

REGISTERED COMPANY NUMBER: 07736448 (England and Wales)

**Report of the Trustees and
Financial Statements for the Year Ended 31 August 2015
for
Homewood School & Sixth Form Centre**

McCabe Ford Williams
Statutory Auditors &
Chartered Accountants
Invicta Business Centre
Monument Way
Orbital Park
Ashford
Kent
TN24 0HB

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Homewood School & Sixth Form Centre

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Homewood School & Sixth Form Centre

Reference and Administrative Details for the Year Ended 31 August 2015

Trustees

Parent Trustees

Ms D Beeching (resigned 1.3.15)

Mr S Parker

Miss K Smith

Mr M Thornton

Teacher Trustees

Mrs S White

Staff Trustees

Mrs S Clarke

Principal

Mrs S Lees (accounting officer)

Partnership Trustees

Mrs J Kirk

Mr I Kirkland

Mrs S Mash

Community Trustees

Mr L Hammond (appointed 5.9.14)
(resigned 18.3.15)

Mr C Mills (responsible officer)

Mrs S Moon

Mr N Vincer

Secretary

Mrs K Douglas

Senior management team

Mrs S Lees

Mrs S King

Mr C Foreman

Mr S Ridgway

Mrs D Faulkner

Mr M Seymour

Mr W McAllister

Mrs S Williams

Mr S Pusey

Mrs H Jones

Mr P Philpot

Mrs B Wostear

Principal

Vice Principal

Vice Principal

Vice Principal

Head of Administration

School Business Manager

Assistant Vice Principal

Assistant Vice Principal

Assistant Vice Principal

Assistant Vice Principal

Senior Assistant Head of College

Director of Student Development

Registered Office

Homewood School & Sixth Form
Centre

Ashford Road

Tenterden

Kent

TN30 6LT

Company Registration Number 07736448

Auditors

McCabe Ford Williams

Invicta Business Centre

Monument Way

Orbital Park

Ashford

Kent TN24 0HB

Bankers

Lloyds TSB Plc

81 High Street

Ashford

TN24 8SS

Homewood School & Sixth Form Centre

Report of the Trustees for the Year Ended 31 August 2015

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 August 2015. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' issued in March 2005 and the Academies Accounts Direction issued by the Education Funding Agency.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy 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 act as the governors for the charitable activities of Homewood School & Sixth Form Centre and are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Homewood School & Sixth Form Centre.

Details of the trustees who served throughout the year except as noted are included in the Reference and Administrative details on page one.

Members' liability

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

Trustees' Indemnities

Company law requires the Trustees to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the net income or expenditure, of the charity for the year. In preparing those financial statements the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable 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 charity will continue in business.

The Trustees are responsible for keeping accounting records that disclose with reasonable accuracy at any time the financial position of the charity 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

So far as the Trustees are aware, there is no relevant audit information of which the company's auditors are unaware. The Trustees have taken all the steps they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Principal activities

The Academy Trust's object is specifically restricted to the following: "to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum". In addition, "to promote for the benefit of Ashford, Kent and the surrounding area the provision of facilities for recreation or other leisure time occupation of individuals who have reason of their need for such facilities or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants".

The academy is a mixed ability school and there is an emphasis on the individual needs of all students including pupils with special educational needs.

Homewood School & Sixth Form Centre

Report of the Trustees for the Year Ended 31 August 2015

STRUCTURE, GOVERNANCE AND MANAGEMENT

Method of recruitment and appointment or election of trustees

The Trustees' term of office is four years but they are eligible for re-election at the meeting at which they retire. At the first Full Trustees' meeting of the year the Trustees will elect a Chairman and a Vice-Chairman and these automatically become the chairman and vice-chairman of the Company.

The total number of staff trustees will not exceed a third of the total number of trustees. The number of co-opted trustees (partnership or community) will not exceed a third of the total number of trustees.

Policies and procedures adopted for the induction and training of trustees

All newly appointed trustees are provided with an induction pack which includes a guide to the law, an overview of roles and responsibilities within the current governing body and a copy of the school improvement plan. During their first year they will join all of the trustees in a training day and any specific induction needs covered during that session. They will be supported by the clerk and by longer term serving members of the governing body, as required.

Organisational structure

The structure chart for the strategy team is shown with areas of responsibilities (appendix 2). In addition, underlying this there is an extended leadership team chart with responsibilities of the Facilities Manager, the Personnel Manager, the Inclusion Centre and Mini-school leaders all noted. The operational level discussions are made within this framework and by the school leaders as required. Decisions at a strategic level are made through the individual trustees' committees and then at full trustees' meetings. Strategic level recommendations go via the strategy team to the relevant sub-committee or to the full governing body. All sub-committees report to full trustees and any decisions will be reported at a full trustees' meeting.

The Principal is the Accounting Officer for the Academy and as such takes overall responsibility on behalf of the Governing body for the finances of the school.

Related parties

Home Farm Children's Nursery Limited

The nursery is situated on the school site and there are three directors who are school staff and two others who have connections with the school but are not employed by the school. The Company secretary is the same for both companies. The nursery became a subsidiary company to Homewood School & Sixth Form Centre on 1 April 2014. It has an annual turnover of about £240k and employs 13 staff. During this period the nursery has made donations to the school totalling £42k. Given these donations the nursery accounts show a deficit in the seventeen months to 31 August 2015 but the nursery still holds solid reserves at the year end of £35k.

Risk management

The academy has undertaken a review of the risks it has exposure to and has detailed these in a risk register. This register covers strategic and reputational risks, operational risks, compliance risks and financial risks. It has been completed with input from all strategy team staff (senior leadership team) and the governing body. The register is fully reviewed on an annual basis and updated as necessary.

Homewood School & Sixth Form Centre

Report of the Trustees for the Year Ended 31 August 2015

OBJECTIVES AND ACTIVITIES

Objectives and aims

The main aim of the academy is to provide a broad based curriculum across the full ability range of pupils from ages 11 to 19. The secondary aim is for the facilities to be enjoyed by the public and used by them when available and for the financial benefit of the school. The aims and objects link with the articles of association primary objects as noted above.

The objectives for the year 2014/15 were set out in the School Improvement Plan for this period. Some of these areas are noted as follows:

- Improve the impact of teaching and learning – 100% of lessons are graded good or outstanding.
- Improve the impact of all leaders and management - 63% of pupils to achieve A* to C in 5 GCSE's including English and Maths. 85% of pupils to make 3 plus levels of progress between KS2 and KS4 in Maths and 85% in English.
- Improve outcomes for vulnerable groups including FSM, Pupil Premium and SEN.
- Audit progress of vulnerable groups including "FSM ever" for impact of pupil premium income.
- Review Curriculum model for 2015/16 - to incorporate changes to GCSE, BTEC, A level and new accountability measures including Progress 8.
- Ensure behaviour for learning is outstanding.
- Reinforce marking policy and homework policy including use of I - books for all courses.
- Work closely with local primary schools through the Tenterden Rural Alliance to raise attainment across the alliance and to improve transition from KS2.
- Continued focus on attendance and maintenance of successful strategies in this area.
- Develop community cohesion including building on existing links with the community.
- Continued focus on high quality transition into Discovery College and out of the Sixth Form.
- Submit application for Governor Mark and provide Tenterden Rural Alliance Governor training.
- Improve communication with parents by email, text messaging and use of the website plus develop the role of the parents forum. Implement the next phase in the development of the I - Portal.
- To work through the premises improvement plan for the year.
- To work within the budget as agreed by the Governing body for the year.

Public benefit

The trustees confirm that they have complied with the duties in Section 4 of the Charities Act 2006 to have due regard to the Charity Commission's general guidance on public benefit.

We have referred to the guidance in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives they have set.

Public benefit from the academy's operations is manifested in a number of different ways:

- In the education of pupils across all ability levels from ages 11 to 19.
- In the availability of facilities to the general public, from the sports hall to the theatre to adult education classes, in the evening.
- In community events run by the school on behalf of the local community.
- In the community and educational links with the local primary schools.
- In the activity days, master classes and summer school activities run out of hours for the benefit of primary age children in the surrounding area and Ashford.

The Trustees have complied fully with their duty to have due regard to the guidance on public benefit as published by the Charity Commission in exercising their powers and duties.

STRATEGIC REPORT

Achievement and performance

Going concern

After making appropriate enquiries, the Governing Body has a reasonable expectation that the Academy 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.

Homewood School & Sixth Form Centre

Report of the Trustees for the Year Ended 31 August 2015

STRATEGIC REPORT

Achievement and performance

Key financial performance indicators

The Academy's Key performance indicators are set out on the attached Appendix 4.

In September 2012 the school had a successful Ofsted visit in which it was awarded "good" overall and "good" in every category. This was a very positive step forward. Progress has been maintained since then and the examination results in 2015 were sound at both KS4 and KS5. The KPIs later in this report evidence this. The high level GCSE figure of 5 A* to C including English and Mathematics was 50%. This increased by 4 % on the previous year and against a backdrop of falling figures in many similar schools. Levels of progress were strong at the KS4 level for both English and Maths which was very pleasing. The results at KS5 were up in some areas and slightly down in others when compared to the previous year. Notably, the percentage of students achieving 2 plus subjects at A2 level or equivalent rose by 6 % year on year to 77%. The School Improvement Partner undertook a review in July 2015 and his evaluation was that the school was solidly "good" and on the cusp of "outstanding" in some areas such as leadership and management. During the year there were further premises improvements adding to the previous three years of investment in the site. The complete refurbishment of the F block dance studio including a new dance floor was undertaken in the summer. A mobile extension for the Home Farm Children's Nursery was purchased which is on site. The Property Data Survey from the EFA which they arranged in December 2013 evidences the improvement across the site from the large financial investment over the past few years. Few areas are mentioned as needing priority work and these are in storage buildings and outbuildings rather than teaching areas. From September 2014 a new catering company commenced a five year contract and they had invested heavily in the restaurant and sixth form POD areas plus also established a new food cube at the other end of the school (outside the theatre). The food offer has been considerably better and turnover significantly up on the previous year.

The financial element is covered in the financial section to follow.

Financial review

The academy had a challenging year in 2014/15 in which expenditure prior to the movement on the pensions deficit exceeded income by £266k and this has led to a reduced level of cash reserves. A small surplus had been budgeted but it became clear fairly early in the year that there would be a number of important additional priorities for expenditure and the Trustees have accepted the in -year deficit based on robust plans moving forward (detailed further on). The financial controls have been well maintained. A separate office of the auditors has supported the Responsible Officer (Cliff Mills) in his role in this regard. Updates to the Financial Regulations manual for the academy were approved by the Finance sub-committee in February 2015 (in line with EFA changes to the Academies Financial Handbook) and this has been used as the guide for the quarterly audits undertaken by a separate office of the auditors. The reports have been presented at the subsequent meetings by the Responsible Officer.

It can be seen from the accounts on the following pages that the central EFA grant funding (GAG or general annual grants) plus local authority grants, which are the majority of the school's income have been fully utilised in the operations of the school.

GAG funding is broken down into various elements which includes, 11 to 16 funding, sixth form funding and then special educational needs funding which in turn is derived from a number of different factors. The main element to funding is the pupil count which is reported by the academy in the annual census in October. There is always a lag of one year so the main grants paid in 2014/15 reflect the census numbers in October 2013.

The pupil premium funding is an important element of the current government's plans and this is included in the GAG element. A full breakdown of how this was spent in the financial year is shown on the school's website.

On 1 April 2014 the nursery on the school site known as Home Farm Childrens Nursery Limited became a subsidiary company to the academy. This was agreed by the EFA at the same time as a new 5 year lease was sanctioned by them granting the nursery a continuing leasehold over the building and surrounding land. The nursery is a charitable company limited by guarantee and no consideration was paid for this acquisition. The academy is the sole member of the nursery. Home Farm Children's Nursery Limited will present their accounts separately for the seventeen month period to 31 August 2015 and annually thereafter.

Homewood School & Sixth Form Centre

Report of the Trustees for the Year Ended 31 August 2015

STRATEGIC REPORT

Financial review

including principal risks and uncertainties

The risk assessment process for the academy has already been outlined. The sections under the financial category in the risk register include the risk of a budget deficit and the risk that performance is not checked against budget on a regular basis. The internal control procedures are well tested and supported by the external audits but there are risks in future years that with sixth form funding falling (last drop in 2015/16) and the overall school 11 to 16 funding moving towards a national formula that income streams through main GAG funding will fall. In addition, from 2015/16 the Educational Services Grant that replaced the LACSEG (Local authority holdback) will fall from £140 per pupil in 2014/15 to £87 per pupil which is a considerable drop in funding (over £110k). The base funding per student allowance remains on a flat cash basis which means that there has been no additional funding for over 5 years. 2015/16 will see an increase in the employers contributions to teachers pensions by 2.3% and also from April 2016 the employers national insurance contributions will increase due to the ending of the allowance for contracting-out of the additional state pension. This will add in a full year (2016-17) about £150k to staffing costs.

It is for this reason that the risks are regularly assessed and the academy is already working on its plans for 2016/17 and thereafter. The strategic plan for the school over the 2013 - 2017 period was to offset the cuts in sixth form funding and the expected falls in additional academy funding (Educational Services Grant) by recruiting additional pupils at year 7 and in the sixth form. Overall funding in 2015/16 is about £140k up on 2014/15 which is helpful in a year of additional costs as noted above. The plan of increasing numbers has been successful for the sixth form. These increased by 65 to 415 in September 2013, by a further 47 to 462 in September 2014 and then 38 to 500 in September 2015. This will mask the last sixth form reduction in funding for 2015/16. Recruitment for year 7 was strong in September 2014 at 367. With the Grammar schools increasing their PAN (planned admission number) and the rising costs of the Kent Freedom bus pass the figure in September 2015 was a little disappointing at 343. The raising of the possible school intake to 390 from 2014 was successful in the first year as we exceeded the normal 360 intake in a low birth year. The 390 will remain to help us to continue to build numbers and to support the Ashford area part of the Kent Commissioning plan which shows the need for an additional four form entry across Ashford from 2018.

Financial risks in terms of payments by debtors are low and so is cash flow risk with the current level of reserves and investments maintained (although the latter is more of a risk area than this time last year given the fall in reserves). The main risk to the academy apart from the new funding arrangements as noted above is the provision of the same level of additional income streams. Over the coming years much work will be undertaken to consolidate this area but there are risks that income could fall in some of the constituent areas e.g. lettings, consultancy support etc.

The three year finance budgets enable the academy to plan for any necessary changes to ensure that where possible surplus budgets will be maintained in the stretching years ahead. These budgets were presented to the Finance Sub-Committee of the Governing body in July 2015 and to the Full Committee later the same month.

One area to be noted is the Local Government Pension Scheme with a deficit of £2.51m where there was an increase of £197k in the deficit over the year. These figures are taken from the latest actuarial valuation undertaken for the academy by Barnett Waddingham public sector consulting. There is a risk that this deficit could increase in the period to August 2016 as it is largely dependent on the performance of the fund assets. In the longer term the new LGPS from 1 April 2014 should mean falling deficit valuations.

Reserves policy

The Governing body has considered the need to establish a reasonable level of reserves given the size of the academy and the age of some of the buildings in the campus. However, it is noted that unlike many charities who need to take a very cautionary approach with their reserves given the uncertainty of their income, the academy has knowledge of regular grant funding from the EFA and the local authority and thus a similar view is not warranted. Nonetheless, it has been agreed by the Trustees that the level of reserves should be maintained at or around the level of two weeks of total staff costs. For the 2014/15 year this calculates at £331k based on total staff costs of £8.6m. As staff costs are about 73% of all costs this covers by far the largest item on the cost side of running the academy. This level of reserves will provide 1.5 weeks cover for all of the academy's costs and not just staff costs.

For 2014/15 the free reserves in the audited accounts are £218k (2014 - £568k) and are less than the minimum level noted above. This would equate to 1.3 weeks of salary costs. The Trustees aim to strengthen the reserves over the next two to three years. It was felt important in 2014/15 to accept additional expenditure for health and safety areas and various areas including additional staff costs based on the fact that these were one-off situations. Whilst these have led to an in-year deficit thus reducing the reserves the Trustees are comfortable with the robust plans for the academy moving forward to increase the level of reserves.

Homewood School & Sixth Form Centre

Report of the Trustees for the Year Ended 31 August 2015

STRATEGIC REPORT

Financial review

The deficit on the LGPS described above is not an immediate liability and will have a cash flow effect over a period of years as a result of higher employer's pension contributions.

Investment policy

The academy holds reserves and invests on the basis that it can meet its short term requirements for cash flow purposes but also to maximise the interest earned. In 2014/15 there were investments made on the money market via Lloyds Bank PLC who provided competitive interest rates on less than one month, one month, three months and six months options, all of which were used. The school has enhanced its short term investments by using the grant money paid on the first of the month and then investing the amount needed to cover salary payments on the 25th.

The Governing body are comfortable that given the cash flow needs of the academy, best possible use is made of the investments available.

Plans for future periods

As noted above, the academy has a three year budget plan and this extends to 2017/18. Incorporated into this plan are the three year premises development plans and the three year ICT plans. These two areas form the highest areas of expenditure after staff costs and thus the budgets are drawn from the underlying plans. The academy considers that it has detailed planning processes embedded into its operations and these help considerably with the financial plans for the coming years. There are factors that will change each year, including the ability to bid for new projects for capital funding, new ICT opportunities and other work that was not anticipated when budgets were initially set. These will be considered and progressed, if necessary, at the time. In 2014/15 there were a few examples of this including the work on drainage in the school woods which involved drainage work beyond the school's boundary (c£40k). In addition, there were some additional staff costs as noted in the accounts plus extra ICT costs with a server problem and in year growth in numbers of students requiring I pads. Also of note was the cost of specialist places at the Goldwyn School which now has to be found from the School's Alternative Curriculum budget (c£45k) and we were not aware of this when setting the budget. The budget for 2015/16 shows a surplus of £51k and there will be regular reviews of performance against that budget via the management accounts. The following two years are challenging on a flat cash settlement basis but with a review of premises expenditure we will be able to balance these budgets. There is some hope that the drive towards a National Funding Formula will improve matters over the next two or three years as Homewood certainly sits at a lower than average position for per pupil funding.

The academy has invested considerably in the buildings and site generally since conversion in September 2011. There are plans to continue to make improvements in the coming years but investment will be significantly lower and particularly so in the next two years. As noted above, the EFA issued a property data survey in September 2014 following an in depth visit by consultants in December 2013. This identifies few areas requiring work in the short term. Those areas that are highlighted are mainly in the outbuildings used for storage only. The main school buildings are in good condition overall. The survey evidences that the academy has sustained and considerably improved its building stock.

The academy has plans to continue to increase its roll and the numbers are a large driver in finance as noted above. The Sixth Form growth has been noted in this report and we now anticipate this settling at around the current level. From the current position we feel that the year 7 intake will improve as the demand for places grows with the additional numbers coming through from the primary schools. This starts from 2016. In addition, we are seeking to increase our in year recruitment. The PAN (planned admission number) has increased from 360 to 390 and will remain at this level for the next few years.

There are two large projects under consideration. The first is the provision of a new teaching block to support the additional students added to our roll and the increases moving forwards. Planning permission for a revised building was obtained in August 2015. The second project is that of a 3G sports pitch on the current Redgra area which the school aims to use during school hours and to let to the community for evening and weekend use. Funding will be sought through the S106 playing pitches provision under the Tent 1 new housing agreement and from sports bodies. The school is working with the community on these plans.

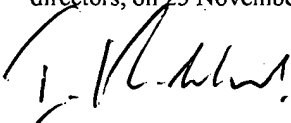
AUDITORS

The auditors, McCabe Ford Williams, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Homewood School & Sixth Form Centre

**Report of the Trustees
for the Year Ended 31 August 2015**

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 25 November 2015 and signed on the board's behalf by:

A handwritten signature in black ink, appearing to read 'I. Kirkland', is written over the printed name below.

I Kirkland - Trustee

Homewood School & Sixth Form Centre

Governance Statement for the Year Ended 31 August 2015

Scope of Responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that Homewood School and Sixth Form Centre 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 Governing Body has delegated the day-to-day responsibility to Mrs S Lees, 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 Homewood School and Sixth Form Centre and the Secretary of State for Education. They are also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

Governance

The appendices set out on pages 12 to 17 detail the Structure of Trustee Committees and the Leadership Team Areas Of Responsibility.

The Governing body provided strong support to the senior leadership in the year both overall and through the work of the sub-committees. They are closely involved with specialist areas such as Pupil Premium, SEN/D and Child Protection by attaching designated Governors to these areas. In addition, the governors work closely with the school on the high priority areas for the year. One parent trustee resigned in February 2015. One Community Governor was appointed in September 2014 but owing to other commitments resigned in March 2015. In 2012 the Ofsted report stated: "The Governing body has a positive relationship with the school at leadership and departmental level, sharing the school's learning journey and enabling informed discussion which holds the school to account while providing necessary support". This situation continues to apply and has moved even further forward since that time.

The information on trustees included here supplements that described in the trustees' Report and in the Statement of Trustees' responsibilities. The governing body and its subcommittees have formally met a total of eighteen times during the year including the AGM. Attendance during the year at these meetings was as follows:

	Name	Meetings attended	Out of a possible
Parent Trustees	Ms D Beeching	2	4
	Mr S Parker	7	14
	Miss K Smith	10	10
	Mr M Thornton	8	14
Teacher Trustees	Mrs S White	7	7
Staff Trustee	Mrs S Clarke	11	11
Principal	Mrs S Lees	18	18
Partnership Trustees	Mrs J Kirk	9	15
	Mr I Kirkland (Chairperson)	16	18
	Mrs S Mash	11	11
	Rev L Hammond	2	4
Community Trustees	Mr C Mills	8	10
	Mr S Moon	7	9
	Mr N Vincer	7	8
	Mrs K Douglas	17	18
Clerk			

The trustees aspire to achieve the GLM Governors Mark accreditation. The evidence has been collected and linked to each category. This application will be submitted early in the 2015/16 academic year.

Review of Value for Money

As accounting officer the principal has responsibility for ensuring that the academy delivers good value in the use of public resources. The accounting office understands that value for money refers to the educational and wider societal outcomes achieved in return for taxpayer resources received.

Homewood School & Sixth Form Centre

Governance Statement for the Year Ended 31 August 2015

Review of Value for Money

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 on a regular basis. The academy has delivered value for money during the year adhering closely to the Financial Regulations Manual in all of its financial transactions and by comparing its performance with other academy schools from EFA benchmarking data to ensure that expenditure levels are reasonable for an academy of this size.

The Financial Regulations Manual is the guide in this area which the school, the Governing Body and the auditors use. This is updated each year to fit closely to the Academies Handbook (last updated February 2015). It establishes the financial roles, powers and responsibilities of the Principal as Accounting Officer, the School Business Manager and the Finance Committee of the Governing body. There are specific guidelines on purchases:

- 1 All service contracts over the OJEU limit must go via a tendering process with the obligatory European advertisements duly placed.
- 2 All orders over £10k must evidence "best value" - whether this be by alternative quotations in full or by a study of what other organisations have paid or evidence given of reasonable market rates for the goods/services to be supplied. In practice this is applied to all purchases over £1k.
- 3 All purchases over £20k must have evidence of three alternative quotations.
- 4 The principal teachers and all other budget holders must have all purchase orders over £1k countersigned by the school business manager.
- 5 The principal teachers and budget holders will have their budgets agreed by the school business manager before the academic year and these will link with their department plans which are agreed by the Principal.

All of these above help to ensure that the school achieves value for money in its purchasing and that the purchases link with whole school plans.

The internal accounting controls are strengthened by the auditors undertaking a full accounting year audit as is standard practice but in addition to this they also perform three internal interim audit checks. These are managed by a separate office to the same accountancy practice that undertake the year-end audit (McCabe Ford Williams). The interim audits cover purchasing, payments and salaries as well as income areas. Areas to be covered and volume of checks undertaken are detailed in the Financial Regulations Manual. The report is sent to a Trustee who is the Responsible Officer and he in turn reports to the Audit Committee. The Responsible Officer is not part of the Finance Committee and has a reporting role to the Audit Committee only. During 2014/15 these audits were strong but there were minor areas for improvement and the Trustees and the school appreciate the depth and breadth of these reviews.

In addition, the Education Funding Agency provide an Accounts Direction document for the year end audit. One area of focus is a review of contracted work undertaken by relatives of the Charity trustees for the benefit of the school. During the year just one piece of work was undertaken for £1040.

We strongly believe that Homewood School & Sixth Form Centre delivered value for money during the successful 2014/15 academic year. The imperative to ensure value for money is one of the cornerstones of what we do and firmly engrained into all of our expenditure plans as we move into 2015/16.

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 charitable company 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 Homewood School & Sixth Form Centre for the period 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 charitable company 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 on-going process for identifying, evaluating and managing the charitable company's significant risks that has been in place for the period 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.

Homewood School & Sixth Form Centre

Governance Statement for the Year Ended 31-August 2015

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:

- * the key elements of the risk management strategy, including the way in which risk (or change in risk) is identified, evaluated, and controlled. Explicitly how risks to information are being managed and controlled as part of this process;
- * the internal audit / Responsible Officer function;
- * key ways in which risk management is embedded in the activity of the organisation;
- * the key elements of the way in which public stakeholders are involved in managing risks which impact on them (where relevant);
- * 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 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 governing body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the trustees have appointed McCabe Ford Williams, a firm of Chartered Accountants and the academy trust's auditors, to assist the Responsible Officer ('RO'). The RO'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 RO reports to the governing body on the operation of the systems of control and on the discharge of the governing body's financial responsibilities.

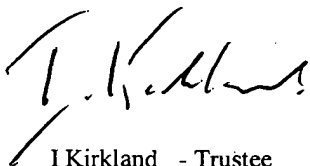
Review of Effectiveness

As Accounting Officer, Mrs S Lees 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.
- * other explicit review/assurance mechanisms.

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 25 November 2015 and signed on its behalf by:



I Kirkland - Trustee



Mrs S Lees - Accounting Officer

Homewood School & Sixth Form Centre

**Appendices to the Report of the Trustees
and the Governance Statement**

for the Year Ended 31 August 2015

Appendix 1	-	Structure of Trustee Committees
Appendix 2	-	Leadership Team Areas Of Responsibility
Appendix 3	-	Method of Recruitment and Appointment of Trustees
Appendix 4	-	Key Performance Indicators

Homewood School & Sixth Form Centre

Structure of Trustee Committees for the Year Ended 31 August 2015

Finance	
<i>s</i>	Sue Clarke
<i>f</i>	Jill Kirk
<i>f</i>	Sue Mash
<i>p</i>	Steve Parker
<i>p</i>	Michael Thornton
Mark Seymour	

Curriculum & Welfare	
<i>p</i>	Diane Beeching
<i>s</i>	Sue Clarke
<i>f</i>	Sue Mash
<i>l</i>	Sue Moon
<i>p</i>	Kate Smith
<i>s</i>	Sandra White
Steve Ridgway	

Personnel	
<i>p</i>	Diane Beeching
<i>c</i>	Lindsay Hammond
<i>f</i>	Jill Kirk
<i>p</i>	Cliff Mills
<i>c</i>	Sue Moon
<i>p</i>	Steve Parker
<i>p</i>	Kate Smith
Nicola Callingham	

Premises Health & Safety	
<i>p</i>	Cliff Mills
<i>f</i>	Jill Kirk
<i>p</i>	Steve Parker
<i>p</i>	Michael Thornton
<i>c</i>	Neil Vincer
Mark Seymour	

Discipline	
<i>p</i>	Diane Beeching
<i>f</i>	Jill Kirk
<i>f</i>	Sue Mash

Admissions	
<i>f</i>	Sue Mash
<i>c</i>	Sue Moon
Sarah Williams	

Ex-officio on all committees (with full voting rights)	
<i>s</i>	Sally Lees
<i>f</i>	Ian Kirkland

Child Protection	
Cliff Mills	
SEN	
Cliff Mills	
Training	

**Chair of Committee in
Bold**

Type of Trustee

p = parent

l = LEA

f = partnership

s = staff (head +2 teachers + 1 non-teaching staff)

c = community

Homewood School & Sixth Form Centre

Leadership Team Areas of Responsibility for the Year Ended 31 August 2015

Strategy Team Areas of responsibility

Sally Lees – Principal The Principal is directly responsible for the strategic development of the school; relations with governors; contractual matters concerning staff; approval of staff absence; fixed term and permanent exclusion of students; Performance Management of staff; quality assurance and self-evaluation; links with Kent Association of Headteachers and Local Education Authority. The Principal chairs the EXECUTIVE group and STRATEGY team <i>NB The bold capitalized word represents the membership of a core Hard Delivery Team</i>		
Vice Principal S Ridgway	Vice Principal S King	Vice Principal C Foreman
Learning	Students	Partnerships
<ul style="list-style-type: none"> - Learning HDT Leader - Line management of English - Literacy - 6th Form Team Leader - Curriculum Development - QA in Teaching and Learning (with AVP T&L) - Co-construction of Learning - IAG and Careers <ul style="list-style-type: none"> - Options - UCAS - IB Co-ordinator - Flexible Learning - Whole Education Champion LEARNING HDT STRATEGY TEAM EXECUTIVE GROUP	<ul style="list-style-type: none"> - Student HDT Leader - Line management of Maths - Numeracy - Inclusion Team Leader - Early Intervention Team Leader - Mentoring Programme/Assemblies - FLO 's / Welfare - Student Services Team Leader - Attendance - PSHE/Citizenship - Ethos for Learning - Multi-agency liaison/CAFs - Alternative Curriculum STUDENT HDT INCLUSION TEAM STRATEGY TEAM EXECUTIVE GROUP	<ul style="list-style-type: none"> - Head of TRA Leadership & Training Centre - Line management of Science - I-College - Teaching Staff Training (with AVP T&L) - Systems Design - Business sponsorship - Regional Training Centre - ICT Development across the Curriculum - ICT Services Team Leader - ITT programme (with AVP T&L) - NQT induction - Research and Development LEARNING HDT TRAINING TEAM STRATEGY TEAM EXECUTIVE GROUP
Head of Administration & PA to Principal D Faulkner	School Business Manager M Seymour	Assistant Vice Principal Hannah Jones
<ul style="list-style-type: none"> - PA to Principal - Staff HDT Leader - Personnel overview - Policy overview - Statutory Returns and PLASC overview - Communication Team Leader - Associate Staff Training - Performance Management administration - QA in Administration Services - Data Protection and FOI - Staff training administration - Homewood Portfolio of Services administration STAFF HDT TRAINING TEAM STRATEGY TEAM EXECUTIVE GROUP	<ul style="list-style-type: none"> - Finance Team Leader - Premises Team Leader - Health and Safety - Retail Services Team Leader - Print Team Leader - Contracts Management - Income Generation - Marketing - Theatre - Farm COMMUNITY HDT STRATEGY TEAM EXECUTIVE GROUP	Learning Support
		<ul style="list-style-type: none"> - Head of World College - Head of Learning Support department - Looked After Children - Child Protection advisor LEARNING HDT INCLUSION TEAM STRATEGY TEAM

Homewood School & Sixth Form Centre

Leadership Team Areas of Responsibility for the Year Ended 31 August 2015

Strategy Team Areas of responsibility

Assistant Vice Principal W McAllister	Assistant Vice Principal S Williams	Assistant Vice Principal S Pusey
Teaching and Learning	Community	Curriculum
<ul style="list-style-type: none"> - Head of Discovery College - QA in Teaching and Learning (with VP Learning) - Delivery of Literacy and Numeracy through T&L - Teaching Staff Training (with VP Partnerships) - Department Reviews - ITT programme (with VP Partnerships) - A4L - G&T <p>LEARNING HDT ADMISSIONS TEAM STRATEGY TEAM</p>	<ul style="list-style-type: none"> - Community HDT Leader - Extended Services Core Offer - Youth Services - Primary Liaison and Admissions - Family Learning - Transport - Trips and Visits - International Links - Staff duties - Healthy Schools status - United Nations Respect agenda - Quality Marks - KIC Centre <p>COMMUNITY HDT STRATEGY TEAM</p>	<ul style="list-style-type: none"> - Head of Arts College - COSMOS - Timetable - Assessment, Reporting and Exams - Data Team Leader - Achievement Team Leader - SIMs overview <p>LEARNING HDT DATA TEAM STRATEGY TEAM</p>
Senior Assistant Head of College P Philpot	Director of Student Development B Wostear	
Assistant Head of Discovery College		
<ul style="list-style-type: none"> - Assistant Head of College - Student progress and welfare - Line management of Discovery College Senior LO, FLO and College Co-ordinator - Oversight of FLO Team <p>STUDENT HDT STRATEGY TEAM</p>	<ul style="list-style-type: none"> - Head of Enterprise College - Apprenticeships - Student Leadership <ul style="list-style-type: none"> o Student Council o Prefect Team o Student Union <p>STUDENT HDT STRATEGY TEAM</p>	

Homewood School & Sixth Form Centre

Method of Recruitment and Appointment of Trustees for the Year Ended 31 August 2015

Election Process:

Parent:

- Letter to all parents stating number of vacancies and asking for nominations.
- If more nominations received than vacancies, 100 word election speech from all parents wishing to stand, is sent out to other parents asking for nominations.
- All nominations received, counted by member of staff and clerk, over seen by independent witness.
- Welcome letters sent to all successful parents, along with documents required prior to them taking office. CRB checks in place before new parent trustees attend their first meeting.

Staff:

- Letters to all staff asking for self nominations sent by the Clerk.
- Ballot boxes are put in place in the main school staff room, staff are notified which members have put themselves forward for election.
- Clerk counts votes received, over seen by an independent witness.
- Welcome letters sent to successful staff members, along with documents required prior to them taking office.
- All staff informed of their new Staff Trustee.

Community:

- Letters sent out to parents , asking for feedback, or self nominations from the wider community.
- The Governing Body elects community trustees to Homewood School Governing Body.

Partnership:

- These positions are normally filled by people that the current Governing Body are aware have some skills that would benefit the Governing Body. The person is approached and asked if they would be willing to stand as a trustee.
- Parents of registered pupils are asked to provide nominations for partnership trustees.
- Parents or staff eligible to be staff trustees are not eligible to be partnership trustees.

Homewood School & Sixth Form Centre

Key Performance Indicators for the Year Ended 31 August 2015

Achievements and Performance

Ofsted 2012 – Overall Effectiveness “Good” with “Good” in all four categories of Achievement, Teaching, Behaviour and Leadership & Management

School Improvement Partner report July 2015 – Overall Effectiveness “Good” with “Good” Achievement, Teaching, Behaviour and Leadership & Management

Examination Outcomes 2015 (compared with 2014)

Measure		2015	2014
	% 5+ A*-C inc. Maths and English (GCSE and equivalent)	50	46
	% 5+ A*-C including maths and English (GCSE only)	46	41
	% A*-C GCSE in English	70	64
	% A*-C GCSE in Maths	62	63
	% A*-C GCSE in Maths and English	54	52
	% English Baccalaureate	13	7
	% 1+ A*-G (GCSE and equivalent)	100	100
	3 Levels of Progress KS2 to 4		
	English	73	68
	Maths	67	67
	4+ Levels of Progress KS2 to 4		
	English	24	23
	Maths	25	29
Key Stage 5	A*/A grades	20	25
	A*/B grades	30	40
	A*/C grades	52	65
	A*/E grades	91	99
	% 2+ A2 and equivalent passes	77	71
	APS per student	612.5	594
	APS per examination entry	201	206

Key Performance Indicators 2014- 15

- Examination outcomes as above
- 87% lessons observed during the year were Good or Outstanding with 32% Outstanding
- 6th form retention solid and overall growth 12 above target of 450 including external recruitment
- Improvement in attainment and progress outcomes in English for Pupil Premium and SEND students compared with 2014

Plans for Future Periods

School Improvement Plan priorities for 2015 – 16

- Percentage of students achieving A* - C including En and Ma at GCSE 64%; positive Progress 8
- Continued focus on closing PP gap in Maths and English
- Continue focus on closing gender gap, particularly in English
- Retention of students into Year 12 to continue at 80%+
- Recruitment at Year 7 360+
- Quality of Teaching – 100% Good or Outstanding with 50% Outstanding
- Fixed term exclusions reduced to 120 or less
- Attendance at least 94%
- Curriculum 2016 and beyond developed in the light of next phase of RPA and new Government accountability measures

School Improvement Plan 2015-16 sets out the steps to be taken to achieve these objectives

Homewood School & Sixth Form Centre

**Statement on Regularity, Propriety and Compliance
for the Year Ended 31 August 2015**

As accounting officer of Homewood School & Sixth Form Centre I have considered my responsibility to notify the charitable company 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 charitable company 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.

I confirm that I and the charitable company board of trustees are able to identify any material irregular or improper use of funds by the charitable company, or material non-compliance with the terms and conditions of funding under the charitable company'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.



.....
Mrs S Lees - Accounting Officer

Date: 31 November 2015

Homewood School & Sixth Form Centre

Statement of Trustees Responsibilities for the Year Ended 31 August 2015

The trustees (who act as governors of Homewood School & Sixth Form Centre and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Report of the Trustees 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 the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP 2005;
- make judgements and 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 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

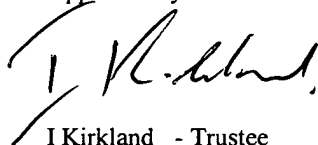
The trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the EFA/DfE have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

In so far as the trustees are aware:

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

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 board of trustees on 25 November 2015 and signed on its behalf by:



I Kirkland - Trustee

Report of the Independent Auditors to the Members of Homewood School & Sixth Form Centre

We have audited the financial statements of Homewood School & Sixth Form Centre 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 Accounts Direction 2014 to 2015 issued by the Education Funding Agency (EFA).

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

Respective responsibilities of trustees and auditors

As explained more fully in the Statement of Trustees Responsibilities set out on page nineteen, the trustees (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.

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 charitable company'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 Report of the Trustees to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 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;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2014 to 2015 issued by the EFA.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Trustees including the Strategic Report 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
Homewood School & Sixth Form Centre**

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.

John Sheather BSc FCA (Senior Statutory Auditor)
for and on behalf of McCabe Ford Williams
Statutory Auditors &
Chartered Accountants
Invicta Business Centre
Monument Way
Orbital Park
Ashford
Kent
TN24 0HB



Date: 30 NOVEMBER 2015

Independent Reporting Accountant's Assurance Report on Regularity to Homewood School & Sixth Form Centre 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 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Homewood School & Sixth Form Centre during the period 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 Homewood School & Sixth Form Centre and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Homewood School & Sixth Form Centre 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 Homewood School & Sixth Form Centre and the EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Homewood School & Sixth Form Centre's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Homewood School & Sixth Form Centre's funding agreement with the Secretary of State for Education 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 period 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 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 charitable company's income and expenditure.

The work undertaken to draw our conclusion includes:

- Review of the internal control environment which is designed to ensure compliance with regulations;
- Review of the accounting officer's consideration of issues surrounding regularity, propriety and compliance;
- Review of the work and reports of the responsible officer during the period;
- Analytical procedures regarding declaration of potential conflicts of interest by key staff and the governing body;
- Review of fixed asset transactions against the requirements of the funding agreement between Homewood School and Sixth form Centre and the Secretary of State and the Academies Financial Handbook;
- Testing of grants and other income for application in accordance with the terms and requirements attached;
- Review of the academy trust's activities to check they are in line with the Academies Framework and the academy trust's charitable objectives;
- Review of bank statements and financial transactions for indications of any items which may be improper;
- Review of bank accounts to check that they are operated within the terms of the academy trust's governing document and borrowing limits imposed by the funding agreement are not exceeded;
- Testing of expenditure, including expense claims for signs of transactions for personal benefit;
- Review of any extra-contractual payments made to staff;
- Review of procurement activity during the period.

**Independent Reporting Accountant's Assurance Report on Regularity to
Homewood School & Sixth Form Centre 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 2014 to 31 August 2015 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

John Sheather BSc FCA (Senior Statutory Auditor)
for and on behalf of McCabe Ford Williams
Statutory Auditors &
Chartered Accountants
Invicta Business Centre
Monument Way
Orbital Park
Ashford
Kent
TN24 0HB



Date: 30 NOVEMBER 2015

Homewood School & Sixth Form Centre

**Statement of Financial Activities
for the Year Ended 31 August 2015**

				2015	2014
		Unrestricted fund	Restricted Fixed Assets Fund	Restricted General funds	Total funds
	Notes	£	£	£	£
INCOMING RESOURCES					
Incoming resources from generated funds					
Voluntary income	2	112,524	-	133,103	245,627
Activities for generating funds	3	605,292	-	-	605,292
Investment income	4	3,141	-	-	3,141
Incoming resources from charitable activities					
Academy's educational operations	5	-	42,222	10,690,902	10,733,124
Total incoming resources		720,957	42,222	10,824,005	11,587,184
RESOURCES EXPENDED					
Costs of generating funds					
Fundraising trading: cost of goods sold and other costs	7	362,449	-	-	362,449
Charitable activities					
Academy's educational operations	8	598,819	68,349	10,987,361	11,654,529
Governance costs	9	-	-	48,643	48,643
Total resources expended	6	961,268	68,349	11,036,004	12,065,621
NET INCOMING RESOURCES BEFORE TRANSFERS					
		(240,311)	(26,127)	(211,999)	(478,437)
Gross transfers between funds	21	(109,753)	109,753	-	-
Net incoming/(outgoing) resources before other recognised gains and losses		(350,064)	83,626	(211,999)	(478,437)
Other recognised gains/losses					
Actuarial gains/losses on defined benefit schemes		-	-	15,000	15,000
Net movement in funds		(350,064)	83,626	(196,999)	(463,437)
RECONCILIATION OF FUNDS					
Total funds brought forward		568,060	32,082,219	(2,316,000)	30,334,279
TOTAL FUNDS CARRIED FORWARD		217,996	32,165,845	(2,512,999)	30,334,279

The notes form part of these financial statements

Homewood School & Sixth Form Centre
Statement of Financial Activities - continued
for the Year Ended 31 August 2015

CONTINUING OPERATIONS

All incoming resources and resources expended arise from continuing activities.

The notes form part of these financial statements

REGISTERED COMPANY NUMBER: 07736448 (England and Wales)

Homewood School & Sixth Form Centre

Balance Sheet
At 31 August 2015

	Notes	2015 £	2014 £
FIXED ASSETS			
Tangible assets	14	32,165,845	32,082,219
CURRENT ASSETS			
Stocks	15	60,115	57,076
Debtors	16	194,327	235,466
Prepayments and accrued income		376,678	512,395
Cash at bank and in hand		<u>657,416</u>	<u>805,821</u>
		1,288,536	1,610,758
CREDITORS			
Amounts falling due within one year	17	<u>(1,070,539)</u>	<u>(1,042,698)</u>
NET CURRENT ASSETS		<u>217,997</u>	<u>568,060</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		32,383,842	32,650,279
PENSION LIABILITY	22	<u>(2,513,000)</u>	<u>(2,316,000)</u>
NET ASSETS		<u><u>29,870,842</u></u>	<u><u>30,334,279</u></u>
FUNDS	21		
Unrestricted funds:			
General fund		217,997	568,060
Restricted funds:			
Pension reserve		(2,513,000)	(2,316,000)
Fixed Asset Fund		<u>32,165,845</u>	<u>32,082,219</u>
		<u>29,652,845</u>	<u>29,766,219</u>
TOTAL FUNDS		<u><u>29,870,842</u></u>	<u><u>30,334,279</u></u>

The financial statements were approved by the Board of Trustees on 25 November 2015 and were signed on its behalf by:


I Kirkland - Trustee

The notes form part of these financial statements

Homewood School & Sixth Form Centre

Cash Flow Statement for the Year Ended 31 August 2015

	Notes	2015 £	2014 £
Net cash inflow/(outflow) from operating activities	1	2,781	(198,482)
Returns on investments and servicing of finance	2	789	2,418
Capital expenditure and financial investment	2	(151,975)	(125,636)
		<u>(148,405)</u>	<u>(321,700)</u>
Financing	2		(55,867)
		<u>(148,405)</u>	<u>(377,567)</u>
Decrease in cash in the period			

Reconciliation of net cash flow to movement in net debt

	3		
Decrease in cash in the period		(148,405)	(377,567)
Cash outflow from decrease in debt and lease financing			<u>55,867</u>
Change in net debt resulting from cash flows		<u>(148,405)</u>	<u>(321,700)</u>
Movement in net debt in the period		(148,405)	(321,700)
Net debt at 1 September		<u>805,821</u>	<u>1,127,521</u>
Net debt at 31 August		<u>657,416</u>	<u>805,821</u>

The notes form part of these financial statements

Homewood School & Sixth Form Centre

Notes to the Cash Flow Statement for the Year Ended 31 August 2015

1. RECONCILIATION OF NET OUTGOING RESOURCES TO NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES

	2015 £	2014 £
Net outgoing resources	(478,437)	(67,182)
Depreciation charges	68,349	45,106
Interest received	(3,141)	(4,478)
Interest paid	2,352	2,060
(Increase)/decrease in stocks	(3,039)	18,085
Decrease/(increase) in debtors	176,856	(426,702)
Increase in creditors	27,841	38,629
FRS17 pension finance costs	29,000	108,000
FRS17 pension cost less contributions payable	<u>183,000</u>	<u>88,000</u>
Net cash inflow/(outflow) from operating activities	<u>2,781</u>	<u>(198,482)</u>

2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2015 £	2014 £
Returns on investments and servicing of finance		
Interest received	3,141	4,478
Interest paid	<u>(2,352)</u>	<u>(2,060)</u>
Net cash inflow for returns on investments and servicing of finance	<u>789</u>	<u>2,418</u>
Capital expenditure and financial investment		
Purchase of tangible fixed assets	<u>(151,975)</u>	<u>(125,636)</u>
Net cash outflow for capital expenditure and financial investment	<u>(151,975)</u>	<u>(125,636)</u>
Financing		
Loan repayments in year	<u>-</u>	<u>(55,867)</u>
Net cash outflow from financing	<u>-</u>	<u>(55,867)</u>

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.9.14 £	Cash flow £	At 31.8.15 £
Net cash:			
Cash at bank and in hand	<u>805,821</u>	<u>(148,405)</u>	<u>657,416</u>
Total	<u>805,821</u>	<u>(148,405)</u>	<u>657,416</u>

Homewood School & Sixth Form Centre

Notes to the Financial Statements for the Year Ended 31 August 2015

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice: Accounting and Reporting by Charities' (SORP 2005), the Annual Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

Consolidated Accounts

Consolidated accounts have not been prepared as the results, assets and liabilities of the only subsidiary, Home Farm Childrens Nursery Limited, are not considered material to the group. Further details of the subsidiary are included within note 25.

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.

The academy has a consistent pupil roll. The academy produces its annual budgets with prudent figures for both income and expenditure. For this reason the trustees continue to adopt the going concern basis in preparing the financial statements.

Incoming resources

All incoming resources are included on the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Grants receivable

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.

Sponsorship income

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable, where there is certainty of receipt and it is measurable.

Donations

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

Other income

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

Donated goods, facilities and services

The value of donated services and gifts in kind provided to the Academy are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the Academy can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Academy's accounting policies.

Homewood School & Sixth Form Centre

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2015**

1. ACCOUNTING POLICIES - continued

Resources expended

All 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.

Cost of generating funds

These are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities

These are costs incurred on the Academy's educational operations.

Governance costs

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

All resources expended are inclusive of irrecoverable VAT.

Agency arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from the EFA. Payments received from the EFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The funds received and paid and any balances held are disclosed in note 26.

Homewood School & Sixth Form Centre

Notes to the Financial Statements - continued for the Year Ended 31 August 2015

1. ACCOUNTING POLICIES - continued

Tangible fixed assets

Land and buildings inherited from the Local Education Authority are stated in the balance sheet at valuation on the basis of depreciated replacement cost, as the open market value for existing use is not readily obtainable. Land and buildings acquired since incorporation are included in the balance sheet at cost.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying amount of any fixed asset(s) may not be recoverable.

Subsequent expenditure on existing fixed assets:

Where significant expenditure is incurred on tangible fixed assets it is charged to the income and expenditure account in the period it is incurred, unless it meets one of the following criteria, in which case it is capitalised and depreciated on the relevant basis:

Assets costing £5,000 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's depreciation policy.

Depreciation is provided on all tangible fixed assets other than freehold land and buildings, at rates calculated to write off the cost less estimated residual value of each asset over its expected useful lives, as follows:

Improvements to property	10%	Straight line method
Motor vehicles	20%	Straight line method
Plant and equipment	20%	Straight line method
Computer equipment	33%	Straight line method

In the case of freehold properties, annual depreciation would not be material and hence no depreciation is provided.

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

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

Stocks

Stock consists of purchased goods for resale. Stocks are valued at the lower of cost and net realisable value on a first in first out basis. Items donated for resale or distribution are not included in the financial statements until they are sold or distributed.

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.

Homewood School & Sixth Form Centre

Notes to the Financial Statements - continued for the Year Ended 31 August 2015

1. ACCOUNTING POLICIES - continued

Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Education Funding Agency/Department for Education/sponsors/other 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 Education Funding Agency/Department for Education.

Pension costs and other post-retirement benefits

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 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.

2. VOLUNTARY INCOME

	Unrestricted funds £	Restricted funds £	2015 Total funds £	2014 Total funds £
Donations	<u>112,524</u>	<u>133,103</u>	<u>245,627</u>	<u>189,215</u>

Homewood School & Sixth Form Centre

Notes to the Financial Statements - continued for the Year Ended 31 August 2015

3. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds £	Restricted funds £	2015 Total funds £	2014 Total funds £
Trip income	203,636	-	203,636	170,420
Copier income	95,275	-	95,275	91,680
Farm income	10,049	-	10,049	12,003
Hire of facilities	63,279	-	63,279	45,369
Catering income	72,183	-	72,183	44,373
Shop income	65,359	-	65,359	82,093
Supply Course income	1,270	-	1,270	10,760
Consultancy income	20,945	-	20,945	19,173
PGCE Income	8,082	-	8,082	15,647
ICT recharges	4,004	-	4,004	1,511
Exam income	-	-	-	1,992
Departmental income	37,833	-	37,833	25,839
English and Maths Workshops	8,145	-	8,145	4,991
Insurance claims	15,232	-	15,232	30,658
	<u>605,292</u>	<u>-</u>	<u>605,292</u>	<u>556,509</u>

4. INVESTMENT INCOME

	Unrestricted funds £	Restricted funds £	2015 Total funds £	2014 Total funds £
Short term deposits	<u>3,141</u>	<u>-</u>	<u>3,141</u>	<u>4,478</u>

5. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds £	Restricted funds £	2015 Total funds £	2014 Total funds £
DfE/EFA revenue grant				
General Annual Grant(GAG)	-	10,276,271	10,276,271	10,249,026
Other DfE/EFA grants	-	94,849	94,849	210,920
Devolved Capital Grant	-	42,222	42,222	39,016
	-	10,413,342	10,413,342	10,498,962
Other government grant				
Local Authority Grants	-	319,782	319,782	342,224
	-	10,733,124	10,733,124	10,841,186

Homewood School & Sixth Form Centre

Notes to the Financial Statements - continued for the Year Ended 31 August 2015

6. RESOURCES EXPENDED

				2015	2014
	Staff costs £	Non-pay expenditure Premises £	Other costs £	Total £	Total £
Costs of generating funds					
Fundraising trading: cost of goods sold and other costs	-	-	362,449	362,449	376,777
Charitable activities					
Academies educational operations					
Direct costs	7,522,026	-	1,143,744	8,665,770	8,291,468
Allocated support costs	<u>1,383,286</u>	<u>912,491</u>	<u>692,982</u>	<u>2,988,759</u>	<u>2,934,549</u>
	8,905,312	912,491	2,199,175	12,016,978	11,602,794
Governance costs including allocated support costs	<u>-</u>	<u>-</u>	<u>48,643</u>	<u>48,643</u>	<u>55,776</u>
	<u>8,905,312</u>	<u>912,491</u>	<u>2,247,818</u>	<u>12,065,621</u>	<u>11,658,570</u>

Net resources are stated after charging/(crediting):

	2015 £	2014 £
Auditors' remuneration	12,500	9,000
Auditors' remuneration for non-audit work	2,175	2,125
Depreciation - owned assets	<u>68,349</u>	<u>45,106</u>

7. FUNDRAISING TRADING: COST OF GOODS SOLD AND OTHER COSTS

	Unrestricted funds £	Restricted funds £	2015 Total funds £	2014 Total funds £
Purchases	275,410	-	275,410	248,135
Copying fundraising	<u>87,039</u>	<u>-</u>	<u>87,039</u>	<u>128,642</u>
	<u>362,449</u>	<u>-</u>	<u>362,449</u>	<u>376,777</u>

8. RESOURCES EXPENDED FROM CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds £	Restricted funds £	2015 Total funds £	2014 Total funds £
Direct costs				
Teaching and educational support staff	-	7,522,026	7,522,026	7,207,305
Educational supplies	598,819	222,694	821,513	808,614
Examination fees	-	208,809	208,809	195,706
Carried forward	598,819	7,953,529	8,552,348	8,211,625

Homewood School & Sixth Form Centre

Notes to the Financial Statements - continued for the Year Ended 31 August 2015

8. RESOURCES EXPENDED FROM CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS - continued

	Unrestricted funds £	Restricted funds £	2015 Total funds £	2014 Total funds £
Direct costs				
Brought forward	598,819	7,953,529	8,552,348	8,211,625
Staff development	-	45,705	45,705	47,665
Educational consultancy	-	67,717	67,717	32,178
	<u>598,819</u>	<u>8,066,951</u>	<u>8,665,770</u>	<u>8,291,468</u>
Allocated support costs				
Support staff costs	-	1,383,286	1,383,286	1,240,104
Depreciation	-	68,349	68,349	45,106
Technology costs	-	15,333	15,333	16,000
Catering	-	133,360	133,360	110,337
Maintenance of premises and equipment	-	308,310	308,310	422,013
Cleaning	-	239,216	239,216	240,701
Rent and rates	-	104,543	104,543	115,080
Energy costs	-	187,861	187,861	178,957
Insurance	-	54,610	54,610	92,992
Security, Transport, Health & Safety	-	65,564	65,564	94,869
Printing, post and stationary	-	254,822	254,822	197,912
Interest payable and similar charges	-	2,352	2,352	2,060
Other support costs	-	171,153	171,153	178,418
	-	<u>2,988,759</u>	<u>2,988,759</u>	<u>2,934,549</u>
	<u>598,819</u>	<u>11,055,710</u>	<u>11,654,529</u>	<u>11,226,017</u>

9. GOVERNANCE COSTS

	Unrestricted funds £	Restricted funds £	2015 Total funds £	2014 Total funds £
Legal and professional	-	33,968	33,968	44,651
Auditors' remuneration	-	12,500	12,500	9,000
Auditors' remuneration for non-audit work	-	2,175	2,175	2,125
	-	<u>48,643</u>	<u>48,643</u>	<u>55,776</u>

Homewood School & Sixth Form Centre

Notes to the Financial Statements - continued for the Year Ended 31 August 2015

10. TRUSTEES' REMUNERATION AND BENEFITS

The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff and not in respect of their services as trustees. Other trustees did not receive any payments, other than expenses, from the academy trust in respect of their role as trustees. The value of trustees' remuneration was as follows:

Mrs S Lees, Principal and trustee		
Remuneration	£105k - £110k	(2014 - £100k - £105k)
Employer's pension contributions	£15k - £20k	(2014 - £10k - £15k)
Mrs S Clarke, staff trustee		
Remuneration	£20k - £25k	(2014 - £20k - £25k)
Employer's pension contributions	£0 - £5k	(2014 - £0 - £5k)
Mrs S White, staff trustee		
Remuneration	£25k - £30k	(2014 - £20k - £25k)
Employer's pension contributions	£0 - £5k	(2014 - £0 - £5k)

Trustees' expenses

During the year ended 31 August 2015, no travel and subsistence expenses were reimbursed to the trustees (2014 - £nil). Related party transactions involving the trustees are set out in note 24.

Homewood School & Sixth Form Centre

Notes to the Financial Statements - continued for the Year Ended 31 August 2015

11. STAFF COSTS

	2015 £	2014 £
Wages and salaries	7,014,922	6,681,066
Social security costs	517,762	495,858
Other pension costs	<u>1,204,697</u>	<u>1,061,970</u>
	8,737,381	8,238,894
Supply teacher costs	120,541	196,515
Compensation payments	<u>47,390</u>	<u>12,000</u>
	<u>8,905,312</u>	<u>8,447,409</u>

The average number of persons (including senior management team) employed by the charitable company during the year expressed as full time equivalents was as follows:

	2015	2014
Teachers	123	121
Administration and support	94	97
Management	<u>12</u>	<u>9</u>
	<u>229</u>	<u>227</u>

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

	2015	2014
£60,001 - £70,000	5	6
£70,001 - £80,000	2	-
£100,001 - £110,000	<u>1</u>	<u>1</u>
	<u>8</u>	<u>7</u>

Seven of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2015 employer's pension contributions for these staff amounted to £69,922 (2014 - Six employees £61,205). The other employee participated in the Local Government Pension Scheme, employer's pension contributions amounted to £12,784 (2014 - £13,176).

12. EX GRATIA PAYMENTS

Included in staff costs are non statutory/non contractual severance payments of £47,390 (2014 - £12,000). Individually the payments were £7,500 and £39,890.

13. TRUSTEES' AND OFFICERS' INSURANCE

The academy trust has opted into the Department of Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000. It is not possible to quantify the trustees and officers indemnity element from the overall cost of the RPA scheme.

Homewood School & Sixth Form Centre

Notes to the Financial Statements - continued for the Year Ended 31 August 2015

14. TANGIBLE FIXED ASSETS

	Freehold property £	Improvements to property £	Plant and machinery £
COST			
At 1 September 2014	31,843,361	228,379	8,400
Additions	-	103,388	16,721
At 31 August 2015	<u>31,843,361</u>	<u>331,767</u>	<u>25,121</u>
DEPRECIATION			
At 1 September 2014	-	44,179	1,680
Charge for year	-	32,976	5,024
At 31 August 2015	-	<u>77,155</u>	<u>6,704</u>
NET BOOK VALUE			
At 31 August 2015	<u>31,843,361</u>	<u>254,612</u>	<u>18,417</u>
At 31 August 2014	<u>31,843,361</u>	<u>184,200</u>	<u>6,720</u>

	Motor vehicles £	Computer equipment £	Totals £
COST			
At 1 September 2014	74,750	49,331	32,204,221
Additions	12,500	19,366	151,975
At 31 August 2015	<u>87,250</u>	<u>68,697</u>	<u>32,356,196</u>
DEPRECIATION			
At 1 September 2014	59,700	16,443	122,002
Charge for year	7,450	22,899	68,349
At 31 August 2015	<u>67,150</u>	<u>39,342</u>	<u>190,351</u>
NET BOOK VALUE			
At 31 August 2015	<u>20,100</u>	<u>29,355</u>	<u>32,165,845</u>
At 31 August 2014	<u>15,050</u>	<u>32,888</u>	<u>32,082,219</u>

15. STOCKS

	2015 £	2014 £
Clothing	<u>60,115</u>	<u>57,076</u>

Homewood School & Sixth Form Centre

Notes to the Financial Statements - continued for the Year Ended 31 August 2015

16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2015	2014
	£	£
Trade debtors	57,449	53,209
Other debtors	<u>136,878</u>	<u>182,257</u>
	<u>194,327</u>	<u>235,466</u>

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2015	2014
	£	£
Trade creditors	567,709	523,106
Social security and other taxes	151,156	147,384
Other creditors	129,929	127,397
Accrued expenses	<u>221,745</u>	<u>244,811</u>
	<u>1,070,539</u>	<u>1,042,698</u>

Deferred income

	£
Deferred income at 1 September 2014	112,275
Resources deferred in the year	<u>(33,985)</u>
Deferred income at 31 August 2015	<u>78,290</u>

At the balance sheet date the academy trust was holding funds received in advance in respect of Bursary Fund income, trip income and voluntary fund income.

18. OPERATING LEASE COMMITMENTS

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

	Other operating leases	
	2015	2014
	£	£
Expiring:		
Between one and five years	<u>2,053</u>	<u>2,053</u>

19. 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.

Homewood School & Sixth Form Centre

Notes to the Financial Statements - continued for the Year Ended 31 August 2015

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

			2015	2014
	Unrestricted fund	Restricted Fixed Assets Fund	Restricted General funds	Total funds
	£	£	£	£
Fixed assets	-	32,165,845	-	32,165,845
Current assets	1,288,536	-	-	1,288,536
Current liabilities	(1,070,539)	-	-	(1,070,539)
Pension liability	-	-	(2,513,000)	(2,513,000)
	<u>217,997</u>	<u>32,165,845</u>	<u>(2,513,000)</u>	<u>29,870,842</u>
				<u>30,334,279</u>

21. MOVEMENT IN FUNDS

	At 1.9.14 £	Net movement in funds £	Transfers between funds £	At 31.8.15 £
Unrestricted funds				
General fund	568,060	(240,310)	(109,753)	217,997
Restricted funds				
Pension reserve	(2,316,000)	(197,000)	-	(2,513,000)
Fixed Asset Fund	<u>32,082,219</u>	<u>(26,127)</u>	<u>109,753</u>	<u>32,165,845</u>
	<u>29,766,219</u>	<u>(223,127)</u>	<u>109,753</u>	<u>29,652,845</u>
TOTAL FUNDS	<u>30,334,279</u>	<u>(463,437)</u>	<u>-</u>	<u>29,870,842</u>

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	720,957	(961,267)	-	(240,310)
Restricted funds				
School voluntary fund	133,104	(133,104)	-	-
General Annual Grant	10,276,270	(10,276,270)	-	-
Other DfE/EFA grants	94,849	(94,849)	-	-
Other Government Grants	319,782	(319,782)	-	-
Fixed Asset Fund	42,222	(68,349)	-	(26,127)
Pension reserve	-	(212,000)	15,000	(197,000)
	<u>10,866,227</u>	<u>(11,104,354)</u>	<u>15,000</u>	<u>(223,127)</u>
TOTAL FUNDS	<u>11,587,184</u>	<u>(12,065,621)</u>	<u>15,000</u>	<u>(463,437)</u>

Homewood School & Sixth Form Centre

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2015**

21. MOVEMENT IN FUNDS - continued

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

General Annual Grant (GAG) must be used for the normal running costs of the Academy. The Academy is allowed to use the GAG for general purposes at the discretion of the Academy, including capital purposes.

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

The pension liability has been charged to restricted reserves. This is because the obligation to fund the deficit is met from the General Annual Grant funding which is accounted for through restricted reserves and therefore it is more appropriate to charge the deficit to restricted reserves. The same treatment is applied to borrowing obligations taken over from the Local Authority.

Amounts included within Voluntary Income and amounts received from Local Government are for specific projects undertaken by the Academy. Restricted fixed asset funds were funded by Government Grants and a transfer from restricted general funds.

22. PENSION AND SIMILAR OBLIGATIONS

The Academy'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 Kent County Council. Both are multi-employer 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.

At the end of the financial year contributions amounting to £129,736 (2014 - £127,159) were payable to the schemes and are included within other creditors.

Notes to the Financial Statements - continued
for the Year Ended 31 August 2015

22. 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 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.

The pension costs paid to TPS in the period amounted to £846,708 (2014: £808,400).

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

Under the definitions set out in Financial Reporting Standard (FRS17) Retirement Benefits, 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.

Homewood School & Sixth Form Centre

Notes to the Financial Statements - continued for the Year Ended 31 August 2015

22. PENSION AND SIMILAR OBLIGATIONS - continued

Local government pension scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2015 was £450,000 (2014 - £455,000) of which employer's contributions totalled £344,000 (2014 - £356,000) and employees' contributions totalled £106,000 (2014 - £99,000). The agreed contribution rates for future years are 19.8% for employers and 5.5% to 12.5% for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department of Education. The guarantee came into force on 18 July 2013.

The amounts recognised in the balance sheet are as follows:

	Defined benefit pension plans	
	2015	2014
	£	£
Present value of funded obligations	(5,882,000)	(5,211,000)
Fair value of plan assets	<u>3,369,000</u>	<u>2,895,000</u>
	<u>(2,513,000)</u>	<u>(2,316,000)</u>
Deficit	<u>(2,513,000)</u>	<u>(2,316,000)</u>
Liability	<u>(2,513,000)</u>	<u>(2,316,000)</u>

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

	Defined benefit pension plans	
	2015	2014
	£	£
Current service cost	527,000	444,000
Interest cost	214,000	252,000
Expected return	<u>(185,000)</u>	<u>(144,000)</u>
	<u>556,000</u>	<u>552,000</u>
Actual return on Fund assets	<u>73,000</u>	<u>255,000</u>

The actuarial gains and losses for the current year are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS 17 is a £94,000 gain (2014 - £79,000 gain).

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Notes to the Financial Statements - continued for the Year Ended 31 August 2015

22. PENSION AND SIMILAR OBLIGATIONS - continued

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

	Defined benefit pension plans	
	2015	2014
	£	£
Defined benefit obligation	(5,211,000)	(5,114,000)
Current service cost	(527,000)	(444,000)
Contributions by scheme participants	(106,000)	(99,000)
Interest cost	(214,000)	(252,000)
Actuarial gains	127,000	664,000
Benefits paid	49,000	34,000
	<u>(5,882,000)</u>	<u>(5,211,000)</u>

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

	Defined benefit pension plans	
	2015	2014
	£	£
Fair value of scheme assets	2,895,000	2,249,000
Contributions by employer	344,000	356,000
Contributions by scheme participants	106,000	99,000
Expected return	185,000	144,000
Actuarial gains/(losses)	(112,000)	81,000
Benefits paid	<u>(49,000)</u>	<u>(34,000)</u>
	<u>3,369,000</u>	<u>2,895,000</u>

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

	Defined benefit pension plans	
	2015	2014
	£	£
Equities	2,282,000	1,975,000
Gilts	34,000	36,000
Other Bonds	369,000	341,000
Property	452,000	295,000
Cash	87,000	123,000
Target Return Portfolio	<u>145,000</u>	<u>125,000</u>
	<u>3,369,000</u>	<u>2,895,000</u>

The expected return on assets is based on the long-term future expected investment return for each asset class as at the beginning of the period (i.e. as at 1 September 2014) for the period to 31 August 2015. The returns on gilts and other bonds are assumed to be gilt yield and corporate bond yield (with an allowance for defaults) respectively at the relevant date. The returns on equities and property are then assumed to be a margin above gilt yields.

Homewood School & Sixth Form Centre

Notes to the Financial Statements - continued for the Year Ended 31 August 2015

22. PENSION AND SIMILAR OBLIGATIONS - continued

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

	2015	2014
Discount rate	4%	3.9%
Expected return on scheme assets	6%	6%
Future salary increases	4.4%	4.4%
Future pension increases	2.6%	2.6%
Inflation assumption (CPI)	2.6%	2.6%

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	22.8	22.7
Females	25.2	25.1
Retiring in 20 years		
Males	25.1	24.9
Females	27.6	27.4

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

	2015 £	2014 £	2013 £
Defined benefit pension plans			
Defined benefit obligation	(5,882,000)	(5,211,000)	(5,114,000)
Fair value of scheme assets	3,369,000	2,895,000	2,249,000
Deficit	(2,513,000)	(2,316,000)	(2,865,000)
Experience adjustments on scheme liabilities	-	953,000	-
Experience adjustments on scheme assets	(112,000)	81,000	177,000

The estimated value of employer contributions for the year ended 31 August 2016 is £346,000.

Sensitivity Analysis

The following sets out the impact of a 0.1% change in the discount rates, the long term salary increases, the pension increases and deferred revaluation and a 1 year change in the mortality age rating assumption on the present value of the total obligation and the projected service cost.

	£	£	£
Adjustment to discount rate	+0.1%	0.0%	-0.1%
- Present value of total obligation	5,762,000	5,882,000	6,005,000
- Projected service cost	513,000	524,000	535,000
Adjustment to long term salary increase	+0.1%	0.0%	-0.1%
- Present value of total obligation	5,907,000	5,882,000	5,857,000
- Projected service cost	524,000	524,000	524,000
Adjustment to pension increases and deferred revaluation	+0.1%	0.0%	-0.1%
- Present value of total obligation	5,981,000	5,882,000	5,785,000
- Projected service cost	535,000	524,000	513,000

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**Notes to the Financial Statements - continued
for the Year Ended 31 August 2015**

22. PENSION AND SIMILAR OBLIGATIONS
- continued

	+1 Year	None	-1 Year
Adjustment to mortality age rating assumption			
- Present value of total obligation	6,038,000	5,882,000	5,730,000
- Projected Service cost	537,000	524,000	511,000

23. CONTINGENT LIABILITIES

No contingent liabilities existed at the year end.

24. RELATED PARTY DISCLOSURES

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, it is inevitable that transactions will take place with organisations in which a member of the board of trustees may have 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.

No material related party transactions took place in the period of account.

25. HOME FARM CHILDRENS NURSERY LIMITED

On 1 April 2014 the nursery on the school site known as Home Farm Childrens Nursery Limited became a subsidiary company to the academy. Nothing was paid for this acquisition. The net funds of the subsidiary on acquisition were £81,656. This was agreed by the EFA at the same time as a new 5 year lease was sanctioned by them granting the nursery a continuing leasehold over the building and surrounding land. The nursery is a charitable company limited by guarantee and no consideration was paid for this acquisition. The academy is the member of the nursery. Home Farm Childrens Nursery Limited will present their accounts separately for the seventeen month period to 31 August 2015 and annually thereafter.

As explained in note 1 to the accounts the subsidiary company has not been consolidated since it is regarded as immaterial to the group. As at 31 August 2015, the subsidiary had total assets of £35,421 and net outgoing funds of £46,235 for the seventeen months ended 31 August 2015.

26. AGENCY ARRANGEMENTS

The academy trust distributes 16-19 bursary funds to students as an agent for the EFA. In the year ended 31 August 2015 the trust received £39,849 and this was all disbursed from the fund.