

REGISTERED COMPANY NUMBER: 07718539 (England and Wales)

Report of the Governors and
Financial Statements for the Year Ended 31 August 2016
for

Stretton Sugwas Church of England
Academy



Thorne Widgery Accountancy Ltd
Chartered Accountants
Statutory Auditors
2 Wyevale Business Park
Kings Acre
Hereford
Herefordshire
HR4 7BS

Stretton Sugwas Church of England
Academy

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for the Year Ended 31 August 2016

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Stretton Sugwas Church of England
Academy

Reference and Administrative Details
for the Year Ended 31 August 2016

MEMBERS

D A Davies
Revd P A Littlewood
S R Williams
R G Griffiths

GOVERNORS

R G Griffiths (Vice Chair) *
S R Williams (Chairman)
D A Davies (Head Teacher)
G Jones
A Campbell *
J Dawkins
C McDougal
B Ford (Teacher) *
L Sharp

* members of the finance and premises committee

SENIOR MANAGEMENT TEAM

D A Davies	Headteacher
R Lovell	Director of Finance and Administration

COMPANY NAME

Stretton Sugwas Church of England Academy

REGISTERED OFFICE

Stretton Sugwas C of E Academy
Stretton Sugwas
Hereford
HR4 7AE

REGISTERED COMPANY NUMBER

07718539 (England and Wales)

SENIOR STATUTORY AUDITOR

Mr Kevin M Tong FCCA, ACA

AUDITORS

Thorne Widgey Accountancy Ltd
Chartered Accountants
Statutory Auditors
2 Wyevale Business Park
Kings Acre
Hereford
Herefordshire
HR4 7BS

Stretton Sugwas Church of England
Academy

Reference and Administrative Details
for the Year Ended 31 August 2016

SOLICITORS

Coodes Solicitors
Elizabeth House
Castle Street
Truro
Cornwall
TR1 3AP

BANKERS

Lloyds Bank
6-8 High Town
Hereford
Herefordshire
HR1 2AE

Stretton Sugwas Church of England
Academy

Report of the Governors
for the Year Ended 31 August 2016

The governors present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2016.

OBJECTIVES AND ACTIVITIES

Objects and aims

We value our C of E status and aim to provide all pupils with a broad and balanced curriculum, with a strong Social Moral Spiritual Ethos, and a particular emphasis on a creative curriculum which the Academy conversion has given us the scope to provide. We are proud of the high standards of education that we provide our children and the outstanding quality of our talented and committed teaching staff. We aspire to build on these sound foundations, to become an exceptional school that enjoys an outstanding reputation within the local community.

Objectives, Strategies and Activities

The Governors of the school have been responsible for recruiting a number of talented new members of staff to enhance our already exceptional team and to give us the further capacity to develop or highly innovative and creative curriculum. We are currently working closely with our IT provider to develop state of the art IT provision which will greatly enhance our children's education. All of which has been possible due to our new Academy Status.

Public benefit

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives. All our charitable activities are undertaken to further our charitable purposes for the public benefit.

STRATEGIC REPORT

Achievement and performance

Key financial performance indicators

The attainment for KS1 has continued to rise across all subject areas, showing improvements in Reading, Writing and Maths. This is also the case for KS2, as the attainment in Maths particularly has seen a big rise from the previous year's results. Reading and Grammar have continued to rise and writing has maintained its high standards. The progress across all subject areas from KS1 to KS2 has increased from last year's results. The children in KS1 progress from the Early Years Foundation Stage at a very good rate and achieve well. Also for the EYFS the number of children achieving a 'Good level of Development' was around 10% above National figures. Above all the quality of our provision and the effective school ethos mean that our children enjoy their education at Stretton Sugwas Church of England Academy.

Financial review

Principal funding sources

The majority of the Academy's income is obtained from the DfE in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2016 and the associated expenditure are shown as restricted funds in the statement of financial activities.

The Academy also receives grants for fixed assets from the DfE in accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2005), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the useful life of the assets concerned as defined in the Academy's accounting policies.

During the year ended 31 August 2016, total expenditure of £517,245 (2015: £505,547) was covered by recurrent grant funding from the DfE together with other incoming resources. The net resources expended before transfers and revaluations for the year was £11,349 (2015: £15,830 net income).

At 31 August 2016, the net book value of fixed assets was £920,943 (2015: £928,796) and movements in tangible fixed assets are shown in the fixed assets note in the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

Investment policy

The school will invest any surplus funds on deposit to ensure it maximises its return.

STRATEGIC REPORT

Financial review

Reserves policy

The governors review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Academy's current level of reserves (total funds less the amount held in fixed assets and restricted funds) is £71,083 (2015: £1,291), all of which is free reserves. The level of general restricted reserves is £149,208 (2015: £214,498).

Going concern

After making appropriate enquiries, the Governing Body 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.

Principal risks and uncertainties

The Governors consider that the principal risks and uncertainties facing the Academy are:

- Meeting requisite standards of education for students in core subjects
- Complying with legislative requirements regarding employment law, data protection, discrimination, Companies House and HMRC, child protection, the Charity Commission and the National Curriculum.
- Financial risk - not operating within its budget and running a deficit, changes in funding, inappropriate or insufficient financial controls and systems, fraudulent activity and/or financial commitments made without adequate authorisation.
- Operational risks resulting from inexperienced or inappropriate staff being employed and inaccurate, out of date or inappropriate information.

The key controls used by the Academy include:

- Detailed terms of reference for all committees
- Formal agendas for the Academy board and committees
- Schemes of delegation and formal financial regulations
- Formal written policies
- Clear authorisation and approval levels
- Policies and procedures required by law to protect the vulnerable

Financial and risk management objectives and policies

The School has agreed a Risk Management strategy, a Risk register and a risk management plan. These have been discussed by governors and include the financial risks to the school. The register and plan are constantly reviewed in light of any new information and formally reviewed annually.

Future plans

Our popularity has continued to rise and even though increasing our PAN to 20, we are still oversubscribed by around 50% for September 2016. The school continues to grow with its current numbers at 132 pupils, an increase of 15% over the last 3 years. Future plans are to steadily continue to grow in pupil numbers to around 140.

Stretton Sugwas Church of England
Academy

Report of the Governors
for the Year Ended 31 August 2016

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The 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 Company was Incorporated on the 26th July 2011 and converted from a Local Authority School to an Academy Trust on the 1st April 2012.

The governors act as the trustees for the charitable activities of Stretton Sugwas Church Of England Academy and are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Stretton Sugwas Church Of England Academy.

Details of the governors who served throughout the year except as noted are included in the Reference and Administrative Details at the start of this report.

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.

Governors' Indemnities

Governors benefit from indemnity insurance purchased at the Academy Trust's expense to cover the liability of the governors which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust, provided that any such insurance shall not extend to any claim arising from any act or omission which the governors knew to be a breach of trust or breach of duty or which was committed by the governors in reckless disregard to whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the governors in their capacity as directors of the Academy Trust.

The liability insurance is provided by Arthur J Gallagher.

Principal activities

This is defined in the Articles of Association.

Method of Recruitment and Appointment or Election of Governors

This is defined in the Articles of Association:

The number of Governors shall not be less than three nor more than 11 except for appointments of any Additional Governors made by the Secretary of State.

The members may appoint up to 2 Governors.

The members may appoint Staff Governors through such process as they may determine, provided that the total number of Governors (including the Headteacher) who are employees of the Academy Trust does not exceed one third of the total number of Governors.

One Foundation Governors shall be The Principal Officiating Minister for the time being in the Parish of Stretton Sugwas, to be treated as an ex officio Foundation Governor. Additional Foundation Governors may be appointed by the Hereford Diocesan Board of Education after consultation with Stretton Sugwas Parochial Church Council provided that the total number of Foundation Governors (including ex officio Foundation Governors) would not thereby exceed 25% of the total number of Governors.

The Headteacher shall be treated for all purposes as being an ex officio governor.

Parent Governors shall be elected by parents of registered pupils at the School. A Parent Governor must be a parent of a pupil at the School at the time when he is elected. Any election of Parent Governors which is contested shall be held by secret ballot.

Stretton Sugwas Church of England
Academy

Report of the Governors
for the Year Ended 31 August 2016

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisational structure

The Academy has a leadership structure which consists of the governors and The Senior Leadership Team and Curriculum Leaders. The aim of the leadership structure is to devolve responsibility and encourage involvement in decision making at all levels. The Headteacher is the Accounting Officer.

The governors are responsible for setting general policy, adopting an annual plan and budget, approving the statutory accounts, monitoring the Academy by the use of budgets and other data, and making major decisions about the direction of the Academy, capital expenditure and staff appointments.

The Senior Management Team are the Headteacher, and the Finance Director. These leaders direct the Academy at an executive level implementing the policies laid down by the governors and reporting back to them. The Senior Managers are responsible for the authorisation of spending within agreed budgets and the appointment of staff, though appointment boards for posts in the Senior Management Team always contain a governor. Some spending control is devolved to members of the Senior Management Team, with limits above which the Principal must countersign.

Policies and Procedures adopted for the induction and training of Governors

The Academy has a Governor Recruitment and Induction policy.

The training and induction provided for new governors includes a tour of the Academy and a chance to meet staff and pupils. The Governor Support Team at the Local Authority provides external training including financial matters. They provide regular updates on practice, legislation and guidance. All governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as governors.

Key management remuneration

The academy runs a rigorous system of performance management and appraisal which is linked to performance-related pay progression.

Connected Organisations, including Related Party Relationships

Stretton Sugwas Church of England Academy has a connection with the Diocese of Hereford.

AUDITORS

Insofar as the governors are aware:

- there is no relevant audit information of which the Charitable Company's Auditor is unaware; and
- the governors 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.

Report of the Governors, incorporating a strategic report, was approved by order of the board of governors, as the company directors, on22/11/16..... and signed on its behalf by:

..........
S R Williams - Chairman

Stretton Sugwas Church of England
Academy

Governance Statement
for the Year Ended 31 August 2016

Scope of Responsibility

As governors, we acknowledge we have overall responsibility for ensuring that Stretton Sugwas 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 of loss.

The board of the governors has delegated the day-to-day responsibility to the Principal, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Stretton Sugwas Church of England Academy and the Secretary of State for Education. They are also responsible for reporting to the board of governors any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Report of the Governors and in the Statement of Governors Responsibilities. The board of governors has formally met 5 times during the year. Attendance during the year at meetings of the board of governors was as follows:

Governor	Meetings attended	Out of a possible
S R Williams (Chairman)	4	5
R G Griffiths (Vice Chair)	5	5
D A Davies (Head Teacher)	5	5
G Jones	3	5
A Campbell	5	5
	5	5
J Dawkins	4	5
C McDougal	3	5
B Ford (Teacher)	5	5

Governance Review

The Academy reviews the skills set of the Governors to ensure a board range of knowledge/expertise is represented.

The Finance and General Purposes Committee is a sub-committee of the main Governing Body. Its purpose is to monitor and oversee the financial procedures of the Academy. Attendance at meetings in the year was as follows:

Governor	Meetings Attended	Out of a Possible
Richard Griffiths	3	3
Ben Ford	2	3
Alastair Campbell	2	3

Review of Value for Money

Improving educational results by:

- Our broad and balanced curriculum ensures all pupils have the opportunity to raise their individual levels of attainment.
- We regularly review the staffing structure to ensure staff are efficiently deployed and are appropriately qualified and experienced specialists and enthusiasts.
- We bring in additional staff to target key curriculum areas, such as providing expert tuition in music and team teaching of the PE curriculum with a sports specialist. We also provide targeted support for students as appropriate, such as individual and small group intervention with teaching assistants, along with 1:1 tuition with a teacher.
- We focus on the differing needs of every individual pupil. This is reflected in the outcomes for Service Children and FSM pupils.
- We have good tracking systems to record all aspects of student data including progress through school and to ensure that interventions and support are targeted to achieve Value for Money.
- We have produced excellent outcomes for our FSM students ensuring the school continues to close the gap those identified. Pupil Premium monies have been allocated to optimal effect, as illustrated by the detailed breakdown on the School website.

Stretton Sugwas Church of England
Academy

Governance Statement
for the Year Ended 31 August 2016

**Review of Value for Money
Financial Performance**

- Financial governance and oversight is strong, with appropriate members on the Governors Finance Sub- committee. Regular visits are made by the Responsible Officer to audit and ensure all financial processes are followed.
- Financial records are checked regularly and reconciled monthly to ensure value for money
- Spending proposals are costed and presented to Senior Leaders I Governors and then challenged appropriately.
- Regular budget updates are provided, which enables both short and long term budget decisions to be made appropriately.
- The Business Manager and Headteacher have been influential in driving down costs through better procurement and negotiation throughout 2015/16.
- All contracts are reviewed on an annual basis to ensure they are still fit for purpose and best value for our school.
- Contracts have been taken where better Value for Money can be achieved, such as HR Support and Payroll. Other SLA's have also been out sourced, such as, Admissions.
- School identifies where any areas are significantly over or under spent and are thoroughly investigated and assurances provided that the spend is appropriate to our school.
- The school Tendering policy ensures that tenders/quotes are obtained as appropriate to ensure Value for Money with all major projects. A minimum of 3 quotes are obtained before spending for any major projects.
- Cash flow forecasts are used to identify and invest surplus cash balances to maximise bank interest receivable.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Stretton Sugwas Church of England Academy for the period 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 governors 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 governors is of the view that there is a formal on-going process for identifying, evaluating and managing the academy's significant risks that has been in place for the period 1 September 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 governors.

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 Governing Body.
- 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.

Stretton Sugwas Church of England
Academy

Governance Statement
for the Year Ended 31 August 2016

The Risk and Control Framework

The Governing Body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the governors have appointed Mr Alastair Campbell, as Internal Reviewer ('IR'). The IR's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. On a quarterly basis, the IR reports to the Governing Body on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities.

Review of Effectiveness

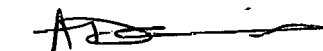
As Accounting Officer, the Principal has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the Responsible Officer;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers 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 and General Purposes Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 22/11/16 and signed on its behalf by:


.....
S R Williams - Chairman


.....
Alex Davies - Accounting Officer

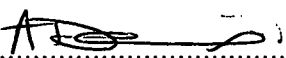
Stretton Sugwas Church of England
Academy

Statement on Regularity, Propriety and Compliance
for the Year Ended 31 August 2016

As accounting officer of Stretton Sugwas Church of England Academy I have considered my responsibility to notify the academy board of governors 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 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 board of governors 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 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 governors and EFA.


.....
Alex Davies - Accounting Officer

Date: 22/11/2016

Stretton Sugwas Church of England
Academy

Statement of Governors Responsibilities
for the Year Ended 31 August 2016

The governors (who act as trustees of Stretton Sugwas Church of England Academy and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Report of the Governors 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 governors to prepare financial statements for each financial year. Under company law the governors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the academy and of the incoming resources and application of resources, including the income and expenditure, of the academy for that period. In preparing those financial statements, the governors are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the academy will continue in business.

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

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

In so far as the governors are aware:

- there is no relevant audit information of which the academy's auditors are unaware; and
- the governors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The governors are responsible for the maintenance and integrity of the corporate and financial information included on the academy'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 on22/11/16..... and signed on its behalf by:


Governor

Report of the Independent Auditors to the Members of
Stretton Sugwas Church of England
Academy

We have audited the financial statements of Stretton Sugwas Church of England Academy for the year ended 31 August 2016 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 Accounts Direction 2015 to 2016 issued by the Education Funding Agency (EFA).

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

Respective responsibilities of governors and auditors

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

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. As explained more fully in the Governor's responsibilities statement, the Governors (who are also the directors of the academy trust 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 (APB'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 governors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Governors 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 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;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and Academies Accounts Direction 2015 to 2016.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Governors for the financial year for which the financial statements are prepared is consistent with the financial statements.

Report of the Independent Auditors to the Members of
Stretton Sugwas 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 governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the governors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Governors.



Mr Kevin M Tong FCCA, ACA (Senior Statutory Auditor)
for and on behalf of Thorne Widgery Accountancy Ltd
Chartered Accountants
Statutory Auditors
2 Wyevale Business Park
Kings Acre
Hereford
Herefordshire
HR4 7BS

Date: 22/11/16

Independent Reporting Accountant's Assurance Report on Regularity to
Stretton Sugwas Church of England
Academy and the Education Funding Agency

In accordance with the terms of our engagement 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 Stretton Sugwas Church of England Academy during the period 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 Stretton Sugwas 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 Stretton Sugwas 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 Stretton Sugwas Church of England Academy and the EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Stretton Sugwas Church of England Academy's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Stretton Sugwas Church of England Academy's funding agreement with the Secretary of State for Education 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 period 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.

The work undertaken to draw our conclusions includes:

- detailed testing of a sample of items of income and expenditure to ensure appropriately applied for the purposes intended
- specific testing, on a sample basis, of system controls relevant to the above
- a general review of correspondence with the appropriate authorities regarding Academy governance matters during the year
- a general review and discussion of the Academy's internal procedures for establishing and maintaining systems of control and documentation regarding these matters

This work was integrated with our audit on the financial statements to the extent evidence from the conduct of that audit supports the regularity conclusion.

Without qualifying our opinion, we would like to refer to the related and connected party transactions highlighted in note 23 in the attached accounts.

Independent Reporting Accountant's Assurance Report on Regularity to
Stretton Sugwas Church of England
Academy and the Education Funding Agency

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2015 to 31 August 2016 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Thorne Widgey Accountancy Ltd
Chartered Accountants
2 Wyevale Business Park
Kings Acre
Hereford
Herefordshire
HR4 7BS

Date:22/11/16.....

Stretton Sugwas Church of England
Academy

Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
for the Year Ended 31 August 2016

					31.8.16	31.8.15
		Unrestricted	Restricted	Restricted	Total	Total
	Note	Fund	Fixed Asset	General	funds	funds
		£	£	£	£	£
INCOME AND ENDOWMENTS FROM						
Donations and capital grants	3	-	5,362	25,801	31,163	40,384
Charitable activities						
Funding for the academy's educational operations	4	-	-	597,698	597,698	590,946
Other trading activities	5	34,777	-	375	35,152	9,407
Investment income	6	608	-	-	608	413
Total		35,385	5,362	623,874	664,621	641,150
EXPENDITURE ON						
Charitable activities						
Academy's educational operations		22,230	39,464	614,276	675,970	625,320
NET INCOME/(EXPENDITURE)		13,155	(34,102)	9,598	(11,349)	15,830
Transfers between funds	20	56,637	26,251	(82,888)	-	-
Other recognised gains/(losses)						
Actuarial gains/losses on defined benefit schemes		-	-	(106,000)	(106,000)	(3,000)
Net movement in funds		69,792	(7,851)	(179,290)	(117,349)	12,830
RECONCILIATION OF FUNDS						
Total funds brought forward		1,291	928,795	90,498	1,020,584	1,007,754
TOTAL FUNDS CARRIED FORWARD		71,083	920,944	(88,792)	903,235	1,020,584

The notes form part of these financial statements

**Stretton Sugwas Church of England
Academy (Registered number: 07718539)**

**Balance Sheet
At 31 August 2016**

	Notes	31.8.16 £	31.8.15 £
FIXED ASSETS			
Tangible assets	13	920,943	928,796
CURRENT ASSETS			
Stocks	14	1,751	1,015
Debtors	15	26,620	40,310
Cash at bank and in hand		<u>227,228</u>	<u>221,111</u>
		255,599	262,436
CREDITORS			
Amounts falling due within one year	16	(35,307)	(46,648)
NET CURRENT ASSETS		<u>220,292</u>	<u>215,788</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,141,235	1,144,584
PENSION LIABILITY	21	(238,000)	(124,000)
NET ASSETS		<u>903,235</u>	<u>1,020,584</u>
FUNDS	20		
Unrestricted funds		71,083	1,291
Restricted funds		<u>832,152</u>	<u>1,019,293</u>
TOTAL FUNDS		<u>903,235</u>	<u>1,020,584</u>

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies.

The financial statements were approved by the Board of Governors on 22/11/16 and were signed on its behalf by:

S R Williams
S R Williams -Chairman

Stretton Sugwas Church of England
Academy

Cash Flow Statement
for the Year Ended 31 August 2016

	Notes	31.8.16 £	31.8.15 £
Cash flows from operating activities:			
Cash generated from operations	1	<u>31,759</u>	<u>125,127</u>
Net cash provided by (used in) operating activities		<u>31,759</u>	<u>125,127</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		(31,611)	(71,630)
Capital grants from DfE/EFA		5,361	11,751
Interest received		<u>608</u>	<u>413</u>
Net cash provided by (used in) investing activities		<u>(25,642)</u>	<u>(59,466)</u>
Change in cash and cash equivalents in the reporting period		6,117	65,661
Cash and cash equivalents at the beginning of the reporting period		<u>221,111</u>	<u>155,450</u>
Cash and cash equivalents at the end of the reporting period		<u>227,228</u>	<u>221,111</u>

The notes form part of these financial statements

Notes to the Cash Flow Statement
for the Year Ended 31 August 2016

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

	31.8.16 £	31.8.15 £
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(11,349)	15,830
Adjustments for:		
Depreciation	39,464	33,569
Capital grants from DfE/EFA	(5,361)	(11,751)
Interest received	(608)	(413)
(Increase)/decrease in stocks	(736)	353
Decrease in debtors	13,690	144,034
Decrease in creditors	(11,341)	(57,495)
Difference between pension charge and cash contributions	<u>8,000</u>	<u>1,000</u>
Net cash provided by (used in) operating activities	<u>31,759</u>	<u>125,127</u>

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the academy, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Academies Accounts Direction 2015 to 2016 issued by the EFA, the Charities Act 2011 and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Stretton Sugwas Church of England Academy meets the definition of a public benefit entity under FRS 102.

First time adoption of FRS 102

These financial statements are the first financial statements of Stretton Sugwas Church of England Academy prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities SORP 2015. The financial statements of Stretton Sugwas 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.

Going concern

The governors 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 Company to continue as a going concern. The Governors make this assessment in respect of a period of one year from the date of approval of the financial statements. The governors 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.

Income

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

Grants

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

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

Capital grants are recognised 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.

Sponsorship income

Sponsorship income provided to the academy which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable (where there are no performance-related conditions), where it is probable that the income will be received and the amount can be measured reliably.

Donations

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

1. ACCOUNTING POLICIES - continued

Other income

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

Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'. Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the academy to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

All resources expended are inclusive of irrecoverable VAT.

Charitable activities

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

Tangible fixed assets

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

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

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

Leasehold buildings	2% on cost
Fixtures and fittings	15 to 20% on cost
Motor vehicles	20% on cost
Computer equipment	33.3% on cost

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

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

Leased Assets

Rentals under operating leases are charged on a straight line basis over the lease term.

Stocks

Any unsold uniforms at the year end are valued at the lower of cost or net realisable value.

1. ACCOUNTING POLICIES - continued

Taxation

The Academy Trust 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 Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Fund accounting

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

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

Restricted general funds comprise all other restricted funds received and include grants from the Education Funding Agency.

1. ACCOUNTING POLICIES - continued

Pension costs and other post-retirement benefits

Retirement benefits to employees of the Academy Trust are provided by the Teacher's Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes, are contracted out of the State Earnings-Related Pension Scheme ('SERPS'), and the assets are held separately from those of the Academy Trust.

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 Trust 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 20, the TPS is a multi-employer scheme and the Academy Trust 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 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 method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond or equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

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

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.

Notes to the Financial Statements - continued
for the Year Ended 31 August 2016

1. ACCOUNTING POLICIES - continued

Liabilities

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 trust 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

Provisions are recognised when the academy trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

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.

2. GENERAL ANNUAL GRANT

The academy is not subject to a GAG carry forward limit for the year ended 31 August 2016.

3. DONATIONS AND CAPITAL GRANTS

	Unrestricted funds £	Restricted funds £	31.8.16 Total funds £	31.8.15 Total funds £
Other grants and payments	-	15,078	15,078	16,172
Capital Grants	-	5,361	5,361	11,751
School trips etc	-	10,724	10,724	12,461
	<u>-</u>	<u>31,163</u>	<u>31,163</u>	<u>40,384</u>

Grants received, included in the above, are as follows:

	31.8.16 £	31.8.15 £
Capital Grant	<u>5,361</u>	<u>11,751</u>

4. FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds £	Restricted funds £	31.8.16 Total funds £	31.8.15 Total funds £
DfE/EFA revenue grant				
General Annual Grant(GAG)	-	517,245	517,245	505,547
Other DfE/EFA Grants	-	57,331	57,331	85,399
	-	574,576	574,576	590,946
Other government grant				
Special Educational Projects	-	23,122	23,122	-
	-	597,698	597,698	590,946

5. OTHER TRADING ACTIVITIES

	Unrestricted funds £	Restricted funds £	31.8.16 Total funds £	31.8.15 Total funds £
Income from other schools	4,500	375	4,875	487
Other	30,277	-	30,277	8,920
	34,777	375	35,152	9,407

6. INVESTMENT INCOME

	Unrestricted funds £	Restricted funds £	31.8.16 Total funds £	31.8.15 Total funds £
Short term deposits	608	-	608	413

7. EXPENDITURE

	Staff costs £	Non-pay expenditure Premises £	Other costs £	31.8.16 Total £	31.8.15 Total £
Charitable activities					
Academies educational operations					
Direct costs	326,794	14,221	86,107	427,122	448,608
Allocated support costs	116,287	43,463	89,098	248,848	176,712
	443,081	57,684	175,205	675,970	625,320

Stretton Sugwas Church of England
Academy

Notes to the Financial Statements - continued
for the Year Ended 31 August 2016

7. EXPENDITURE - continued

Net income/(expenditure) is stated after charging/(crediting):

	31.8.16	31.8.15
	£	£
Auditors' remuneration	6,000	5,825
Depreciation - owned assets	39,464	33,569
Operating leases	1,061	771
Auditors' other services	<u>1,229</u>	<u>1,320</u>

8. CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds £	Restricted funds £	31.8.16 Total funds £	31.8.15 Total funds £
Direct costs	5,240	421,882	427,122	448,608
Support costs	<u>16,990</u>	<u>231,858</u>	<u>248,848</u>	<u>176,712</u>
	<u>22,230</u>	<u>653,740</u>	<u>675,970</u>	<u>625,320</u>

	31.8.16 Total £	31.8.15 Total £
Analysis of support costs		
Support staff costs	116,287	69,011
Depreciation	25,243	20,155
Administrative supplies	11,410	15,581
Premises costs	43,463	30,256
Other support costs	<u>45,216</u>	<u>34,564</u>
	<u>7,229</u>	<u>7,145</u>
Total support costs	<u>248,848</u>	<u>176,712</u>

9. GOVERNORS' REMUNERATION AND BENEFITS

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

The value of trustees' remuneration and other benefits was as follows:

A Davies (Headteacher):

Remuneration £55,000 - £60,000	(2015: £50,000 - £55,000)
Employer's pension contribution £5,000 - £10,000	(2015: £5,000 - £10,000)

B Ford (staff governor):

Remuneration £40,000 - £45,000	(2015: £40,000 - £45,000)
Employer's pension contribution £5,000 - £10,000	(2015: £5,000 - £10,000)

Governors' expenses

There were no governors' expenses paid for the year ended 31 August 2016 nor for the year ended 31 August 2015.

During the period ended 31 August 2015, travel and subsistence expenses totalling £Nil (2015: £Nil) were reimbursed to the governors.

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

Notes to the Financial Statements - continued
for the Year Ended 31 August 2016

10. STAFF COSTS

	31.8.16	31.8.15
	£	£
Wages and salaries	374,541	341,714
Social security costs	21,726	17,568
Other pension costs	<u>46,814</u>	<u>54,849</u>
	443,081	414,131
Supply teacher costs	<u>-</u>	<u>175</u>
	<u><u>443,081</u></u>	<u><u>414,306</u></u>

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

	31.8.16	31.8.15
Teachers	5	5
Administration and support	7	6
Management	<u>2</u>	<u>2</u>
	<u><u>14</u></u>	<u><u>13</u></u>

No employees received emoluments in excess of £60,000.

Key Management Personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £160,358 (2015: £145,719).

11. GOVERNORS' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy has purchased insurance to protect Governors and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost of this insurance is included in the total insurance cost.

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted Fund £	Restricted Fixed Asset Fund £	Restricted General Fund £	Total funds £
INCOME AND ENDOWMENTS FROM				
Donations and capital grants	-	21,753	18,631	40,384
Charitable activities				
Funding for the academy's educational operations	-	-	590,946	590,946
Other trading activities	8,920	-	487	9,407
Investment income	<u>413</u>	<u>-</u>	<u>-</u>	<u>413</u>
Total	9,333	21,753	610,064	641,150

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted Fund £	Restricted Fixed Asset Fund £	Restricted General Fund £	Total funds £
EXPENDITURE ON				
Charitable activities				
Academy's educational operations	9,653	33,569	582,098	625,320
NET INCOME/(EXPENDITURE)	(320)	(11,816)	27,966	15,830
Transfers between funds	-	63,990	(63,990)	-
Other recognised gains/(losses)				
Actuarial gains/losses on defined benefit schemes	-	-	(3,000)	(3,000)
Net movement in funds	(320)	52,174	(39,024)	12,830
RECONCILIATION OF FUNDS				
Total funds brought forward	1,610	876,621	129,523	1,007,754
TOTAL FUNDS CARRIED FORWARD	<u>1,290</u>	<u>928,795</u>	<u>90,499</u>	<u>1,020,584</u>

13. TANGIBLE FIXED ASSETS

	Long leasehold £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST					
At 1 September 2015	905,033	10,658	26,300	55,192	997,183
Additions	6,013	12,493	-	13,105	31,611
At 31 August 2016	<u>911,046</u>	<u>23,151</u>	<u>26,300</u>	<u>68,297</u>	<u>1,028,794</u>
DEPRECIATION					
At 1 September 2015	33,043	3,825	5,337	26,182	68,387
Charge for year	14,221	2,486	5,260	17,497	39,464
At 31 August 2016	<u>47,264</u>	<u>6,311</u>	<u>10,597</u>	<u>43,679</u>	<u>107,851</u>
NET BOOK VALUE					
At 31 August 2016	<u>863,782</u>	<u>16,840</u>	<u>15,703</u>	<u>24,618</u>	<u>920,943</u>
At 31 August 2015	<u>871,990</u>	<u>6,833</u>	<u>20,963</u>	<u>29,010</u>	<u>928,796</u>

14. STOCKS

	31.8.16 £	31.8.15 £
Stocks	<u>1,751</u>	<u>1,015</u>

Notes to the Financial Statements - continued
for the Year Ended 31 August 2016

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.8.16	31.8.15
	£	£
Trade debtors	-	1,000
Other debtors	-	128
VAT	3,330	8,960
Prepayments and accrued income	<u>23,290</u>	<u>30,222</u>
	<u>26,620</u>	<u>40,310</u>

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.8.16	31.8.15
	£	£
Trade creditors	5,999	-
Social security and other taxes	11,321	11,695
Deferred income	15,916	18,594
Accrued expenses	<u>2,071</u>	<u>16,359</u>
	<u>35,307</u>	<u>46,648</u>

	£
Deferred Income at 1 September 2015	18,595
Resources deferred in the year	15,916
Amounts released from previous years	(18,595)
Deferred Income at 31 August 2016	<u>15,916</u>

At the balance sheet date the Academy Trust was holding funds received in advance in relation to Free School meals income and rates income, which relate to the next financial year.

17. OPERATING LEASE COMMITMENTS

The following operating lease payments are committed to be paid within one year:

	Other operating leases	
	31.8.16	31.8.15
	£	£
Expiring:		
Within one year	483	1,061
Between one and five years	1,160	1,353
In more than five years	<u>3,335</u>	<u>3,625</u>
	<u>4,978</u>	<u>6,039</u>

18. MEMBERS' LIABILITY

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

Stretton Sugwas Church of England
Academy

Notes to the Financial Statements - continued
for the Year Ended 31 August 2016

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

				31.8.16	31.8.15
	Unrestricted Fund	Restricted Fixed Asset Fund	Restricted General Fund	Total funds	Total funds
	£	£	£	£	£
Fixed assets	-	920,943	-	920,943	928,796
Current assets	71,510	1	184,088	255,599	262,436
Current liabilities	(427)	-	(34,880)	(35,307)	(46,648)
Pension liability	-	-	(238,000)	(238,000)	(124,000)
	<u>71,083</u>	<u>920,944</u>	<u>(88,792)</u>	<u>903,235</u>	<u>1,020,584</u>

20. MOVEMENT IN FUNDS

	At 1.9.15 £	Net movement in funds £	Transfers between funds £	At 31.8.16 £
Unrestricted funds				
Unrestricted fund	1,109	7,312	56,637	65,058
Unrestricted Club Stretton Fund	<u>182</u>	<u>5,843</u>	<u>-</u>	<u>6,025</u>
	1,291	13,155	56,637	71,083
Restricted funds				
General Annual Grant	138,070	37,389	(26,251)	149,208
Restricted Pension Fund	(124,000)	(114,000)	-	(238,000)
Other Restricted	76,428	(19,791)	(56,637)	-
DfE/YPLA capital grants	291,097	(3,366)	652	288,383
Conversion and depreciation	573,662	(8,300)	-	565,362
Expenditure from GAG	50,793	(22,171)	25,599	54,221
Other grant expenditure	<u>13,243</u>	<u>(265)</u>	<u>-</u>	<u>12,978</u>
	1,019,293	(130,504)	(56,637)	832,152
TOTAL FUNDS	<u>1,020,584</u>	<u>(117,349)</u>	<u>-</u>	<u>903,235</u>

Notes to the Financial Statements - continued
for the Year Ended 31 August 2016

20. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
Unrestricted fund	8,954	(1,642)	-	7,312
Unrestricted Club Stretton Fund	<u>26,431</u>	<u>(20,588)</u>	-	<u>5,843</u>
	35,385	(22,230)	-	13,155
Restricted funds				
General Annual Grant	517,248	(479,859)	-	37,389
Other Restricted	49,295	(69,086)	-	(19,791)
Other DfE/EFA Grants	57,331	(57,331)	-	-
DfE/YPLA capital grants	5,362	(8,728)	-	(3,366)
Conversion and depreciation	-	(8,300)	-	(8,300)
Other grant expenditure	-	(265)	-	(265)
Restricted Pension Fund	-	(8,000)	(106,000)	(114,000)
Expenditure from GAG	<u>-</u>	<u>(22,171)</u>	<u>-</u>	<u>(22,171)</u>
	629,236	(653,740)	(106,000)	(130,504)
TOTAL FUNDS	<u><u>664,621</u></u>	<u><u>(675,970)</u></u>	<u><u>(106,000)</u></u>	<u><u>(117,349)</u></u>

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

- General Annual Grant (GAG): Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the GAG that it could carry forward at the year end.
- Other DfE/EFA Grants: are utilised for the purposes intended by the donor.
- Other Restricted General Funds: include payments made towards Academy trips.
- The Pension Fund: is the surplus/(deficit) in the Local Government Pension Scheme.
- Restricted Fixed Asset Funds: include the fixed assets transferred on conversion to Academy, capital grants received from the EFA and other establishments, additions and depreciation.
- Unrestricted Funds: are all those income and expenses for general use in the Academy.
- Unrestricted Club Stretton Funds: all income and expenses in relation to Club Stretton.

Transfers between funds relate to re-allocation of the cash on conversion to unrestricted funds, and expenditure on fixed assets.

21. PENSION AND SIMILAR OBLIGATIONS

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

Contributions amounting to £5,889 were payable to the schemes at 31 August 2016 (2015: £5,525) and are included within creditors.

21. PENSION AND SIMILAR OBLIGATIONS
- continued

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 valuation
- 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 £34,121 (2015: £28,332).

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

Under the definitions set out in FRS 102, the TPS is 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.

Notes to the Financial Statements - continued
for the Year Ended 31 August 2016

21. PENSION AND SIMILAR OBLIGATIONS
- continued

Local government pension scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee administered funds. The total contribution made for the year ended 31 August 2016 was £18,729 (2015: £17,468), of which employer's contributions totalled £12,692 (2015: £11,829) and employees' contributions totalled £6,037 (2015: £5,639). The agreed contribution rates for future years are 12.2 per cent for employers and between 5.5 and 12.5 per cent 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.

As the scheme is in deficit, the school has entered into an agreement with the governors to make additional contributions in addition to normal funding levels.

The rates payable over a six year period will be the Future Service Rate of 12.2% of payroll plus phased lump sum deficit contributions starting at £5,200 for the year 2015, increasing by approximately 4% per annum. The rate payable from 1 April 2017 will be further revised following the valuation of the Pension Fund which took place on 31 March 2016.

The current estimated recovery period is 15 years.

The amounts recognised in the balance sheet are as follows:

	Defined benefit pension plans	
	31.8.16	31.8.15
	£	£
Present value of funded obligations	-	(201,000)
Fair value of plan assets	<u>119,000</u>	<u>77,000</u>
	<u>119,000</u>	<u>(124,000)</u>
Surplus/(deficit)	<u>119,000</u>	<u>(124,000)</u>
Net asset/(liability)	<u>119,000</u>	<u>(124,000)</u>

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

	Defined benefit pension plans	
	31.8.16	31.8.15
	£	£
Current service cost	21,000	20,000
Net interest from net defined benefit asset/liability	<u>5,000</u>	<u>3,000</u>
	<u>26,000</u>	<u>23,000</u>
Actual return on plan assets	<u>18,000</u>	<u>-</u>

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

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

	Defined benefit pension plans	
	31.8.16	31.8.15
	£	£
Defined benefit obligation	(201,000)	(169,000)
Current service cost	(21,000)	(20,000)
Contributions by scheme participants	(6,000)	(6,000)
Interest cost	(9,000)	(6,000)
Actuarial losses/(gains)	(120,000)	-
	<u>(357,000)</u>	<u>(201,000)</u>

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

	Defined benefit pension plans	
	31.8.16	31.8.15
	£	£
Fair value of scheme assets	77,000	49,000
Contributions by employer	18,000	22,000
Contributions by scheme participants	6,000	6,000
Expected return	4,000	3,000
Actuarial gains/(losses)	14,000	(3,000)
	<u>119,000</u>	<u>77,000</u>

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

	Defined benefit pension plans	
	31.8.16	31.8.15
	£	£
	-	-

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

	Defined benefit pension plans	
	31.8.16	31.8.15
	£	£
Equities	100,000	68,000
Bonds - Other	7,000	5,000
Property	5,000	-
Cash/liquidity	3,000	1,000
Other	4,000	3,000
	<u>119,000</u>	<u>77,000</u>

Notes to the Financial Statements - continued
for the Year Ended 31 August 2016

21. PENSION AND SIMILAR OBLIGATIONS
- continued

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

	31.8.16	31.8.15
Discount rate	2.2%	4%
Future salary increases	3.4%	3.7%
Future pension increases	2%	2.2%
Inflation assumption (CPI)	1.9%	2.2%

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

	At31 August2016	At31 August2015
Retiring today		
Males	23.5	23.4
Females	25.9	25.8
Retiring in 20 years		
Males	25.8	25.6
Females	28.2	28.1

Amounts for the current and previous period are as follows:

	31.8.16	31.8.15
	£	£
Defined benefit pension plans		
Defined benefit obligation	(357,000)	(201,000)
Fair value of scheme assets	119,000	77,000
Deficit	(238,000)	(124,000)
Experience adjustments on scheme assets	-	(4,000)

22. CONTINGENT LIABILITIES

There are no significant contingent liabilities that the Governors are aware of.

23. RELATED PARTY DISCLOSURES

Owing to the nature of the academy trust and the composition of the board of Governors being drawn from local public and private sector organisations, transactions may take place with organisations in which the trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the trust's financial regulations and normal procurement procedures. The following related party transaction took place in the period of account.

Sharp Electrical - a company which L Sharp a governor of the academy is an employee of.

- During the year payments totalling £117 (2015: £Nil) were made to Sharp Electrical in respect of electrical maintenance work.
- There were no amounts outstanding at the year end (2015: £Nil).

24. FIRST YEAR ADOPTION

Transitional relief

On transition to FRS102, the academy trust has not taken advantage of any transitional reliefs.

Stretton Sugwas Church of England
Academy

Reconciliation of Income and Expenditure
for the Year Ended 31 August 2015

	Notes	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
INCOME AND ENDOWMENTS				
FROM				
Donations and capital grants		40,384	-	40,384
Charitable activities		590,946	-	590,946
Other trading activities		9,407	-	9,407
Investment income		413	-	413
Total		641,150	-	641,150
EXPENDITURE ON				
Charitable activities		615,420	9,900	625,320
OBSOLETE Governance costs		8,900	(8,900)	-
NET INCOME/(EXPENDITURE)		16,830	(1,000)	15,830

Stretton Sugwas Church of England
Academy

Reconciliation of Funds
At 1 September 2014
(Date of Transition to FRS 102)

	Notes	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
FIXED ASSETS				
Tangible assets		<u>890,735</u>	<u>-</u>	<u>890,735</u>
		890,735	-	890,735
CURRENT ASSETS				
Stocks		1,368	-	1,368
Debtors		184,344	-	184,344
Cash at bank and in hand		<u>155,450</u>	<u>-</u>	<u>155,450</u>
		341,162	-	341,162
CREDITORS				
Amounts falling due within one year		<u>(104,143)</u>	<u>-</u>	<u>(104,143)</u>
NET CURRENT ASSETS		<u>237,019</u>	<u>-</u>	<u>237,019</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,127,754	-	1,127,754
PENSION LIABILITY		<u>(120,000)</u>	<u>-</u>	<u>(120,000)</u>
		<u>1,007,754</u>	<u>-</u>	<u>1,007,754</u>
FUNDS				
Unrestricted funds		1,610	-	1,610
Restricted funds		<u>1,006,144</u>	<u>-</u>	<u>1,006,144</u>
TOTAL FUNDS		<u>1,007,754</u>	<u>-</u>	<u>1,007,754</u>

Stretton Sugwas Church of England
Academy

Reconciliation of Funds
At 31 August 2015

	Notes	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
FIXED ASSETS				
Tangible assets		928,796	-	928,796
CURRENT ASSETS				
Stocks		1,015	-	1,015
Debtors		40,310	-	40,310
Cash at bank and in hand		221,111	-	221,111
		262,436	-	262,436
CREDITORS				
Amounts falling due within one year		(46,648)	-	(46,648)
NET CURRENT ASSETS		215,788	-	215,788
TOTAL ASSETS LESS CURRENT LIABILITIES		1,144,584	-	1,144,584
PENSION LIABILITY		(124,000)	-	(124,000)
NET ASSETS		1,020,584	-	1,020,584
FUNDS				
Unrestricted funds		1,291	-	1,291
Restricted funds		1,019,293	-	1,019,293
TOTAL FUNDS		1,020,584	-	1,020,584

Stretton Sugwas Church of England
Academy

Detailed Statement of Financial Activities
for the Year Ended 31 August 2016

	31.8.16 £	31.8.15 £
INCOME AND ENDOWMENTS		
Donations and capital grants		
Other grants and payments	15,078	16,172
Capital Grants	5,361	11,751
School trips etc	<u>10,724</u>	<u>12,461</u>
	31,163	40,384
Other trading activities		
Income from other schools	4,875	487
Other	<u>30,277</u>	<u>8,920</u>
	35,152	9,407
Investment income		
Short term deposits	608	413
Charitable activities		
Grants	<u>597,698</u>	<u>590,946</u>
Total incoming resources	664,621	641,150
EXPENDITURE		
Charitable activities		
Wages	271,361	282,891
Social security	15,887	14,895
Pensions	39,546	47,334
Supply teacher costs	-	175
Educational supplies	64,716	75,979
Staff development	10,592	8,374
Educational consultancy	2,799	4,546
Long leasehold	14,221	13,414
Interest on pension scheme liabilities	<u>8,000</u>	<u>1,000</u>
	427,122	448,608
Support costs		
Management		
Wages	103,180	58,823
Social security	5,839	2,673
Pensions	7,268	7,515
Administrative supplies	11,410	15,581
Recruitment and support	2,632	2,230
Maintenance of premises and equipment	28,495	13,522
Cleaning	1,754	1,134
Rent and rates	4,123	3,939
Energy costs	4,286	4,962
Insurance	4,805	6,699
Carried forward	<u>173,792</u>	<u>117,078</u>

This page does not form part of the statutory financial statements

Stretton Sugwas Church of England
Academy

Detailed Statement of Financial Activities
for the Year Ended 31 August 2016

	31.8.16 £	31.8.15 £
Management		
Brought forward	173,792	117,078
Catering	23,509	22,943
Fixtures and fittings	2,485	1,351
Motor vehicles	5,260	3,034
Computer equipment	17,498	15,770
Other costs	<u>19,075</u>	<u>9,391</u>
	241,619	169,567
Governance costs		
Auditors' remuneration	6,000	5,825
Auditors' remuneration for non audit work	<u>1,229</u>	<u>1,320</u>
	<u>7,229</u>	<u>7,145</u>
Total resources expended	675,970	625,320
Net (expenditure)/income	<u>(11,349)</u>	<u>15,830</u>