaching is developed within English and maths;
- ensuring all pupils make progress that is at least good and an increasing percentage over the year make outstanding progress;
- ensuring all pupils are aware of what they need to do in order to progress and that there is evidence of marking and feedback (which is evidently done during lessons) in all books that shows how this is achieved within lessons;
- increasing the percentage of good or better teaching over the course of the year so that all teaching is at least good across all subjects, with an increasing number of outstanding lessons each term.

With regard to the quality of Academy 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 2016 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 2016 outcomes.

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

The Governors' Monitoring Plan continued to be strengthened 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;

thus ensuring that all Governors were able to play a full part in holding the Academy to account for its success.

This process contributed to Governors' triangulation within the monitoring process.

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 and Key Stage 2 SATs results and includes the outcomes for Pupil Premium/SEND pupils.

At **Key Stage 1**, the Academy significantly out-performed the National result in Reading, Writing and Mathematics and equalled the Hampshire result in Reading, while significantly out-performing the Hampshire result in Writing and Mathematics.

Percentage of pupils at least reaching the age related expectation - 2016

Subject	**National**	**Hampshire**	**Hook-with-Warsash**
Reading	74	80	80
Writing (TA)	65	70	77
Mathematics	72	77	82
Combined Result	60	66	68

At **Key Stage 2**, the Academy out-performed the Hampshire result in Writing and significantly out-performed both the National and Hampshire results in all other areas.

Percentage of pupils at least reaching the age related expectation - 2016

Subject	**National**	**Hampshire**	**Hook-with-Warsash**
Reading	66	71	80
Writing (TA)	74	80	83
SpaG	72	74	87
Mathematics	70	71	90
Combined Result	53	59	75

It is not possible, at the time of the writing of this report, to comment on the percentage of pupils who are beyond their age related expectations as there is insufficient information on how this should be calculated. Itis also not possible to give any indication about the results in terms of Pupil Progress. This will only be possible after the release of Raise on-line data in November.

With regard to the attainment of Looked-after Children; Free School Meal Pupils; Children of Service Personnel, that in all areas, the number of pupils involved was very small.

Achievements and performance (continued)

At **Key Stage 1**

FSM – 1 pupil (also on SEN register)

Subject	Percentage of pupils at least reaching the age related expectation - 2016
Reading	0
Writing	0
Mathematics	0

Children of Service Personnel – 2 pupils (1 also on SEN register)

Subject	Percentage of pupils at least reaching the age related expectation - 2016
Reading	100
Writing	50
Mathematics	0

SEN – 8 pupils

Subject	Percentage of pupils at least reaching the age related expectation - 2016
Reading	25
Writing	13
Mathematics	25

There were no Looked-after Children.

At **Key Stage 2**

FSM – 4 pupils (1 also on SEN register and disapplied from English SATs)

Subject	Percentage of pupils at least reaching the age related expectation - 2016
Reading	75*
Writing	75*
SpaG	75*
Mathematics	100

*100% if disapplied pupil not included.

Children of Service Personnel – 4 pupils (1 also on SEN register)

Subject	Percentage of pupils at least reaching the age related expectation - 2016
Reading	100
Writing	100
SpaG	100
Maths	75

SEN – 7 pupils (2 disapplied from English SATs and 1 from mathematics)

Subject	Percentage of pupils at least reaching the age related expectation - 2016
Reading	29* (40)
Writing	14* (20)
SpaG	29* (40)
Mathematics	29* (33)

*Percentages is disapplied pupils not included.

There were no Looked-after Children.

Achievements and performance (continued)

Other areas of success during the year included:

- the quality of leadership of Academy development given by the Senior Leadership Team;
- the more 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’:
- 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 erection of a Friendship Tree – 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;
- 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 appointment of Mrs Ann Willmott as Business Manager in April 2015, which will facilitate a more pro-active approach to the overall Business & Financial Management of the Academy;
- the strengthening, through co-option, of the Marketing Committee;
- the significant over-subscription of parents applying for places for their children in Year R for September 2016.

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.

Hampshire Local Authority had conducted a Thematic Review of Governance, which had identified a number of areas in which many schools were not compliant. In November 2015, The Governance & Audit Committee checked the Academy’s procedures against the Hampshire report and found that the Academy was fully compliant in all areas.

As a consequence of the Hampshire findings, and at the request of the Governance & Audit Committee, in January 2015, members of the Finance & Personnel Committee independently completed a School Financial Value Standards Assessment Form as an internal self-evaluation tool. The Committee discussed the returns and concluded that the Academy was compliant in all areas.

In March 2016, The Governance & Audit Committee completed the Academies’ Financial Management and Governance Self -Assessment and found no areas of concern.

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.

The Academy trust has £200,000 invested in Lloyds Bank on a six weekly renewable basis (Current balance with interest £200,772). The additional investment of £150,000 was agreed, following examination of the balance in hand, at the Finance & Personnel Meeting held on 13 January 2016.

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 provision of a new computer system and related infrastructure to support both pupil learning and administration;
- the resultant alterations to the fabric of the building, including enhanced, more secure entrance facilities; (a supporting Governors’ paper is attached to the policy)
- 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;

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.

This was agreed when the policy was reviewed at the Finance and Personnel Committee Meeting held on 29 September 2016 and ratified by the Full Governing Body meeting on 12 October 2016.

The reserves as at 31 August 2016 were as follows:

- Unrestricted (free) reserves of £70,830
- A restricted fixed asset fund of £4,081,284, which can only be realised through disposal of fixed assets
- A pension deficit of £556,000
- Other restricted funds of £171,308
- Total funds of £3,767,422

The projected revenue deficit on the 1 September 2016 - 31 August 2017 budget, is £91,755, giving a Cumulative Surplus (balance in hand) of £142,387. This compared favourably with:

- the budget projection for 2016/17 which had been made when the 2014/15 budget had been set. This had given a forecast a Revenue Deficit for 2016/17 of £50,703;
- the budget projection for 2016/17 which had been made when the 2015/16 budget had been set. This had forecast a Revenue Surplus for 2016/17 of £139,141;

both without any monies having been invested in project development. (see page 13 above).

The budget set supports the priorities identified in the Strategic Plan 2016/17, including the Governors’ Appendix.

There is a £556,000 deficit in respect of the Local Government Pension Scheme. This will result in increased employers’ pension contributions over a period of years. We have reflected the effect of increased pension costs in our future budgets. Increased pension contributions will be met from the academy trust’s budgeted annual income, and whilst the deficit might not be eliminated, there should be no actual cash flow deficit on the fund, or direct impact on the free reserves of the academy trust as a result of recognising the 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 in Lloyds Bank. It is anticipated that all investments will be tied to the bank that the Academy Trust chooses to hold and manage its cash balances.

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 have identified the Year R intake of September 2017 as one where an issue could arise, paradoxically because the Academy was heavily oversubscribed in Year R in September 2016, with a number of siblings and faith applicants being unsuccessful. The number of in-catchment children for September 2017, may be lower, while parents of out-of-catchment children may be deterred from making application.
However, as a result of previous prudent financial management, should the number on roll reduce the Academy would have time to carefully plan for this even if it could occur annually over time.

On the other hand, the Governing Body is also aware, that as a result of the projected increase in 4-11 year- old children in the area, the Academy may come under pressure to increase form a two-form to a three-form entry.

The uncertainty is not eased by continually changing Government ‘policy statements’.

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 Marketing Committee will continue in being proactive in:
- marketing the Academy in order to ensure that pupil numbers remain buoyant;
- seeking additional financial support for specific projects;

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.

This report was approved by order of the Board of Trustees as the company directors, on 5 December 2016 and signed on its behalf by:

....
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 six times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

	Meeting attended	**Out of**
Mr Paul Johnson	6	6
Mrs Sara Willoughby	6	6
Mr Iain Wilkie	6	6
Mr Roger Clear	6 (1 by proxy)	6
Mrs Gillian Gailor	6 (1 by proxy)	6
Mrs Alexandra Hughes	6 (1 by proxy)	6
Mrs Gillian Pickburn	6 (1 by proxy)	6
Mr Peter Upward	6 (1 by proxy)	6
Mr Darren Nice	6 (2 by proxy)	6
Miss Julie Nunn	5	6
Rev John Michael Terry	5	6
Mr David Scott-Batey	5 (1 by proxy)	6
Mr Richard Johnson	5 (2 by proxy)	6
Mrs Eleanor Dannan	4	4
Mr Andrew Beadsworth	4 (2 by proxy)	6
Mrs Katherine Cumming	3	6
Mr Lee Cutler	2	6
Ms Clare Turner	2	6
Mr Allan Youp	2 (2 by proxy)	3
Mrs Kate Bartlett	1	1
Mrs Sandra Evans	1	1
Mr Simon Lowes	1	6

The overall attendance rate at Full Governing Body Meetings was 81.3%

At the General Meeting of the Members of the Trust held on 8 September 2016, members discussed the attendance record of the Governing Body and the Chair of Governors contacted Governors whose attendance was causing concern.

Mr Allan Youp resigned on 17 March 2016 as a result of changes in his work pattern. Mrs Eleanor Dannan resigned on 31 March 2016, after over twenty years as a Governor of the school/academy.

Governance (continued)

Mrs Kate Bartlett and Mrs Sandra Evans were appointed as Governors on 4 June 2016. With effect from 1 September 2016, Mrs Bartlett joined the Pupil Discipline, Curriculum & Early Year Committee and the Marketing Committee and Mrs Evans joined the Sites & Buildings Committee and the Governance & Audit Committee and took on the role of Development & Training Governor.

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
Mr Richard Johnson	6 (3 by proxy)	6
Mrs Sara Willoughby	5	6
Mr Roger Clear	5	6
Ms Clare Turner	4	6
Mr Paul Johnson	3	6

The overall attendance rate at Finance & Personnel Committee Meetings was 83.3%

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

- maintain an oversight of the effectiveness of the Governing Body, monitoring the exercise of the Governing Bodies Statutory Responsibilities and system for Policy Review;
- advise the Board/Governing Body and Accounting Officer on the adequacy and effectiveness of the governance, 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 Responsible 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.

Governance (continued)

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, Responsible Officer
Mr Peter Upward, Chair of Governors
Mr Iain Wilkie, Chair of the Finance & Personnel Committee
Mrs Sara Willoughby, Headteacher/Accounting Officer
Mr Allan Youp, Development & Training Governor.

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

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

Review of Value for Money

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

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

- with the Governing Body continuing to hold the Staffing Structure under review to ensure that the needs of the pupils the objectives of the Academy are met in the most cost effective way;
- ensuring that the provision of services by outside bodies is kept under review 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 2015 to 31 August 2016 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 2015 to 31 August 2016 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 2015/16 all appropriate checks as planned the Responsible 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 2016 to 31 August 2017 to take the following steps to strengthen the levels of internal control:

- to implement a Cashflow Forecasting Template maintained the Business Manager. (this item was deferred from 2015/16 due to personnel changes);
- to update the process of internal audit and financial health checks, replacing the Responsible Officer with an Internal Audit Officer (Mr Nice would continue in this role).

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 responsible officer;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the Business Manager and the Finance Officer within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance & 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 5 December 2016 and signed on their behalf, by:

....	....
Mr P Upward	**Mrs S Willoughby**
Chair of Trustees	**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 Funding Agency of material irregularity, impropriety and non-compliance with EFA 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 2015.

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 2015.

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 EFA.

....
Mrs S Willoughby
Accounting Officer

Date: 5 December 2016

STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE YEAR ENDED 31 AUGUST 2016

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 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 2015 to 2016;
- 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 the EFA/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 5 December 2016 and signed on its behalf by:

....
Mr P Upward
Chair of Trustees

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

We have audited the financial statements of Hook with Warsash Church of England Academy for the year ended 31 August 2016 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes. 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" and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

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

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Academy's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2016 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 2015 to 2016 issued by the Education Funding Agency.

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

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Trustees' report, incorporating the Strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

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:

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

In accordance with the terms of our engagement letter dated 19 September 2016 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, 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 2015 to 31 August 2016 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 EFA 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 EFA 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 EFA, 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 AUDITORS

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 2015, 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 2015 to 2016. 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 2015 to 31 August 2016 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 2015 to 2016 issued by the EFA. 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.

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 EFA;
- confirming whether EFA 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 2015 to 31 August 2016 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 (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:

STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2016

	Note	Un-restricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	*Total funds 2015 £*
INCOME FROM:						
Donations and capital grants	2	-	46,752	19,091	65,843	*102,837*
Charitable activities	3	-	1,564,821	-	1,564,821	*1,548,635*
Other trading activities	4	9,527	-	-	9,527	*8,721*
Investments	5	1,201	-	-	1,201	*514*
TOTAL INCOME		10,728	1,611,573	19,091	1,641,392	*1,660,707*
EXPENDITURE ON:						
Charitable activities		-	1,580,664	145,694	1,726,358	*1,603,410*
TOTAL EXPENDITURE	6	-	1,580,664	145,694	1,726,358	*1,603,410*
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS		10,728	30,909	(126,603)	(84,966)	*57,297*
Transfers between Funds	15	-	(44,597)	44,597	-	*-*
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES		10,728	(13,688)	(82,006)	(84,966)	*57,297*
Actuarial gains/(losses) on defined benefit pension schemes	19	-	(256,000)	-	(256,000)	*22,000*
NET MOVEMENT IN FUNDS		10,728	(269,688)	(82,006)	(340,966)	*79,297*
RECONCILIATION OF FUNDS:						
Total funds brought forward		60,102	(115,004)	4,163,290	4,108,388	*4,029,091*
TOTAL FUNDS CARRIED FORWARD		70,830	(384,692)	4,081,284	3,767,422	*4,108,388*

The notes on pages 32 to 50 form part of these financial statements.

BALANCE SHEET
AS AT 31 AUGUST 2016

	Note	£	2016 £	£	*2015* £
FIXED ASSETS					
Tangible assets	12		**4,063,110**		*4,091,816*
CURRENT ASSETS					
Debtors	13	**57,869**		*34,651*	
Cash at bank and in hand		**393,730**		*412,341*	
		451,599		*446,992*	
CREDITORS: amounts falling due within one year	14	**(191,287)**		*(151,420)*	
NET CURRENT ASSETS			**260,312**		*295,572*
TOTAL ASSETS LESS CURRENT LIABILITIES			**4,323,422**		*4,387,388*
Defined benefit pension scheme liability	19		**(556,000)**		*(279,000)*
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			**3,767,422**		*4,108,388*
FUNDS OF THE ACADEMY					
Restricted income funds:					
Restricted income funds	15	**171,308**		*163,996*	
Restricted fixed asset funds	15	**4,081,284**		*4,163,290*	
Restricted income funds excluding pension liability		**4,252,592**		*4,327,286*	
Pension reserve		**(556,000)**		*(279,000)*	
Total restricted income funds			**3,696,592**		*4,048,286*
Unrestricted income funds	15		**70,830**		*60,102*
TOTAL FUNDS			**3,767,422**		*4,108,388*

The financial statements were approved by the Trustees, and authorised for issue, on 5 December 2016 and are signed on their behalf, by:

....
Mr P Upward
Chair of Trustees

The notes on pages 32 to 50 form part of these financial statements.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2016

	Note	2016 £	*2015* *£*
Cash flows from operating activities			
Net cash provided by operating activities	17	**30,136**	*129,702*
Cash flows from investing activities:			
Purchase of tangible fixed assets		**(48,747)**	*(5,196)*
Net cash used in investing activities		**(48,747)**	*(5,196)*
Change in cash and cash equivalents in the year		**(18,611)**	*124,506*
Cash and cash equivalents brought forward		**412,341**	*287,835*
Cash and cash equivalents carried forward	18	**393,730**	*412,341*

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

1. ACCOUNTING POLICIES

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgements 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 2015 to 2016 issued by EFA, 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.

First time adoption of FRS 102

These financial statements are the first financial statements of Hook with Warsash Church of England Academy prepared in accordance with Financial Reporting Standard 102 ‘The Financial Reporting Standard applicable in the UK and Republic of Ireland’ (FRS 102) and the Charities SORP 2015 (SORP 2015). The financial statements of Hook with Warsash Church of England Academy for the year ended 31 August 2015 were prepared in accordance with previous Generally Accepted Accounting Practice (‘UK GAAP’) and SORP 2005.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the Trustees have amended certain accounting policies to comply with FRS 102 and SORP 2015.

Reconciliations to previous UK GAAP for the comparative figures are included in note 23.

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 there is certainty of receipt 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.

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

All resources expended are inclusive of irrecoverable VAT.

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. ACCOUNTING POLICIES (continued)

1.6 Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised.

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.

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 property	-	50 years straight line
Fixtures and fittings	-	5 years straight line
Computer equipment	-	3 years straight line

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 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Academy; this is normally upon notification of the interest paid or payable by the Bank.

1.9 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.

1.10 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. ACCOUNTING POLICIES (continued)

1.11 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.

1.12 Liabilities and provisions

Liabilities 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.

1.13 Financial instruments

The Academy only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.14 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 19, 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.

1. ACCOUNTING POLICIES (continued)

1.14 Pensions (continued)

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

1.15 Critical accounting estimates and areas of judgement

Estimates and judgements 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 19, 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 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement:

There are no other critical areas of judgement.

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	*Total funds 2015 £*
Donations	-	46,752	-	46,752	*25,608*
Capital grants	-	-	19,091	19,091	*77,229*
Total donations and capital grants	-	46,752	19,091	65,843	*102,837*

In 2015, of the total income from donations and capital grants, £ NIL was to unrestricted funds and £102,837 was to restricted funds

3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	*Total funds 2015 £*
DfE/EFA grants				
General Annual Grant (GAG)	-	1,339,148	1,339,148	*1,349,773*
DfE/EFA other grants	-	131,898	131,898	*123,244*
	-	1,471,046	1,471,046	*1,473,017*
Other funding				
Trip income	-	45,511	45,511	*42,500*
Tuition fee income	-	9,838	9,838	*8,453*
Catering income	-	34,020	34,020	*21,177*
Other income	-	4,406	4,406	*3,488*
	-	93,775	93,775	*75,618*
	-	1,564,821	1,564,821	*1,548,635*

In 2015, of the total income from charitable activities, £ NIL was to unrestricted funds and £1,548,635 was to restricted funds.

4. OTHER TRADING ACTIVITIES

	Un-restricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	*Total funds 2015 £*
Lettings	5,974	-	5,974	*5,677*
Sale of goods and services	3,553	-	3,553	*3,044*
	9,527	-	9,527	*8,721*

In 2015, of the total income from other trading activities, £8,721 was to unrestricted funds and £ NIL was to restricted funds.

5. INVESTMENT INCOME

	Un-restricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	*Total funds 2015 £*
Bank interest	1,201	-	1,201	*514*

In 2015, of the total investment income, £ 514 was to unrestricted funds and £ NIL was to restricted funds.

6. EXPENDITURE

	Staff costs 2016 £	Premises 2016 £	Other costs 2016 £	Total 2016 £	*Total 2015 £*
Academy's educational operations:					
Direct costs	**952,247**	**-**	**186,194**	**1,138,441**	*1,117,869*
Support costs	**177,367**	**167,803**	**242,747**	**587,917**	*485,541*
	1,129,614	**167,803**	**428,941**	**1,726,358**	*1,603,410*

In 2016, of the total expenditure, £NIL *(2015 - £NIL)* was to unrestricted funds and £1,758,259 *(2015 - £1,603,410)* was was to restricted funds.

7. ANALYSIS OF SUPPORT COSTS

	Academy trust educat £	Total 2016 £	*Total 2015 £*
Technology costs	**5,529**	**5,529**	*-*
Premises costs	**167,803**	**167,803**	*117,185*
Governance costs	**7,650**	**7,650**	*8,845*
Other costs	**152,115**	**152,115**	*104,389*
Wages and salaries	**130,857**	**130,857**	*127,413*
National insurance	**5,058**	**5,058**	*3,806*
Pension cost	**41,452**	**41,452**	*39,416*
Depreciation	**77,453**	**77,453**	*84,487*
	587,917	**587,917**	*485,541*

8. NET INCOMING RESOURCES/(RESOURCES EXPENDED)

This is stated after charging:

	2016 £	*2015 £*
Depreciation of tangible fixed assets:		
- owned by the charity	**77,453**	*84,487*
Auditors' remuneration - audit	**4,795**	*4,765*
Auditors' remuneration - other services	**2,615**	*1,940*
Operating lease rentals	**6,130**	*6,449*

9. STAFF COSTS

Staff costs were as follows:

	2016 £	2015 £
Wages and salaries	**912,599**	*907,784*
Social security costs	**63,659**	*55,521*
Operating costs of defined benefit pension schemes	**153,356**	*137,026*
	1,129,614	*1,100,331*

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

	2016 No.	2015 No.
Teachers	**18**	*20*
Admin/Support	**42**	*39*
Senior Management Team	**3**	*3*
	63	*62*

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

	2016 No.	2015 No.
In the band £60,001 - £70,000	**1**	*1*

The above employee participated in the Teachers' Pension Scheme. Employer's pension contributions amounted to £10,155 (2015: £8,521).

The key management personnel of the academy trust comprises the senior management team as listed on page 2. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £165,788 (2015: £160,275).

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:

		2016	*2015*
		£'000	*£'000*
A total of three (2015: four) staff governors	Remuneration	**100-105**	*110-115*
	Pension contributions paid	**15-20**	*15-20*

During the year, no Trustees received any reimbursement of expenses (2015 - £NIL).

11. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2016 was £884 *(2015 - £960).*

12. TANGIBLE FIXED ASSETS

	Long-term leasehold property £	Fixtures and fittings £	Computer equipment £	Total £
Cost				
At 1 September 2015	**4,276,000**	**26,000**	**37,940**	**4,339,940**
Additions	**-**	**-**	**48,747**	**48,747**
At 31 August 2016	**4,276,000**	**26,000**	**86,687**	**4,388,687**
Depreciation				
At 1 September 2015	**199,920**	**15,600**	**32,604**	**248,124**
Charge for the year	**66,640**	**5,200**	**5,613**	**77,453**
At 31 August 2016	**266,560**	**20,800**	**38,217**	**325,577**
Net book value				
At 31 August 2016	**4,009,440**	**5,200**	**48,470**	**4,063,110**
At 31 August 2015	*4,076,080*	*10,400*	*5,336*	*4,091,816*

Included in long-term leasehold property is freehold land at valuation of £944,000 which is not depreciated.

13. DEBTORS

	2016 £	2015 £
Other debtors	**8,805**	*305*
Prepayments and accrued income	**23,105**	*30,501*
Tax recoverable	**25,959**	*3,845*
	57,869	*34,651*

14. CREDITORS: Amounts falling due within one year

	2016 £	2015 £
Trade creditors	**96,706**	*46,565*
Other taxation and social security	**19,499**	*16,732*
Other creditors	**18,879**	*16,096*
Accruals and deferred income	**56,203**	*72,027*
	191,287	*151,420*

	2016 £	2015 £
Deferred income		
Deferred income at 1 September 2015	**56,192**	*6,511*
Resources deferred during the year	**47,413**	*56,192*
Amounts released from previous years	**(56,192)**	*(6,511)*
Deferred income at 31 August 2016	**47,413**	*56,192*

At the balance sheet date the academy trust was holding funds received in advance from the EFA for provisional funding received in respect of the Universal Infant Free School Meals programme, and trips in respect of the autumn term 2016/17.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

15. STATEMENT OF FUNDS

	Brought Forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds						
Reserves	60,102	10,728	-	-	-	70,830
Restricted funds						
General Annual Grant (GAG)	-	1,339,148	(1,339,148)	-	-	-
Pupil premium	-	50,877	(50,877)	-	-	-
Other DfE/EFA 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						
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

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

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Un-restricted funds 2016 £	**Restricted funds 2016 £**	**Restricted fixed asset funds 2016 £**	**Total funds 2016 £**	*Total funds 2015 £*
Tangible fixed assets	**-**	**-**	**4,063,110**	**4,063,110**	*4,091,816*
Current assets	**70,830**	**362,595**	**18,174**	**451,599**	*446,992*
Creditors due within one year	**-**	**(191,287)**	**-**	**(191,287)**	*(151,420)*
Pension reserve	**-**	**(556,000)**	**-**	**(556,000)**	*(279,000)*
	70,830	**(384,692)**	**4,081,284**	**3,767,422**	*4,108,388*

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

	2016	*2015*
	£	*£*
Net (expenditure)/income for the year (as per Statement of financial activities)	**(84,966)**	*57,297*
Adjustment for:		
Depreciation charges	**77,453**	*84,487*
Increase in debtors	**(23,218)**	*(22,471)*
Increase/(decrease) in creditors	**39,867**	*(611)*
Defined benefit pension scheme cost less contributions payable	**21,000**	*11,000*
Net cash provided by operating activities	**30,136**	*129,702*

18. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2016	*2015*
	£	*£*
Cash in hand	**15**	*36*
Notice deposits (less than 3 months)	**393,715**	*412,305*
Total	**393,730**	*412,341*

19. 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 2013.

Contributions amounting to £18,859 were payable to the schemes at 31 August 2016 (2015 - £16,096) 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

Not less than every four years 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 will be as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer’s pension costs paid to TPS in the period amounted to £93,801 *(2015 - £79,800).*

19. PENSION COMMITMENTS (continued)

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

Under the definitions set out in FRS 102, the TPS is 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 2016 was £66,000 *(2015 - £61,000)*, of which employer's contributions totalled £50,000 *(2015 - £46,000)* and employees' contributions totalled £16,000 *(2015 - £15,000)*. The agreed contribution rates for future years are 13.1% for employers and between 5.5% to 7.5% 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:

	2016	*2015*
Discount rate for scheme liabilities	**2.00 %**	*3.80 %*
Rate of increase in salaries	**3.50 %**	*3.50 %*
Rate of increase for pensions in payment / inflation	**2.00 %**	*2.00 %*
Inflation assumption (CPI)	**2.00 %**	*2.00 %*

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

	2016	*2015*
Retiring today		
Males	**24.6**	*24.5*
Females	**26.4**	*26.3*
Retiring in 20 years		
Males	**26.7**	*26.6*
Females	**28.7**	*28.6*

19. PENSION COMMITMENTS (continued)

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

	Fair value at 31 August 2016 £	*Fair value at 31 August 2015 £*
Equities	**414,000**	*324,000*
Property	**54,000**	*46,000*
Government bonds	**192,000**	*145,000*
Corporate bonds	**13,000**	*10,000*
Cash	**38,000**	*19,000*
Other	**19,000**	*20,000*
Total market value of assets	**730,000**	*564,000*

The actual return on scheme assets was £119,000 *(2015 - £22,000).*

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

	2016 £	*2015 £*
Current service cost	**(61,000)**	*(60,000)*
Interest cost	**(10,000)**	*(10,000)*
Total	**(71,000)**	*(70,000)*

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

	2016 £	*2015 £*
Opening defined benefit obligation	**843,000**	*827,000*
Current service cost	**61,000**	*60,000*
Interest cost	**32,000**	*30,000*
Contributions by employees	**16,000**	*15,000*
Actuarial losses/(gains)	**353,000**	*(33,000)*
Benefits paid	**(19,000)**	*(56,000)*
Closing defined benefit obligation	**1,286,000**	*843,000*

19. PENSION COMMITMENTS (continued)

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

	2016 £	*2015* £
Opening fair value of scheme assets	**564,000**	*550,000*
Interest income	**22,000**	*20,000*
Actuarial gains and (losses)	**97,000**	*(11,000)*
Contributions by employer	**50,000**	*46,000*
Contributions by employees	**16,000**	*15,000*
Benefits paid	**(19,000)**	*(56,000)*
Closing fair value of scheme assets	**730,000**	*564,000*

20. OPERATING LEASE COMMITMENTS

At 31 August 2016 the total of the Academy trust's future minimum lease payments under non-cancellable operating leases was:

	2016 £	*2015* £
Amounts payable:		
Within 1 year	**5,167**	*6,208*
Between 1 and 5 years	**124**	*5,182*
Total	**5,291**	*11,390*

21. 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.

22. MEMBERS' LIABILITY

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

23. FIRST TIME ADOPTION OF FRS 102

It is the first year that the Academy Trust has presented its financial statements under SORP 2015 and FRS 102. The following disclosures are required in the year of transition. The last financial statements prepared under previous UK GAAP were for the year ended 31 August 2015 and the date of transition to FRS 102 and SORP 2015 was therefore 1 September 2014. As a consequence of adopting FRS 102 and SORP 2015, a number of accounting policies have changed to comply with those standards.

The policies applied under the Academy's previous accounting framework are not materially different to FRS 102 and have not impacted on funds or net income/expenditure.