Registered number: 08153776

HOOK WITH WARSASH CHURCH OF ENGLAND ACADEMY

(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2015

CONTENTS

REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS MEMBERS/ TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 AUGUST 2015

Members

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

Trustees

Mr R Clear, First governor (foundation)[1]
Mr P Upward, First governor (foundation)[1]
Mr D Nice, First governor (parent)[2]
Mr R Johnson, First governor (appointed)[1,2]
Mrs E Dannan, First governor
Mrs G Gailor, First governor
Rev J M Terry, Appointed governor (foundation)
Mr I Wilkie, Appointed governor (foundation)[1]
Mr A Beadsworth, Appointed governor (parent)
Mrs K Cumming, Appointed governor (parent)
Mrs A Hughes, Appointed governor (parent)
Mr S Lowes, Appointed governor (parent)
Mr A Youp, Appointed governor (parent) (appointed 6 January 2015)
Mr P Johnson, Appointed governor (staff)
Mrs F Maguire, Appointed governor (staff) (resigned 20 March 2015)
Miss R Nunn, Appointed governor (staff) (appointed 20 April 2015)
Mr L Cutler, Appointed governor
Mrs G Pickburn, Appointed governor
Mr D Scott-Batey, Appointed governor (appointed 6 January 2015)
Ms C Turner, Appointed governor[1]
Mrs S Willoughby, Headteacher[1]

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

Company registered number

08153776

Principal and registered office

Church Road
Warsash
Southampton
Hampshire
SO31 9GF

REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS MEMBERS/ TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 AUGUST 2015

Administrative details (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

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2015

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2014 to 31 August 2015. This annual report serves the purposes of both a Trustees' report, and a directors' report under company law.

The trust operates a two form entry Church of England Primary Academy serving a catchment area to the west of Fareham. It has a pupil capacity of 420 and had a roll of 417 in the school census in January 2015.

Structure, governance and management

a. CONSTITUTION

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

The Trustees of Hook-with-Warsash Church of England Academy Trust Limited are also the directors of the charitable company for the purposes of company law, and form the Governing Body of the Academy. The charitable company is known as Hook-with-Warsash Church of England Academy. It is not known by any other name for any purpose.

Details of the Trustees who served during the year are included in the Reference and Administrative Details on Page 1.

b. MEMBERS' LIABILITY

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

c. TRUSTEES' INDEMNITIES

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.

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

d. 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 19 members constituted as follows:

- 6 First or Appointed Parent Governors elected by secret ballot of parents of pupils attending the Academy;
- 7 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

e. 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 2015/16;
- Governing Body Cycle of Business 2015/16
- 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.

f. 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.

Governing Body Panels relating to staff discipline, discipline appeals, and complaints are convened as required.

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

- manages the Academy, including its financial position, at a strategic and operational level;
- has the responsibility for the day-to day management of the Academy, including quality of teaching, & educational standards, Human Resources and effective systems of internal control;
- leads and manages all employees of the Academy;
- has a key role to involve the Governing Body when drawing up the Academy Strategic Plan;
- ensures that the Strategic Plan is implemented and that the Governing Body is fully involved in monitoring that implementation;
- has authority for all tasks delegated by the governing body but not responsibility;
- has delegated authority for:
  - individual items of non-staffing expenditure (in line with the Strategic Plan) not exceeding £1,000;
  - virements and alterations to the budget which do not exceed £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;
  - 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.

g. 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.

h. 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

a. OBJECTS AND AIMS

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

1) Tto 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;

2) To provide recreational and other leisure facilities for the inhabitants of Warsash and its immediate vicinity, particularly those who suffer social and other disadvantage.

b. OBJECTIVES, STRATEGIES AND ACTIVITIES

Strategic Plan April 2014 – July 2015
In the area of community all stakeholders were involved in the further development of the vision, mission and values written last year. These have now been written in 'pupil-speak' and Bible references included to ensure that as the vision continues to be integrated into the day to day life of the Academy it is underpinned by Christian faith. The National Society Statutory Inspection of Anglican and Methodist Schools (SIAMs) Report in June 2015 confirmed the positive impact of this work, reporting, "The school's Christian ethos is clearly understood and articulated by all members of the school community. 'Let your light shine' really does underpin the life of the school and impact on children's learning and personal development. Children have a very insightful understanding of what the 'light' is and what it means for it to 'shine'. Moreover, children interpret for themselves what these values mean to them personally. Love, independence, growth, happiness
and trust (LIGHT) are firmly embedded in the whole life of the school." The Academy was judged as 'outstanding' in all areas.

The Sites & Buildings Committee has continued to work closely with the Academy staff on developing the building and its grounds to ensure high quality provision for all pupils. This has been supported by the Pupil Discipline, Curriculum & Early Years Committee carrying out its own walkarounds to monitor the site as a learning environment. This area of development has been greatly enhanced by the appointment of Mr Simon Bizley as Site Manager in February 2015.

In addition 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 by ensuring all pupils make year on year progress that is at least good (14 average points) and are aware of what they need to do in order to progress. In particular:

- improve Level 5 and 6 attainment;
- increase the percentage of pupils making better than expected progress in reading, writing and maths;
- narrow the gender gaps in progress so that both groups make equally strong progress;
- narrow the gap in achievement for pupils with Pupil Premium so that it is in line with non-FSM pupils in the Academy;
- narrow the gap between achievement of SEN pupils in the Academy 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 Academy by:
- 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 in all books that shows how this is achieved;
- 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 and an increasing percentage is outstanding 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 2015 outcomes;
- core subject leaders lead on Academy 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 Academy self-evaluation process and are able to provide evidence of triangulation of monitoring and progress towards milestones that is on track to reach July 2015 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;
- the ongoing development of the ethos of the Academy in preparation for the SIAMs inspection (see above);
- 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.

c. 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 an agreed admission criteria that disbars no particular group.

Strategic report

a. 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/SEN pupils.

At Key Stage 2

In **reading**	**94%** (93% 2014) of pupils made at least expected progress (national average 2014 91%); **2%** (8% 2014) of pupils made more than expected progress (national average 2014 35%)
In **writing**	**97%** (100% 2014) of pupils made at least expected progress (national average 2014 93%); **7%** (41% 2014) of pupils made more than expected progress (national average 2014 33%)
In **maths**	**92%** (81% 2014) of pupils made at least expected progress (national average 2014 89%); **19%** (28% 2014) of pupils made more than expected progress (national average 2014 35)

Across the board, **27** pupil results showed less than expected progress.

The numbers of pupils who were Pupil Premium (Free School Meals) – **2** - were so small that, as Ofsted had acknowledged, meaningful analysis was difficult. Of the 2 pupils, **both** were on the Special Needs Register.

In **reading both** pupils made expected progress, none made more than expected progress.
In **writing both** pupils made expected progress, none made more than expected progress.
In **maths both** pupils made expected progress; none made more than expected progress.

Overall results were pleasing, reflecting the profile of pupils in the Year group. It is anticipated that Raise on-line will show a significant improvement in pupil progress with no areas being below expectation.

The Strategic Plan 2015/16 will continue to focus on pupil progress and Governors will continue to monitor this carefully during the year.

At Key Stage 1

In **reading**	**93%** of pupils achieved level 2b+; **33%** achieved level 3 (national average 2014 81% & 31%)
In **writing**	**85%** of pupils achieved level 2b+; **15%** achieved level 3 (national average 2014 70% & 16%)
In **maths**	**83%** of pupils achieved level 2b+; **22%** achieved level 3 (national average 2014 80% & 24%)

There were **no** Pupil Premium (Free School Meals) in Key Stage 1. (largely as a result of the entitlement to a free school meal for all pupils in Key Stage 1, parents were not prepared to register on grounds of disadvantage)

There were **4** Pupil Premium (Service Children) in Key Stage 1 and their results were in line with expectations in all three areas.

Other areas of success during the year included:

- the appointment of Mrs Willoughby as permanent Headteacher;
- the quality of leadership of Academy development given by the Senior Leadership Team;
- the robust 'new-style' Strategic Plan introduced to address issues related to pupil progress and its impact on that progress;
- the level of quality monitoring carried out by Governors in support of the Academy;
- the Adopt-a-Governor initiative;
- the greatly improved site management following the appointment of a new Site Manager (see above);
- the development of more substantive links with the Church;
- the Rabboni Service;
- the successful SIAMs Inspection with its 'Outstanding' outcome (see above);
- the successful Ofsted Inspection, with its 'Good' outcome, in which inspectors found that all areas for development were already included in the Strategic Plan and, in consequence, no post-inspection Action Plan was required (report of July 2014 inspection formally received by Governors 3 September 2014 – see above).

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

b. 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.

c. 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

a. FINANCIAL AND RISK MANAGEMENT OBJECTIVES AND POLICIES

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 £50,000 invested in Lloyds Bank on a six weekly renewable basis. Against income the Academy trust aims to have a contingency of between 3% and 5%.

b. 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;
- invest in future years' priorities for the children at the Academy, for example capital projects agreed by the Governing Body;
- have a contingency reserve, in normal circumstances, either of no more than 5% of annual allocation, or of the equivalent of one month's salary payments, whichever is the greater, to cover expenditure required for unforeseen circumstances such as urgent maintenance.

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 17 September 2015 and ratified by the Full Governing Body meeting on 7 October 2015.

The value of Reserves at 31 August 2015 was as £60,102 (Unrestricted) and £163,996 (Restricted, excluding Restricted Fixed Asset Fund and Pension Reserve).

The projected revenue balance on the 1 September 2015 - 31 August 2016 budget is £2,697.

Due to a number of imponderables, including:

- pupil numbers, with over 50% of new Reception pupils coming from 'out of catchment';
- possible alterations to the buildings;
- uncertainty about the continuation of some 'budget top-ups';

the Governing Body set a conservative budget, which included:

- savings made in the staffing budget as a result of planned changes and movement of staff;
- an additional three hours per week administrative time, specifically because of the changes in regulations regarding tracking attendance;
- savings made as a result of changes in Service Level Agreements (SLAs), particularly the Buildings Maintenance SLA which was being moved from Hampshire at a saving of c£24,000;
- an additional £10,000 had been included in the internal repairs and maintenance budget as a contingency;
- an additional contingency of £12,000 had been included to cover the Academy's potential costs associated with two children with Statements of Special Educational Needs, who could be entering reception in September 2015;
- premises costs reduced because of the work of the Site Manager.

No fund is materially in deficit.

c. INVESTMENT POLICY

The Academy trust ensures that investment decisions are made where it can maximise income for the Academy by investing rather than holding cash balances. Currently £50,000 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.

d. 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 the imminent Public Spending Review.

The principal risk to the Academy pertains to pupil numbers as its income is dependent on the number of pupils on roll. Should this number reduce the Academy would have time to carefully plan for this as it could occur on an annual basis resulting in the need for a planned reduction.

Plans for future periods

a. FUTURE DEVELOPMENTS

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 be preparing a 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.

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that the Trustees are aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- that the Trustees have taken all the steps that ought to have been taken as Trustees in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

AUDITORS

A resolution to re-appoint Hopper Williams & Bell Limited will be proposed at the forthcoming Annual General Meeting.

This report was approved by order of the Board of Trustees on 7 December 2015 and signed on the board's behalf by:

P. W. Upward

Mr P Upward
Chair of Trustees

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

The Board of Trustees has delegated the day-to-day responsibility to the Headteacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Hook with Warsash Church of England Academy and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Trustees' report and in the Trustees' responsibilities statement. The Board of Trustees has formally met 7 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mr R Clear	7	7
Mr P Upward	6	7
Mr D Nice	7	7
Mr R Johnson	6	7
Mrs E Dannan	6	7
Mrs G Gailor	5	7
Rev J M Terry	5	7
Mr I Wilkie	6	7
Mr A Beadsworth	4	7
Mrs K Cumming	4	7
Mrs A Hughes	6	7
Mr S Lowes	5	7
Mr A Youp	4	4
Mr P Johnson	6	7
Mrs F Maguire	4	5
Miss R Nunn	1	2
Mr L Cutler	5	7
Mrs G Pickburn	5	7
Mr D Scott-Batey	3	4
Ms C Turner	3	7
Mrs S Willoughby	7	7

The overall attendance rate at Full Governing Body Meetings was 78.8%.

Mrs Frances Maguire resigned on 20 March 2015 as a result of pressure of work and was replaced as a Staff Governor on 20 April 2015 by Miss Julie Nunn, who joined the Pupil Discipline, Curriculum & Early Years Committee.

Mr Allan Youp was elected as a Parent Governor on 6 January 2015 and joined the Sites & Buildings Committee. Mr David Scott-Batey was appointed as a Governor by the Members of the Trust on 6 January 2015 and joined the Sites & Buildings Committee. This increased the Governing Body to 19 (nineteen) in number.

GOVERNANCE STATEMENT (continued)

The **Governance & Audit Committee** maintains an oversight of the effectiveness of the Governing Body, receiving reports from the other committees throughout the year and monitoring the exercise of the Governing Bodies Statutory Responsibilities and system for Policy Review.

Governance reviews:

A full Self-Evaluation was completed in June 2015 and as result the following areas will be strengthened during 2015/16:

- Governor Induction;
- A shared understanding of all areas of the Academy's work;
- Greater consultation with parents and other stakeholders.

The Governing Body's own view of its effectiveness remains as endorsed by Ofsted inspectors in July 2014, who stated, "The governing body has been very effective in organising and planning its work to include acting as Academy Trustees. There is a wide range of expertise amongst Governors to support and challenge the Academy in all aspects of its work. Governors are strongly committed to training, and to monitoring of the Academy's work. As a result, they are very well informed about teaching quality and pupils' progress. They are fully aware of the link between pupils' progress and teachers' progression up the pay scales when making pay awards. Teamwork with senior leaders is very well established. Value for money is carefully considered in the allocation of additional funding. This is allocated to extra staffing and activities for pupils. It is used effectively to ensure pupils achieve well. Funding to promote pupils' well-being through physical education and sport is used especially well to enhance the quality of teaching, provide coaching from professionals and offer a wider range of sports activities. As a result, participation in and enjoyment of physical activity has increased and pupils achieve well in competitive sport."

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.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mr P Upward	6	6
Mr I Wilkie	6	6
Mr R Johnson	6	6
Mrs S Willoughby	5	6
Mr R Clear	5	6
Ms C Turner	2	6

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

GOVERNANCE STATEMENT (continued)

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

- 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;
- monitoring the implementation of audit recommendations;
- 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:

- the programme for the review of policies and the monitoring of their implementation;
- the programme of monitoring visits by Governors;
- Governor Self-Evaluation.

Its membership comprised:
Mr Roger Clear, Vice Chair of Governors
Mrs Katherine Cumming, Chair of the Marketing Committee
Mr Simon Lowes, Chair of the Sites & Buildings Committee
Mrs Gillian Gailor, Chair of the Pupil Discipline, Curriculum & Early Years Committee
Mr Richard Johnson
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

Internal audit responsibilities were carried out with greater rigour than in 2013/14. The Responsible Officer visited the Academy regularly to carry out appropriate and was accompanied by two members of the Finance & Personnel Committee, who supported him in monitoring financial systems, thus, incidentally, further developing their understanding of the day-to-day financial management of the Academy.

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 trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.
The accounting officer considers how the trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where available. The accounting officer for the academy trust has delivered improved value for money during the year by:

- reviewing with the Governing Body the Staffing Structure 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 expenditure on items such as 'school' trips is kept under review and that more effective administration leads to savings;

- 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 2014 to 31 August 2015 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 2014 to 31 August 2015 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

THE RISK AND CONTROL FRAMEWORK

The Academy's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- regular reviews by the Finance & 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 D Nice MBA FCCA, a Trustee, as Responsible Officer (RO).

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

- 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.

On a twice-termly basis, the RO reports to the Board of Trustees on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

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.

During 2014/15 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:

- a pro-active system of Cash flow management is to be put into operation to ensure that there was no risk of any single account going into deficit;
- all members of the Committee will complete Schools' Financial Value Standards (SFVS) Assessment Forms to ensure that there are no gaps in provision.

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

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

Approved by order of the members of the Board of Trustees on 7 December 2015 and signed on its behalf, by:

P. W. Upward

Mr P Upward
Chair of Trustees

Sara Willoughby

Mrs S Willoughby
Accounting Officer

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Hook with Warsash Church of England Academy I have considered my responsibility to notify the Academy 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 and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

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

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.

Sara Willoughby

Mrs S Willoughby
Accounting Officer

Date: 7 December 2015

TRUSTEES' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 AUGUST 2015

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;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from 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 7 December 2015 and signed on its behalf by:

P.W. Upward
....

Mr P Upward
Chair of Trustees

INDEPENDENT AUDITORS' REPORT 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 2015 which comprise the Statement of financial activities, the Balance sheet, the Cash flow statement 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) and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

This report is made solely to the Academy's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Academy's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

As explained more fully in the Trustees' responsibilities statement, 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 Academy's affairs as at 31 August 2015 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 and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

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

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; or
- the Trustees were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic report.

Richard Hurst FCA (Senior statutory auditor)
for and on behalf of
Hopper Williams & Bell Limited
Statutory Auditor
Highland House
Mayflower Close
Chandlers Ford
Eastleigh
Hampshire
SO53 4AR
Date: 10 December 2015

INDEPENDENT REPORTING ACCOUNTANTS' 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 1 September 2015 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, 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 2014 to 31 August 2015 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 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 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 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 ACCOUNTANT

The accounting officer is responsible, under the requirements of Hook with Warsash Church of England Academy's funding agreement with the Secretary of State for Education dated 1 September 2012, and the Academies Financial Handbook extant from 1 September 2014, 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 2014 to 2015. 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 2014 to 31 August 2015 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 2014 to 2015 issued by 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.

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

SUMMARY OF THE WORK UNDERTAKEN

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

Substantive testing included the following procedures:
- confirming that activities conform to the Academy's framework of authorities;
- considering the evidence supporting the Accounting Officer's statement on regularity, propriety and compliance;
- evaluating the general control environment of the Academy;
- testing a sample of transactions to consider whether the transaction is permissible within the Academy's framework of authorities;
- confirming whether any extra-contractual payments have been made and whether appropriate authority was obtained;
- reviewing documentation for evidence of borrowing and confirming if approval was obtained from the 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 2014 to 31 August 2015 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Richard Hurst FCA

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

Date: 10 December 2015

STATEMENT OF FINANCIAL ACTIVITIES
(incorporating income and expenditure account and statement of total recognised gains and losses)
FOR THE YEAR ENDED 31 AUGUST 2015

	Note	Un-restricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	*Total funds 2014 £*
INCOMING RESOURCES						
Incoming resources from generated funds:						
Voluntary income	2	-	25,608	-	25,608	*22,741*
Activities for generating funds	3	8,721	-	-	8,721	*5,851*
Investment income	4	514	-	-	514	*513*
Incoming resources from charitable activities	5	-	1,548,635	77,229	1,625,864	*1,561,175*
TOTAL INCOMING RESOURCES		9,235	1,574,243	77,229	1,660,707	*1,590,280*
RESOURCES EXPENDED						
Charitable activities	6	-	1,492,606	101,959	1,594,565	*1,632,251*
Governance costs	7	-	8,845	-	8,845	*6,705*
TOTAL RESOURCES EXPENDED	8	-	1,501,451	101,959	1,603,410	*1,638,956*
NET INCOMING / (OUTGOING) RESOURCES BEFORE REVALUATIONS		9,235	72,792	(24,730)	57,297	*(48,676)*
Actuarial gains and losses on defined benefit pension schemes		-	22,000	-	22,000	*20,000*
NET MOVEMENT IN FUNDS FOR THE YEAR		9,235	94,792	(24,730)	79,297	*(28,676)*
Total funds at 1 September 2014		*50,867*	*(209,796)*	*4,188,020*	*4,029,091*	*4,057,767*
TOTAL FUNDS AT 31 AUGUST 2015		60,102	(115,004)	4,163,290	4,108,388	*4,029,091*

All activities relate to continuing operations.

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 29 to 44 form part of these financial statements.

BALANCE SHEET
AS AT 31 AUGUST 2015

	Note	£	2015 £	£	2014 £
FIXED ASSETS					
Tangible assets	13		4,091,816		4,171,107
CURRENT ASSETS					
Debtors	14	34,651		12,180	
Cash at bank and in hand		412,341		287,835	
		446,992		300,015	
CREDITORS: amounts falling due within one year	15	(151,420)		(152,031)	
NET CURRENT ASSETS			295,572		147,984
TOTAL ASSETS LESS CURRENT LIABILITIES			4,387,388		4,319,091
Defined benefit pension scheme liability	22		(279,000)		(290,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITY			4,108,388		4,029,091
FUNDS OF THE ACADEMY					
Restricted funds:					
Restricted funds	16	163,996		80,204	
Restricted fixed asset funds	16	4,163,290		4,188,020	
Restricted funds excluding pension liability		4,327,286		4,268,224	
Pension reserve		(279,000)		(290,000)	
Total restricted funds			4,048,286		3,978,224
Un-restricted funds	16		60,102		50,867
TOTAL FUNDS			4,108,388		4,029,091

The financial statements were approved by the Trustees, and authorised for issue, on 7 December 2015 and are signed on their behalf, by:

P.W. Upward

Mr P Upward
Chair of Trustees

The notes on pages 29 to 44 form part of these financial statements.

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2015

	Note	2015 £	*2014* *£*
Net cash flow from operating activities	18	**129,188**	*100,722*
Returns on investments and servicing of finance	19	**514**	*513*
Capital expenditure and financial investment	19	**(5,196)**	*(3,744)*
INCREASE IN CASH IN THE YEAR		**124,506**	*97,491*

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS
FOR THE YEAR ENDED 31 AUGUST 2015

	2015 £	*2014* *£*
Increase in cash in the year	**124,506**	*97,491*
MOVEMENT IN NET FUNDS IN THE YEAR	**124,506**	*97,491*
Net funds at 1 September 2014	**287,835**	*190,344*
NET FUNDS AT 31 AUGUST 2015	**412,341**	*287,835*

The notes on pages 29 to 44 form part of these financial statements.

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, the Academies Accounts Direction 2014 to 2015 issued by EFA, applicable accounting standards and the Companies Act 2006.

1.2 Fund accounting

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

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

Restricted general funds comprise all other restricted funds received and include grants from the Department for Education.

Investment income, gains and losses are allocated to the appropriate fund.

1.3 Incoming resources

All incoming resources are included in the Statement of financial activities when the Academy has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

Grants are included in the Statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of 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 year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund.

Capital grants are recognised when receivable 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.

1. ACCOUNTING POLICIES (continued)

1.4 Resources expended

Expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Charitable activities are costs incurred in the Academy's educational operations.

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

All resources expended are inclusive of irrecoverable VAT.

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 one year from the date of approval of the financial statements.

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. The related grants are credited to a restricted fixed asset fund in the Statement of financial activities and are carried forward in the Balance sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy's depreciation policy.

Tangible fixed assets are stated at cost less depreciation. Depreciation is not charged on freehold land. Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost of those 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 on a straight line basis over the lease term.

1. ACCOUNTING POLICIES (continued)

1.8 Taxation

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

1.9 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 quinquennial valuations using a prospective benefit method. As stated in note 22, the TPS is a multi-employer scheme and the Academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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

2. VOLUNTARY INCOME

	Un-restricted funds 2015 £	**Restricted funds 2015 £**	**Total funds 2015 £**	*Total funds 2014 £*
Donations	-	**25,608**	**25,608**	*22,741*

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2015

3. ACTIVITIES FOR GENERATING FUNDS

	Un-restricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	*Total funds 2014 £*
Lettings	5,677	-	5,677	*4,545*
Sale of goods and services	3,044	-	3,044	*1,306*
	8,721	-	8,721	*5,851*

4. INVESTMENT INCOME

	Un-restricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	*Total funds 2014 £*
Bank interest	514	-	514	*513*

5. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Un-restricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	*Total funds 2014 £*
DfE/EFA revenue grants				
General Annual Grant (GAG)	-	1,349,773	1,349,773	*1,381,886*
DfE/EFA capital grants	-	77,229	77,229	*36,083*
DfE/EFA other grants	-	123,244	123,244	*43,100*
	-	1,550,246	1,550,246	*1,461,069*
Other funding				
Trip income	-	42,500	42,500	*40,198*
Tuition fee income	-	8,453	8,453	*7,684*
Catering income	-	21,177	21,177	*50,165*
Other income	-	3,488	3,488	*2,059*
	-	75,618	75,618	*100,106*
	-	1,625,864	1,625,864	*1,561,175*

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

6. CHARITABLE ACTIVITIES

	Total funds 2015 £	*Total funds 2014 £*
DIRECT COSTS - EDUCATIONAL OPERATIONS		
Wages and salaries	780,371	*790,423*
National insurance	51,715	*52,505*
Pension cost	97,610	*96,750*
Technology costs	37,729	*34,524*
Educational supplies	51,564	*61,029*
Staff development	10,807	*13,298*
Office costs	17,352	*16,717*
Trip expenditure	48,347	*47,257*
Other costs	22,374	*17,279*
	1,117,869	*1,129,782*
SUPPORT COSTS - EDUCATIONAL OPERATIONS		
Wages and salaries	127,413	*138,175*
National insurance	3,806	*5,427*
Pension cost	39,416	*34,423*
Depreciation	84,487	*82,130*
Recruitment & support	4,390	*4,439*
Maintenance of premises & equipment	60,648	*100,145*
Cleaning	5,570	*-*
Rent & rates	7,388	*6,606*
Energy costs	14,889	*16,185*
Insurance	28,690	*26,535*
Catering	82,484	*59,438*
Office costs	3,066	*5,841*
Bank interest & charges	462	*62*
Retirement benefit costs	(1,000)	*4,000*
Other costs	14,987	*19,063*
	476,696	*502,469*
	1,594,565	*1,632,251*

7. GOVERNANCE COSTS

	Un-restricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	*Total funds 2014 £*
Legal costs	-	1,670	1,670	*-*
Auditors' remuneration	-	4,765	4,765	*4,765*
Auditors' remuneration - non-audit	-	2,410	2,410	*1,940*
	-	8,845	8,845	*6,705*

8. RESOURCES EXPENDED

	Staff costs	Non Pay Expenditure		Total	*Total*
		Premises	Other costs		
	2015 £	2015 £	2015 £	2015 £	*2014 £*
Direct costs	929,696	-	188,173	1,117,869	*1,129,782*
Support costs	170,635	117,185	188,876	476,696	*502,469*
Charitable activities	1,100,331	117,185	377,049	1,594,565	*1,632,251*
Governance	-	-	8,845	8,845	*6,705*
	1,100,331	117,185	385,894	1,603,410	*1,638,956*

9. NET INCOMING / (OUTGOING) RESOURCES

This is stated after charging:

	2015 £	*2014 £*
Depreciation of tangible fixed assets:		
- owned by the charity	84,487	*82,130*
Auditors' remuneration	4,765	*4,765*
Auditors' remuneration - non-audit	2,410	*1,940*
Operating lease rentals:		
- other operating leases	6,467	*6,449*

10. STAFF

a. Staff costs

Staff costs were as follows:

	2015 £	*2014 £*
Wages and salaries	907,784	*928,598*
Social security costs	55,521	*57,932*
Other pension costs (Note 22)	137,026	*131,173*
	1,100,331	*1,117,703*

b. Staff numbers

The average number of persons employed by the Academy during the year expressed as full time equivalents was as follows:

	2015 No.	*2014 No.*
Teachers	14	*14*
Admin/Support	15	*16*
Senior Management Team	3	*3*
	32	*33*

c. Higher paid staff

The number of employees whose emoluments fell within the following bands was:

	2015 No.	*2014 No.*
In the band £60,001 - £70,000	1	*0*

The above employee participated in the Teachers' Pension Scheme. Employer's pension contributions amounted to £8,521.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

11. 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:

	2015	*2014*
	£'000	*£'000*
A total of four (2014: four) staff governors	**110-115**	*90-95*
Employer's pension contributions in respect of the above	**15-20**	*10-15*

During the year, no Trustees received any reimbursement of expenses (2014 - £38).

12. 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 2015 was £960 *(2014 - £900).* The cost of this insurance is included in the total insurance cost.

13. TANGIBLE FIXED ASSETS

	Long-term leasehold property £	**Fixtures and fittings £**	**Computer equipment £**	**Total £**
Cost				
At 1 September 2014	**4,276,000**	**26,000**	**32,744**	**4,334,744**
Additions	**-**	**-**	**5,196**	**5,196**
At 31 August 2015	**4,276,000**	**26,000**	**37,940**	**4,339,940**
Depreciation				
At 1 September 2014	**133,280**	**10,400**	**19,957**	**163,637**
Charge for the year	**66,640**	**5,200**	**12,647**	**84,487**
At 31 August 2015	**199,920**	**15,600**	**32,604**	**248,124**
Net book value				
At 31 August 2015	**4,076,080**	**10,400**	**5,336**	**4,091,816**
At 31 August 2014	*4,142,720*	*15,600*	*12,787*	*4,171,107*

13. TANGIBLE FIXED ASSETS (continued)

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

14. DEBTORS

	2015 £	*2014* *£*
Other debtors	305	*296*
Prepayments and accrued income	30,501	*6,511*
Tax recoverable	3,845	*5,373*
	34,651	*12,180*

15. CREDITORS:
Amounts falling due within one year

	2015 £	*2014* *£*
Trade creditors	46,565	*24,529*
Other taxation and social security	16,732	*16,276*
Other creditors	16,096	*15,042*
Accruals and deferred income	72,027	*96,184*
	151,420	*152,031*

Deferred income

	£
Deferred income at 1 September 2014	6,511
Resources deferred during the year	56,192
Amounts released from previous years	(6,511)
Deferred income at 31 August 2015	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 2015/16.

16. STATEMENT OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds						
Reserves	50,867	9,235	-	-	-	60,102
Restricted funds						
General Annual Grant (GAG)	-	1,349,773	(1,349,773)	-	-	-
Other Dfe/EFA grants	-	123,244	(123,244)	-	-	-
Other educational activities	80,204	101,226	(17,434)	-	-	163,996
Pension reserve	(290,000)	-	(11,000)	-	22,000	(279,000)
	(209,796)	1,574,243	(1,501,451)	-	22,000	(115,004)
Restricted fixed asset funds						
Fixed asset fund	4,171,107	-	(84,487)	5,196	-	4,091,816
Devolved formula capital	11,438	8,690	(4,428)	(6,243)	-	9,457
Roof project	-	30,997	-	-	-	30,997
Fire doors	5,475	6,522	(13,044)	1,047	-	-
Extractor fan	-	31,020	-	-	-	31,020
	4,188,020	77,229	(101,959)	-	-	4,163,290
Total restricted funds	3,978,224	1,651,472	(1,603,410)	-	22,000	4,048,286
Total of funds	4,029,091	1,660,707	(1,603,410)	-	22,000	4,108,388

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.

Other DfE/EFA grants
This is funding received from the EFA for specific purposes, for example pupil premium funding.

16. STATEMENT OF FUNDS (continued)

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.

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2015.

SUMMARY OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
General funds	50,867	9,235	-	-	-	60,102
Restricted funds	(209,796)	1,574,243	(1,501,451)	-	22,000	(115,004)
Restricted fixed asset funds	4,188,020	77,229	(101,959)	-	-	4,163,290
	4,029,091	1,660,707	(1,603,410)	-	22,000	4,108,388

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	*Total funds 2014 £*
Tangible fixed assets	-	-	4,091,816	4,091,816	*4,171,107*
Current assets	50,502	325,016	71,474	446,992	*300,015*
Creditors due within one year	9,600	(161,020)	-	(151,420)	*(152,031)*
Provisions for liabilities and charges	-	(279,000)	-	(279,000)	*(290,000)*
	60,102	(115,004)	4,163,290	4,108,388	*4,029,091*

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

18. NET CASH FLOW FROM OPERATING ACTIVITIES

	2015 £	*2014 £*
Net incoming resources before revaluations	57,297	*(48,676)*
Returns on investments and servicing of finance	(514)	*(513)*
Depreciation of tangible fixed assets	84,487	*82,130*
(Increase)/decrease in debtors	(22,471)	*10,888*
(Decrease)/increase in creditors	(611)	*43,893*
FRS 17 adjustments	11,000	*13,000*
Net cash inflow from operations	**129,188**	*100,722*

19. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2015 £	*2014 £*
Returns on investments and servicing of finance		
Interest received	514	*513*

	2015 £	*2014 £*
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(5,196)	*(3,744)*

20. ANALYSIS OF CHANGES IN NET FUNDS

	1 September 2014 £	Cash flow £	Other non-cash changes £	31 August 2015 £
Cash at bank and in hand:	287,835	124,506	-	412,341
Net funds	287,835	124,506	-	412,341

21. CAPITAL COMMITMENTS

There were no contractual capital commitments at the year end. However, the academy received EFA Conditional Improvement Fund grants totalling £62,017 in relation to building works due to commence during the forthcoming financial year.

22. 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 defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. 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 £16,096 were payable to the scheme at 31 August 2015 (2014 - £15,042) 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 year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4% from September 2015, which will be payable during the implementation period until the next valuation as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

22. PENSION COMMITMENTS (continued)

The pension costs paid to TPS in the period amounted to £79,800 (2014: £79,341).

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

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The Academy has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Academy 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 2015 was £61,000, of which employer's contributions totalled £46,000 and employees' contributions totalled £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.

The amounts recognised in the Balance sheet are as follows:

	2015	*2014*
	£	*£*
Present value of funded obligations	**(843,000)**	*(827,000)*
Fair value of scheme assets	**564,000**	*537,000*
Net liability	**(279,000)**	*(290,000)*

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

	2015	*2014*
	£	*£*
Current service cost	**(58,000)**	*(53,000)*
Interest cost	**(31,000)**	*(34,000)*
Expected return on assets	**32,000**	*30,000*
Total	**(57,000)**	*(57,000)*
Actual return on scheme assets	**21,000**	*36,000*

22. PENSION COMMITMENTS (continued)

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

	2015 £	*2014* *£*
Opening defined benefit obligation	**827,000**	*752,000*
Contributions by scheme participants	**15,000**	*14,000*
Actuarial Gains	**(33,000)**	*(14,000)*
Current service cost	**58,000**	*53,000*
Interest cost	**31,000**	*34,000*
Benefits paid	**(55,000)**	*(12,000)*
Closing defined benefit obligation	**843,000**	*827,000*

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

	2015 £	*2014* *£*
Opening fair value of scheme assets	**537,000**	*455,000*
Actuarial gains and (losses)	**(11,000)**	*6,000*
Expected return on assets	**32,000**	*30,000*
Contributions by employer	**46,000**	*-*
Contributions by employees	**15,000**	*14,000*
Contributions by employer	**-**	*44,000*
Benefits paid	**(55,000)**	*(12,000)*
	564,000	*537,000*

The cumulative amount of actuarial gains and losses recognised in the Statement of Financial Activities was £29,000 *(2014 - £7,000).*

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	2015	*2014*
Equities	**57.50 %**	*60.10 %*
Property	**8.20 %**	*7.70 %*
Government bonds	**25.80 %**	*24.00 %*
Corporate bonds	**1.70 %**	*1.40 %*
Cash	**3.30 %**	*3.70 %*
Other	**3.50 %**	*3.10 %*

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

	2015	*2014*
Discount rate for scheme liabilities	**3.80 %**	*3.70 %*
Rate of increase in salaries	**3.50 %**	*3.60 %*
Rate of increase for pensions in payment / inflation	**2.00 %**	*2.10 %*

22. PENSION COMMITMENTS (continued)

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

	2015	2014
Retiring today		
Males	**24.5**	*24.4*
Females	**26.3**	*26.2*
Retiring in 20 years		
Males	**26.6**	*26.5*
Females	**28.6**	*28.5*

Amounts for the current and previous two periods are as follows:

Defined benefit pension schemes

	2015 £	2014 £	2013 £
Defined benefit obligation	**(843,000)**	*(827,000)*	*(752,000)*
Scheme assets	**564,000**	*537,000*	*455,000*
Deficit	**(279,000)**	*(290,000)*	*(297,000)*
Experience adjustments on scheme liabilities	**33,000**	*14,000*	*(41,000)*
Experience adjustments on scheme assets	**(11,000)**	*6,000*	*28,000*

23. OPERATING LEASE COMMITMENTS

At 31 August 2015 the Academy had annual commitments under non-cancellable operating leases as follows:

	Land and buildings			Other
	2015 £	2014 £	2015 £	2014 £
Expiry date:				
Within 1 year	-	-	**65**	*389*
Between 2 and 5 years	-	-	**6,143**	*6,123*

24. RELATED PARTY TRANSACTIONS

Owing to the nature of the Academy's operations and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which a Trustee has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy's financial regulations and normal procurement procedures.

There were no related party transactions during the year.