

**HANDSWORTH WOOD GIRLS' ACADEMY**  
**(A Company Limited by Guarantee)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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**HANDSWORTH WOOD GIRLS' ACADEMY**  
**(A Company Limited by Guarantee)**

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**HANDSWORTH WOOD GIRLS' ACADEMY**  
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS GOVERNORS AND ADVISERS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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**Members**

A Mahroof (resigned 27 May 2016)  
B I Lindsay  
V Kumar  
G Simon

**Governors**

Ms N Walters, Head Teacher<sup>1</sup>  
Mr M Ashraf<sup>1</sup>  
Ms M P Bailey (resigned 26 January 2016)  
Mrs M Begum (appointed 14 September 2015)  
Mrs M Ewins (appointed 14 September 2015)  
Ms A R Judeh (resigned 24 March 2016)  
Miss S Khan  
Mr V Kumar, Chairman<sup>1</sup>  
Mrs P Lata<sup>1</sup>  
Ms B I Lindsay<sup>1</sup>  
Mr A Mahroof (resigned 27 May 2016)<sup>1</sup>  
Mrs J Perkins  
Ms L Philips (appointed 14 September 2015)  
Mr G Simon<sup>1</sup>  
Dr S S Kumar  
Mr H S Bhanga (appointed 1 September 2015, resigned 12 October 2015)  
Mr A H Latifi (resigned 12 October 2015)  
Mrs S Butt (appointed 12 September 2016)

<sup>1</sup> Finance Committee

**Company registered number**

08261780

**Company name**

Handsworth Wood Girls' Academy

**Principal and registered office**

Church Lane  
Handsworth  
Birmingham  
West Midlands  
B20 2HL

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

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**Governors (continued)**

**Senior management team**

N Walters, Headteacher  
A Galan, Associate Headteacher  
J Humpherson, Deputy Headteacher  
J Jandu, Assistant Headteacher  
S Yates, Assistant Headteacher  
S Cooner, Assistant Headteacher  
L Billingham, Associate Assistant Headteacher (appointed 1 February 2016)  
D Pear, Director of Human Resources and Administration  
T Kataria, Director of Finance and Operations (resigned 31 October 2015)  
F Ridge, Director of Finance and Operations (appointed 1 February 2016)

**Independent auditor**

Crowe Clark Whitehill LLP  
Black Country House  
Rounds Green Road  
Oldbury  
West Midlands  
B69 2DG

**Bankers**

Lloyds Bank  
Birmingham City Centre  
Business Centre  
Lloyds Bank commercial  
PO Box 1000  
BX1 1LT

**Solicitors**

Browne Jacobson LLP  
6th Floor, 77 Gracechurch Street  
London  
EC3V 0AS

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**HANDSWORTH WOOD GIRLS' ACADEMY**  
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**GOVERNORS' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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The Governors present their Annual Report together with the audited financial statements of Handsworth Wood Girls' Academy (the Academy) for the year ended 31 August 2016. The Annual Report serves the purposes of both a Trustees' report and a Directors' report under company law.

Handsworth Wood Girls' Academy is an 11-19 comprehensive Academy that offers an excellent educational environment for 860 students from Handsworth, Handsworth Wood, Lozells and Aston in north-west Birmingham. We have now increased our PAN from 130 to 160 and therefore our numbers of students have increased, with a waiting list in every year group. There were 853 students on roll, including 179 in the sixth form, on 31st August 2016.

**Structure, Governance and Management**

**Constitution**

Handsworth Wood Girls' Academy Trust is a Company limited by guarantee and is an exempt charity. The Charitable Company's Memorandum and Articles of Association and Funding Agreement are the primary governing documents of the Academy Trust. The Charitable Company was incorporated on 01 November 2012.

The Governors act as the Trustees for the charitable activities of Handsworth Wood Girls' Academy Limited and are also the Directors of the Charitable Company for the purposes of Company law. The Charitable Company is known as Handsworth Wood Girls' Academy.

Details of the Governors who served Handsworth Wood Girls' Academy throughout 2015 – 2016 are included in the Reference and Administrative Details on page 1.

**Members' Liability**

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

**Governors' Indemnities**

During the year, an indemnity from the Charitable Company was available to the Directors against liabilities that might be incurred by them in defending proceedings against them in respect of the affairs of the Charitable Company. The indemnity is subject to the provisions of the Companies Act and is set out in the Articles of Association. See note 11 for details.

**Method of Recruitment and Appointment or Election of Governors / Directors**

The Academy's Board of Governors is subject to retirement by rotation. Governors are eligible for re-election at the meeting at which they retire. The Governors to retire are those who have served the longest in office since their appointment or re-election. New Governors are recruited in accordance with the Articles of Association and 'A Guide to the Law for School Governors.' The term of office for any Governor is 4 years, although this time limit does not apply to the Head teacher

The Board of Governors who were in office on 31 August 2016 and who served throughout the year are listed on Page 1.

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**HANDSWORTH WOOD GIRLS' ACADEMY**  
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**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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**Policies and Procedures Adopted for the Induction and Training of Governors**

The Academy continues to procure Governor Support services provided by Birmingham City Council, is also a member of the NGA and the Governance Forum. Additional training is provided as required based on individual or collective need. External advice and support is commissioned where necessary.

**Organisation Structure**

The structure of the Academy consists of four senior levels: the Academy Trust, the Board of Governors, including the Head teacher, the Associate Headteacher and the Deputy Head teacher and the broader Senior Leadership Team. An aim of this management structure is to distribute responsibility and accountability and to encourage involvement in decision making at all levels so that the Academy nurtures the talents of its entire staff to support continual improvement and excellence.

The Board of Governors is responsible for:

- setting the vision, ethos and strategic direction;
- holding the Headteacher to account; and
- overseeing financial performance.

The Head teacher, Deputy Head teachers and Senior Leadership Team control the Academy at an executive level, implementing the policies set by the Board of Governors and reporting back to them.

The Board of Governors has established two sub-committees. Each sub-committee has its own terms of reference detailing the responsibilities discharged to the sub-committee, to the Head teacher, (The Accounting Officer), to the Deputy Head teachers and to the Senior Management Team. The terms of reference and meeting frequency for each sub-committee is reviewed and approved by the Board of Governors annually. The terms of reference for the Finance Sub-Committee detail the Academy's authorised spending limits.

The sub-committees of the Governing Body are the,

- Finance Committee.
- Pay Committee.

Groups of Governors may be formally organised outside of the sub-committee structure to support the Academy as required, to consider:

- Head teacher recruitment.
- Appeals.
- Student and staff disciplinarys.

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**HANDSWORTH WOOD GIRLS' ACADEMY**  
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**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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**Arrangements for Setting Pay and Remuneration of Key Management Personnel**

Remuneration of the Senior Leadership Team is agreed by Governors; there is an agreed staffing structure and for each post there is an agreed salary range which staff can progress through by successful performance management. The Academy follows the national salary ranges for teachers and National Joint Council (NJC) pay ranges and Birmingham Council Single Status grading structure for support staff.

**Connected Organisations, including Related Party Relationships**

The Academy works in partnership with the Titan Partnership, the Birmingham Education Partnership, the RSA Teaching School Alliance, the Wood Green Teaching School Alliance, Citizens UK Birmingham and the SSAT to further the Academy's charitable activities.

Handsworth Wood Girls' Academy's Senior Leadership Team has been re-organised to provide support for two other schools, St George's Academy and Holy Trinity Catholic School and to maintain high levels of excellence at the Academy.

**Objectives and Activities**

**Objects and Aims of the Academy**

Handsworth Wood Girls' Academy is set out in the Company's Articles of Association, namely "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 and carrying on, managing and developing a school offering a broad and balanced curriculum".

The Board of Governors continue to set the Academy's strategic aims through the Academy Improvement Plan. These aims are monitored closely by the Board of Governors by way of Head teacher and Senior Team Reports and through the work of the sub committees.

The aims and objectives for the Academy are derived from its mission statement which is "To provide an outstanding education in a creative and aspirational environment for all our students."

The key aims of the Academy for the forthcoming year are to:

1. Raise levels of progress and attainment for all students, especially targeted groups.
2. Develop the range of intervention strategies used across the Academy.
3. Improve teaching and learning through CPD, ICT, networking and other vehicles.
4. To develop the whole child through a broad range of extra-curricular activities and events.
5. Develop and enhance the curriculum with regard to the changes in the National Curriculum.
6. Develop and enhance assessment as a result of government changes to the National Curriculum.
7. To improve students' literacy and numeracy skills.
8. Develop the use of new technology to promote learning.
9. Provide high quality careers education, information, advice and guidance.
10. Continue to improve students' behaviour and attendance.
11. Maintain a strong financial position to resource sustainable Academy improvement initiatives.
12. Ensure that the staffing structure meets the needs of the curriculum, student welfare and statutory obligations.
13. To ensure that students are safe in the activities they engage in.
14. To use the Academy's partnerships to promote health, community cohesion and pathways to voluntary organisations and employment.
15. To participate fully in our Teaching School Alliances to provide better training and development for our staff and better outcomes for our students.

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**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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**Objectives, Strategies and Activities**

The key objectives for the forthcoming year are:

Targets for Year 11 GCSE:

Basics: 55%  
Attainment: 8 4.4/44, C  
Progress 8: 0.01+

Targets for Year 13 A Level and L3 BTEC:

Academic: average grade C  
Value Added: Positive  
Vocational: average grade Distinction +  
Value Added: Positive

Targets for Year 12 Level 2 pathway:

L2 Basics Progress: +0.75

The Academy Improvement Plan 2015 – 2016 sets out the strategies for achieving the above objectives in detail but they are outlined below:

**Outcomes for Students**

- To ensure that assessment processes and use of data are robust so that monitoring of students' progress is as accurate as possible.
- To ensure that all teachers provide regular exam practice opportunities into their planning for students in all year groups as we move towards an assessment system where terminal examinations will predominate.
- To ensure that all under-performing students are targeted and given appropriate intervention strategies to achieve their target grades as a minimum.

**The Quality of Teaching, Learning and Assessment**

- To continue to deliver high quality teaching and learning so that all students make expected progress as a minimum by embedding the Magenta Principles and the introduction of a new VLE.
- To ensure that students make a comment on how they have responded to their teachers' written comments in feedback. (Ofsted May 2014 target)
- To continue to give teachers the opportunity for collaborative planning, assessment and moderation.

**Personal Development, Behaviour and Welfare**

- To ensure that students understand how to keep themselves safe on-line.
- To continue to educate students on appropriate usage of social media and to raise awareness of the consequences of unacceptable use of the internet on-line.



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**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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**Leadership and Management**

- To ensure that all staff have access to appropriate training and development so that new initiatives can be planned well-ahead and implemented effectively.
- To provide access to leadership development programmes at all levels by using our in-house expertise and teaching school alliances.
- To work in partnership with other schools, Academies and organisations in order to provide access to courses, work experience and work placements and enrichment opportunities for all our students.

Over the last three years, the Academy has implemented a vast amount of change to its policies and procedures, curriculum, leadership development and the quality of teaching, learning and assessment. These have contributed substantially to raising the achievement of the students at GCSE and at A Level. We achieved an Outstanding Ofsted judgement in all categories including overall effectiveness in May 2014. Since then, there has been more volatility in the external examination system, in particular at GCSE which has seen results fluctuate. Changes in the curriculum have also seen a focus on the more academic subjects with less reliance on coursework and controlled assessment which used to support our students to achieve very well in the past. As our students enter the Academy significantly below the national average on prior attainment with many (over 70%) registered as EAL of various degrees, these changes pose many challenges for the Academy. Many changes have had to be made such as how teachers teach, tackling under-performance robustly and the development of a new assessment system. The current climate in which we operate also offers challenges in the recruitment of staff during the academic year, in particular for main scale posts without a TLR responsibility in a growing number of subjects. 2015 – 2016 was a year of transition for the Academy in many ways but the year did finish fully staffed with competent specialists in all subject areas and therefore more confident to deliver our objectives as we move forward into the new academic year.

The Senior Leadership Team meet weekly to discuss and decide upon strategic and operational matters. Each member of the SLT is also linked to at least one faculty to provide direct communication links to the SLT for middle leaders. Curriculum and Student Welfare meetings take place once every half-term which then feed into faculty and year group meetings. In addition, improvement groups have been set up to look at specific issues that need developing such as curriculum, teaching and learning, health and safety, behaviour, which has enabled staff from all levels to contribute to the development and improvement of the Academy.

The Academy Improvement Plan (AIP) for 2015 – 2016 was focussed on planning for the new assessment and examination changes due over the next few years. All teachers have access to regular training and development so that all continue to develop further knowledge and skills as well as supporting the Academy to build capacity for the future. Regular faculty reviews are carried out to ensure that what is successful is celebrated and what needs further improvement is identified and acted upon swiftly.

**Public Benefit**

In setting objectives and planning the Academy's activities, the Board of Governors have paid due regard to the published guidance from the Charity Commission regarding the principle of public benefit.

The Academy Trust Governors have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers or duties.

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**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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Our successes are built upon the efforts of a highly qualified, hard-working and enthusiastic staff, well-motivated students and supportive parents. We are also clearly very proud of our Outstanding Ofsted judgement achieved in May 2014.

The Academy has a very strong student welfare system which supports the students extremely well. Safeguarding of students and staff is a key priority for the Academy, bearing in mind the environment in which the Academy resides, and therefore we have striven to ensure appropriate policies for safeguarding are in place, updated on a regular basis and implemented effectively. The student welfare system has to support a wide range of challenges that some of our students face, and therefore we frequently engage with parents and external agencies to provide solutions to minimise those challenges. In addition, students are given many opportunities to take on leadership roles and to participate in the wide range of enrichment activities that the Academy provides.

Handsworth Wood Girls' Academy is fully committed to working in partnership with a variety of organisations to ensure that it is at the centre of its community and that it can access a wide range of services, advice and opportunities to support the education and outcomes for our students.

We value highly our relationship with the parents and carers of our students to ensure better outcomes for them. We have developed systems to provide effective access of communication between the Academy and home, but are also working on strategies to involve hard to reach parents through our contacts with community groups. Our new VLE will further develop lines of communication with all parents and carers. By working together we are able to meet our aim of ensuring that all who come to Handsworth Wood Girls' Academy will find it challenging, stimulating, supportive and a happy place to be and will enjoy their time here.

Students are able to participate in a wide variety of clubs, trips and activities such as leadership programmes, cultural activities and residential experiences.

### **Strategic Report**

#### **Achievements and Performance**

As described, Handsworth Wood Girls' Academy was rated as Outstanding by Ofsted in May 2014.

The Academy is committed to continual improvement which is achieved in a number of ways including: improvement planning, review meetings, continual professional development, lesson observations, performance management, learning walks, self-evaluation, data analysis and action planning.

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**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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**Key Financial Performance Indicators**

**GCSE**

The examination results our students achieved over the last 3 years in the main have seen a reduction in the headline figure which has been mainly due to government changes in the external examination system and a greater level of expectation and challenge, such as the reduction to courses with coursework and controlled assessment elements which previously supported the students in achieving more qualifications at level 2. In 2016, for the 125 students in Year 11 on roll this academic year performance was as follows:

- Basics: English and Maths: 57%
- Ebacc: 17%
- Progress 8: -0.23
- Attainment 8: 4.43

Four students did not take their GCSE exams due to a variety of valid reasons but still count in the performance measures. There were no NEETs as all students moved on to Sixth Form, college, an apprenticeship or work.

**A Levels and GCSE English and Maths**

We are pleased the Sixth Form continues to improve. It now has a curriculum which includes appropriate A level and BTEC level 3 courses, although the breadth of this has been reduced due to financial pressures and the viability of courses. The 43 students who applied to university were all successful in gaining a place to do the course of their choice. The other students who left the Sixth Form, have either moved onto college, work or an apprenticeship.

- Average academic grade D
- Average vocational grade Distinction
- 96% pass rate
- English GCSE Progress: +0.93
- Maths GCSE Progress: +0.43

Our focus in the Sixth Form moving forwards is to increase the percentage of higher grades and to attract a greater proportion of more able students.

**Going Concern**

After consideration of the school's financial position, its financial plans, (including projected student numbers), the demand for places and the broader environment, the Board of Governors have a reasonable expectation that the Academy has and will continue to have adequate resources to enable it to be a sustainable going concern in 2016 – 2017, and for the foreseeable future. For this reason the Academy continues to adopt the Going Concern principle in preparing its financial statements. Further details regarding the adoption of the Going Concern basis can be found in the statement of accounting policies.

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**HANDSWORTH WOOD GIRLS' ACADEMY**  
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**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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**Financial Review**

The Academy received income into its Unrestricted Fund, Restricted General Funds and Fixed Asset Fund during 2015 - 2016:

**Restricted General Fund**

The majority of the Academy's income was received through Education Funding Agency (EFA) recurrent revenue grants into the Restricted General Fund, the use of which is restricted to the Academy's charitable activities, its educational operations. These revenue grants, and the associated revenue expenditure made against them, are detailed in the SOFA. General Restricted Fund income for the year was £5,636,732 (2015: £5,700,840); expenditure against the fund was £5,485,788 (2015: £5,147,716), giving a restricted revenue fund carry forward of £150,944 (£553,124) before transfers from the Restricted Fixed Fund.

**Unrestricted Funds**

Income received into the Unrestricted Fund was £58,382 (2015: £116,062). Expenditure against the fund was £99,037 (2015: £73,392) for the year, giving an Unrestricted Fund carry forward of £251,879 (2015: £297,309).

**Restricted Fixed Asset Fund**

The Restricted Fixed Asset Fund balance is reduced by an annual depreciation charge over the expected useful life of the assets concerned in line with the Academy's depreciation policy.

Income received into the fund includes Condition Improvement Funding and Devolved Formula Capital Funding of £659,082 (2015: £180,107).

The SOFA details a £11,676,512 (£10,779,628) Restricted Fixed Asset Fund year end surplus after transfers between funds. This is detailed in note 16 to the accounts.

**Summary of Financial Performance**

Total fund balance as at 31 August 2016 was £10,965,396 (2015: £11,142,069) comprised of £251,879 (2015: £297,309), £706,005 (2015: £1,065,132) and £11,676,512 (2015: £10,779,628) in Unrestricted, Restricted General and Restricted Fixed Asset Funds respectively as well as the Restricted Pension Reserve deficit of £1,669,000 (2015: £1,000,000).

**Balance Sheet**

The Academy's assets were predominantly used for providing education to school students.

The net book value of the Academy's tangible fixed assets was £11,036,331 (2015: £10,779,628) as at 31 August 2016. The movement in this account is detailed in note 13. The difference of £640,181 (2015: £nil) between the Restricted Fixed Asset Fund balance of £11,676,512 (2015: £10,779,628) and fixed assets held on the balance sheet of £11,036,331 (2015: £10,779,628) is unspent capital income for a project that will be completed in the next financial year.

Cash in hand at 31 August 2016 was £1,503,053 (2015: £1,585,925).

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**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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**Reserves Policy**

The Board of Governors review the Academy's Reserve Policy annually. The Board of Governors have determined that the appropriate level of free reserves should be a sum equivalent to one month's payroll which is approximately £375,000.

The reason for this reserve is to provide sufficient working capital and to provide a cushion to deal with unexpected emergencies. In future years capital maintenance and development projects may be considered in the reserves policy review.

The Academy's free reserves as at 31 August 2016 were £957,884 (2015: £1,362,441).

The Academy has a rolling programme of building improvements and funds in excess of the reserves policy will fund this work. The Academy have been very successful in securing CIF funding (£640k in 2016) and 2 further bids are to be submitted for the 2017 scheme. The additional reserves are required so that necessary work can be funded by the Academy should CIF bids be unsuccessful. The planned works include:

Astroturf facility:	A consultant has been appointed and a planning application is being prepared.
Upgrade of W Block boilers:	One boiler failed and the other has exceeded life expectancy and a hot water cylinder needs replacing. Bid to be made to CIF fund in 2016/17.
Remaining Z block roofs:	Bid to be made to CIF fund in 2016/17.
Lighting upgrade::	A large number of classrooms and corridors have original 1950's light fittings, upgrades are necessary to bring lighting up to current standards. Some work has been completed where areas have been refurbished but large parts of the Academy still require upgrading.
Electrical upgrade:	Many of our classrooms do not have sufficient electrical sockets to meet the needs of current curriculum and the increased number of electrical appliances in use. Recent refurbishments have addressed this in some areas but an Academy wide programme is needed.

A deficit of £962,995 (2015: £65,132) has arisen on the Restricted Fund. This is due to the deficit of £1,669,000 (2015: £1,000,000) on the Local Government Pension Scheme which is allocated to this fund. This liability will not crystallise immediately. The DfE have made assurances though that in the event of a school closure, they would meet any deficit in the scheme.

**Investment Policy**

Handsworth Wood Girls' Academy aims to manage its cash balances to provide for the day-to-day working capital requirements of its operations, whilst protecting the real long-term value of any surplus cash balances against inflation. In addition, the Academy aims to invest surplus cash funds to optimise returns, but ensuring the investment instruments are such that there is no risk to the loss of these cash funds.

The Academy is authorised to invest funds only in Banks authorised and monitored by the Financial Services Authority (FSA). The Academy's bank periodically recommends investments made on short term basis where the Academy funds are safe and without risk of loss.

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**HANDSWORTH WOOD GIRLS' ACADEMY**  
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**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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**Principal Risks and Uncertainties**

The principal risks identified include governance, statutory compliance, finance, insurance, attainment, attendance, behaviour, health and safety, organisation, operations, safeguarding, reputation, HR and ICT. A risk rating mechanism is in place with greater emphasis directed towards those identified higher risk areas.

**Risk Management**

The Board of Governors has considered the major risks to which it is exposed, in particular those relating to governance, finance, insurance, attainment, attendance, behaviour, health and safety, organisation, operations, safeguarding, reputation, HR and ICT.

The Board of Governors have implemented a number of systems to assess and reduce risks that the school faces, especially in operational areas in relation to teaching, health and safety, (including trips and the academy's minibus), behaviour management, and in relation to the control of finances. They have introduced policies and systems for the recruitment, selection and vetting of new staff, continual professional development of staff, child protection, supervision of students around the academy site and internal financial controls to minimise financial risk. Adequate insurance has been arranged where significant financial risk remains. The Academy has an effective system of internal financial control as explained in the Statement on Internal Control.

**Financial and Risk Management Objectives and Policies**

The objective of the Academy's Risk Management procedure is to identify the principal risks facing the Academy so that existing controls may be considered and further action taken if required, including external insurance.

The Board of Governors has a comprehensive risk management process to identify and monitor the risks faced by the Academy.

The financial risks considered include: economic / financial uncertainty, liquidity and solvency, credit risk, the risk of fraud and compliance with financial / statutory requirements.

**Plans for Future Periods**

Handsworth Wood Girls' Academy strives to continually improve levels of achievement and attainment for all students, equipping them with the qualifications, skills and character to follow their chosen pathway, whether it be into further and higher education or employment. Our main focus is to continue to develop the quality of teaching through more collaborative practice across the Academy and with other schools. The challenges of the confines of the new curriculum coupled with the demands of assessment at GCSE in particular, and A Level, through terminal examinations only necessitate the need to change some of our methodologies in delivering high quality teaching and learning so that all students can make good progress as a minimum. Coupled with this is the need for further curriculum development to ensure that students can access courses appropriate to their needs and expectations within the confines of a heavily based academic curriculum which some students will find very challenging. We will therefore be reviewing our curriculum provision to determine whether or not we should proceed with a two year KS3 and a three year KS4 plan which would give teachers more time to prepare students for their GCSE terminal examinations.

In addition, we are exploring the opportunity of forming a Multi-Academy Trust with other local Academies and schools as we believe that partnership working is of benefit to all students and staff. However, we are aware of possible significant budget cuts being implemented once the National Funding Formula is introduced which would clearly be a challenge for the Academy. Setting up at Multi-Academy Trust will offer the opportunity to make savings in costs and therefore it is imperative that we go down this route.

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**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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**Agency Arrangements**

The Charitable Company acts as an agent in distributing bursary funds and grants from the EFA and other government bodies. Payments received 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. In some instances the trust can use a % allocation towards its own administration costs and this is recognised in the Statement of Financial Activities. The funds received and paid and any balances held are disclosed in note 23.

**Auditor**

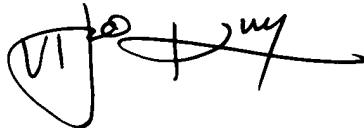
In so far as the Governors are aware:

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

The auditors, Crowe Clark Whitehill LLP who were appointed during the year, are willing to continue in office and a resolution to appoint them will be proposed at the Annual General Meeting.

The report of the Directors was approved by the members of the Governing Body on 12 December 2016 and signed on its behalf by:

**Mr V Kumar**  
**Chairman**

A handwritten signature in black ink, appearing to be 'V Kumar', written over a circular stamp or seal.

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**HANDSWORTH WOOD GIRLS' ACADEMY**  
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**GOVERNANCE STATEMENT**

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**SCOPE OF RESPONSIBILITY**

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

The Board of Governors has delegated the day-to-day responsibility to the Head Teacher, 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 Handsworth Wood Girls' Academy and the Secretary of State for Education. They are also responsible for reporting to the Board of Governors any material weaknesses or breakdowns in internal control.

**GOVERNANCE**

The information on governance included here supplements that described in the Governors' Report and in the Statement of Governors' Responsibilities. The Board of Governors has formally met 6 times during the year. Attendance during the year at meetings of the Board of Governors was as follows:

Governor	Meetings attended	Out of a possible
Ms N Walters, Head Teacher	10	10
Mr M Ashraf	2	10
Ms M P Bailey	4	5
Mrs M Begum	9	10
Mrs M Ewins	8	8
Ms A R Judeh	6	6
Miss S Khan	5	9
Mr V Kumar, Chairman	8	10
Mrs P Lata	8	10
Ms B I Lindsay	8	10
Mr A Mahroof	6	7
Mrs J Perkins	10	10
Ms L Philips	7	10
Mr G Simon	6	10
Dr S S Kumar	8	10
Mr H S Bhanga	1	1
Mr A H Latifi	0	1
Mrs S Butt	0	0

**REVIEW OF VALUE FOR MONEY**

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



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**HANDSWORTH WOOD GIRLS' ACADEMY**  
**(A Company Limited by Guarantee)**

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**GOVERNANCE STATEMENT (continued)**

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

- **Review of IT systems**

During 2015/16 we have undertaken a review of our Management Information System (MIS) and Virtual Learning Environment (VLE). The objective was to ensure that we had an effective VLE which would facilitate greater engagement from parents/carers through use of a parent portal which would give them access to specific live information about their daughter. We appointed an external consultant to research the market which resulted in 3 providers presenting to the Senior Team before a decision was made. A new MIS was implemented in September 2016 and the VLE that we felt would best drive teaching and learning and improve parental engagement (Firefly) will be launched in November 2016. Students will have easy access to work which will support home study, extended learning projects and independent learning. Parents will have access to live information such as their daughter's timetable, attendance and punctuality, behaviour, progress and reports. In addition, to support the use of I.T. across the curriculum, by way of competitive tender, computers in 5 teaching areas were upgraded and year group banks of tablets are being purchased.

- **Improving student safety and resources**

We have put significant resources into improving our site during 2015/16. A risk that we had identified was vehicle movement within the site and so we worked with a building consultant to design and tender a programme of works that moved the car park from the rear of the site to the front. This has both reduced risk of an accident and increased the recreation space available to students; we are consulting with student council and in addition to the new benches we have installed, plan other recreational facilities during 2016/17.

- **Design Technology Project Completed**

Phase 2 of our Design Technology refurbishment was completed during summer 2016; we now have a fantastic modern facility which will facilitate an exciting curriculum. The work included a full internal refurbishment, new windows and a significant investment in new equipment and both staff and students are finding the new environment conducive to ease of working and quality of work. We are now able to fully implement new curriculum specifications and girls can learn both traditional skills and modern day practice. The new facilities have broadened the options for students and resurrected interest in the faculty and potential for KS5 study.

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**HANDSWORTH WOOD GIRLS' ACADEMY**  
**(A Company Limited by Guarantee)**

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**GOVERNANCE STATEMENT (continued)**

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**THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Handsworth Wood Girls' Academy for the year 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements.

**CAPACITY TO HANDLE RISK**

The Board of Governors has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Governors is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks, that has been in place for the year 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Governors.

**THE RISK AND CONTROL FRAMEWORK**

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Governors;
- regular reviews by the board of governors of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties;
- identification and management of risks.

The Board of Governors has considered the need for a specific internal audit function and has decided to appoint Boris Thompson (Schools Financial Services) as internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. On a bi-annual basis, the internal auditor reports to the Board of Governors on the operation of the systems of control and on the discharge of the Board of Governors' financial responsibilities.

The work undertaken by the internal auditor during the year was as follows:

- Payroll
- Purchases
- Income
- Expense claims
- Purchase cards
- Petty cash
- Bank and control account reconciliations

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**HANDSWORTH WOOD GIRLS' ACADEMY**  
**(A Company Limited by Guarantee)**

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**GOVERNANCE STATEMENT (continued)**

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**REVIEW OF EFFECTIVENESS**


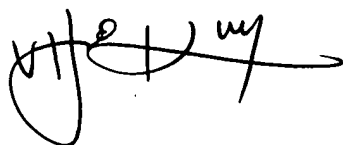
As Accounting Officer, the Head Teacher has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

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

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the [insert relevant body] 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 Governors on 12 December 2016 and signed on their behalf, by:

**Mr V Kumar,**  
**Chair of Trustees**



**Ms N Walters,**  
**Accounting Officer**

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**HANDSWORTH WOOD GIRLS' ACADEMY**  
**(A Company Limited by Guarantee)**

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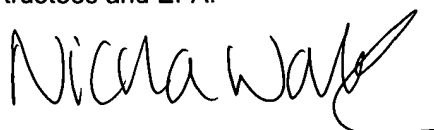
**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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As Accounting Officer of Handsworth Wood Girls' Academy I have considered my responsibility to notify the academy trust board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2015.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2015.

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the board of trustees and EFA.



**Ms N Walters,**  
**Accounting Officer**

Date: 12 December 2016

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**HANDSWORTH WOOD GIRLS' ACADEMY**  
**(A Company Limited by Guarantee)**

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**STATEMENT OF GOVERNORS' RESPONSIBILITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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The Governors (who act as governors of Handsworth Wood Girls' Academy and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Strategic Report, the Governors' Report and the financial statements in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Governors to prepare financial statements for each financial year. Under company law the Governors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Governors are required to:

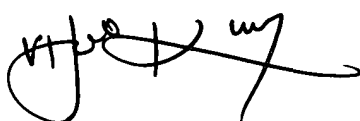
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies' Accounts Direction 2015 to 2016;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

The Governors are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by order of the members of the Board of Governors on 12 December 2016 and signed on its behalf by:



**Mr V Kumar,**  
**Chairman**

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**HANDSWORTH WOOD GIRLS' ACADEMY**  
**(A Company Limited by Guarantee)**

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**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
HANDSWORTH WOOD GIRLS' ACADEMY**

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We have audited the financial statements of Handsworth Wood Girls' Academy for the year ended 31 August 2016 which comprise the Statement of Financial Activities Incorporating Income and Expenditure Account, the Balance Sheet, the Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

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

**RESPECTIVE RESPONSIBILITIES OF GOVERNORS AND AUDITOR**

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

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

**SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

**OPINION ON FINANCIAL STATEMENTS**

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

**OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006**

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

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**HANDSWORTH WOOD GIRLS' ACADEMY**  
**(A Company Limited by Guarantee)**

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**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
HANDSWORTH WOOD GIRLS' ACADEMY**

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**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

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

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



Dave Darlaston (Senior Statutory Auditor)

for and on behalf of

**Crowe Clark Whitehill LLP**

Statutory Auditor

Black Country House  
Rounds Green Road  
Oldbury  
West Midlands  
B69 2DG  
12 December 2016

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**HANDSWORTH WOOD GIRLS' ACADEMY**  
**(A Company Limited by Guarantee)**

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**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO  
HANDSWORTH WOOD GIRLS' ACADEMY AND THE EDUCATION FUNDING AGENCY**

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In accordance with the terms of our engagement letter dated 16 October 2012 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Handsworth Wood Girls' Academy during the year 1 September 2015 to 31 August 2016 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Handsworth Wood Girls' Academy and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Handsworth Wood Girls' Academy and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Handsworth Wood Girls' Academy and the EFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF HANDSWORTH WOOD GIRLS' ACADEMY'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT**

The Accounting Officer is responsible, under the requirements of Handsworth Wood Girls' Academy's funding agreement with the Secretary of State for Education dated July 2012, and the Academies Financial Handbook extant from 1 September 2015, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2015 to 2016. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2015 to 31 August 2016 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

**APPROACH**

We conducted our engagement in accordance with the Academies Accounts Direction 2015 to 2016 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity.

A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the Academy's income and expenditure.



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**HANDSWORTH WOOD GIRLS' ACADEMY**  
**(A Company Limited by Guarantee)**

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**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO  
HANDSWORTH WOOD GIRLS' ACADEMY AND THE EDUCATION FUNDING AGENCY (continued)**

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**CONCLUSION**

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



**Crowe Clark Whitehill LLP**

Statutory Auditor

Black Country House  
Rounds Green Road  
Oldbury  
West Midlands  
B69 2DG

12 December 2016

**HANDSWORTH WOOD GIRLS' ACADEMY**  
(A Company Limited by Guarantee)

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

	Note	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
<b>INCOME FROM:</b>						
Donations and capital grants	2	1,071	-	659,082	660,153	243,331
Charitable activities	3	15,794	5,636,732	-	5,652,526	5,723,837
Other trading activities	4	40,014	-	-	40,014	28,226
Investments	5	1,503	-	-	1,503	1,615
<b>TOTAL INCOME</b>		<b>58,382</b>	<b>5,636,732</b>	<b>659,082</b>	<b>6,354,196</b>	<b>5,997,009</b>
<b>EXPENDITURE ON:</b>						
Charitable activities		99,037	5,485,788	326,044	5,910,869	5,530,689
<b>TOTAL EXPENDITURE</b>	6	<b>99,037</b>	<b>5,485,788</b>	<b>326,044</b>	<b>5,910,869</b>	<b>5,530,689</b>
<b>NET INCOME / (EXPENDITURE) BEFORE TRANSFERS</b>						
Transfers between Funds	16	(40,655) (4,775)	150,944 (559,071)	333,038 563,846	443,327 -	466,320 -
<b>NET INCOME / (EXPENDITURE) BEFORE OTHER GAINS AND LOSSES</b>						
		(45,430)	(408,127)	896,884	443,327	466,320
Actuarial losses on defined benefit pension schemes	21	-	(620,000)	-	(620,000)	(35,000)
<b>NET MOVEMENT IN FUNDS</b>		<b>(45,430)</b>	<b>(1,028,127)</b>	<b>896,884</b>	<b>(176,673)</b>	<b>431,320</b>
<b>RECONCILIATION OF FUNDS:</b>						
Total funds brought forward		297,309	65,132	10,779,628	11,142,069	10,710,749
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>251,879</b>	<b>(962,995)</b>	<b>11,676,512</b>	<b>10,965,396</b>	<b>11,142,069</b>

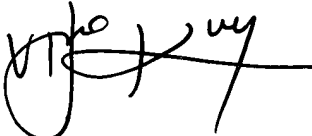
The notes on pages 27 to 45 form part of these financial statements.

**HANDSWORTH WOOD GIRLS' ACADEMY**  
**(A Company Limited by Guarantee)**  
**REGISTERED NUMBER: 08261780**

**BALANCE SHEET**  
**AS AT 31 AUGUST 2016**

	Note	2016 £	2015 £
<b>FIXED ASSETS</b>			
Tangible assets	13	11,036,331	10,779,628
<b>CURRENT ASSETS</b>			
Debtors	14	675,168	209,553
Cash at bank and in hand		1,503,053	1,585,925
		<u>2,178,221</u>	<u>1,795,478</u>
<b>CREDITORS: amounts falling due within one year</b>	15	<u>(580,156)</u>	<u>(433,037)</u>
<b>NET CURRENT ASSETS</b>		<u>1,598,065</u>	<u>1,362,441</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>12,634,396</u>	<u>12,142,069</u>
Defined benefit pension scheme liability	21	<u>(1,669,000)</u>	<u>(1,000,000)</u>
<b>NET ASSETS INCLUDING PENSION SCHEME LIABILITIES</b>		<u><u>10,965,396</u></u>	<u><u>11,142,069</u></u>
<b>FUNDS OF THE ACADEMY</b>			
Restricted funds:			
Restricted funds	16	706,005	1,065,132
Restricted fixed asset funds	16	11,676,512	10,779,628
Restricted funds excluding pension liability		<u>12,382,517</u>	<u>11,844,760</u>
Pension reserve		<u>(1,669,000)</u>	<u>(1,000,000)</u>
Total restricted funds		<u>10,713,517</u>	<u>10,844,760</u>
Unrestricted funds	16	<u>251,879</u>	<u>297,309</u>
<b>TOTAL FUNDS</b>		<u><u>10,965,396</u></u>	<u><u>11,142,069</u></u>

The financial statements were approved by the Governors, and authorised for issue, on 12 December 2016 and are signed on their behalf, by:

  
**Mr V Kumar,**  
**Chairman**

  
**Ms N Walters,**  
**Accounting Officer**

The notes on pages 27 to 45 form part of these financial statements.

**HANDSWORTH WOOD GIRLS' ACADEMY**  
(A Company Limited by Guarantee)

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

	Note	2016 £	2015 £
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	18	<u>255,407</u>	<u>963,030</u>
<b>Cash flows from investing activities:</b>			
Bank interest		1,503	1,615
Purchase of tangible fixed assets		(582,747)	(590,114)
Capital grants from DfE/EFA received		<u>242,965</u>	<u>180,107</u>
<b>Net cash used in investing activities</b>		<u>(338,279)</u>	<u>(408,392)</u>
<b>Change in cash and cash equivalents in the year</b>		<u>(82,872)</u>	<u>554,638</u>
Cash and cash equivalents brought forward		<u>1,585,925</u>	<u>1,031,287</u>
<b>Cash and cash equivalents carried forward</b>	19	<u><u>1,503,053</u></u>	<u><u>1,585,925</u></u>

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**HANDSWORTH WOOD GIRLS' ACADEMY**  
**(A Company Limited by Guarantee)**

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

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**1. ACCOUNTING POLICIES**

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgements and key sources of estimation uncertainty, is set out below.

**1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

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

Handsworth Wood Girls' Academy constitutes a public benefit entity as defined by FRS 102.

**1.2 GOING CONCERN**

The Governors assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy to continue as a going concern. The Governors make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy Trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

**1.3 INCOME**

All income is recognised once the Academy has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

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

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

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**HANDSWORTH WOOD GIRLS' ACADEMY**  
**(A Company Limited by Guarantee)**

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

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**1. ACCOUNTING POLICIES (continued)**

**1.4 EXPENDITURE**

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

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

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

**1.5 TANGIBLE FIXED ASSETS AND DEPRECIATION**

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Long Term Leasehold Property	-	50 years
Motor vehicles	-	3 years
Fixtures & fittings	-	7 years
Computer equipment	-	3 years

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**HANDSWORTH WOOD GIRLS' ACADEMY**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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**1. ACCOUNTING POLICIES (continued)**

**1.6 LIABILITIES AND PROVISIONS**

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are recognised when the academy trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

**1.7 OPERATING LEASES**

Rentals under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

**1.8 INTEREST RECEIVABLE**

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

**1.9 TAXATION**

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

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**1. ACCOUNTING POLICIES (continued)**

**1.10 DEBTORS**

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**1.11 CASH AT BANK AND IN HAND**

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**1.12 PENSIONS**

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 21, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance Sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities Incorporating Income and Expenditure Account and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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



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

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**1. ACCOUNTING POLICIES (continued)**

**1.13 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 Governors.

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

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

**1.14 FINANCIAL INSTRUMENTS**

The Academy only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Except for the Local Government Pension Scheme (LGPS) deficit, basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value. Prepayments and deferred income do not constitute basic financial instruments. The LGPS pension deficit is recognised at its net present value at each balance sheet date and is based on an annual actuarial valuation. The key judgments in performing this valuation can be found in note 1.16.

**1.15 AGENCY ARRANGEMENTS**

The charitable company acts as an agent in distributing bursary funds and grants from the EFA and other government bodies. Payments received 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. In some instances the trust can use a % allocation towards its own administration costs and this is recognised in the Statement of Financial Activities. The funds received and paid and any balances held are disclosed in note 23.

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

**1. ACCOUNTING POLICIES (continued)**

**1.16 CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Academy trust makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement:

There are no critical judgements which would have a material impact on the financial statements.

**2. INCOME FROM DONATIONS AND CAPITAL GRANTS**

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Other voluntary income	1,071	-	-	1,071	25,394
Staff absence insurance	-	-	-	-	37,830
Capital Grants	-	-	659,082	659,082	180,107
<b>Total donations and capital grants</b>	<b>1,071</b>	<b>-</b>	<b>659,082</b>	<b>660,153</b>	<b>243,331</b>

In 2015, of the total income from donations and capital grants, £63,224 was to unrestricted funds and £180,107 was to restricted funds

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**3. INCOME FROM CHARITABLE ACTIVITIES**

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Funding for educational operations	2,181	5,636,732	5,638,913	5,704,536
Educational Visits Income	13,613	-	13,613	19,301
	<u>15,794</u>	<u>5,636,732</u>	<u>5,652,526</u>	<u>5,723,837</u>

In 2015, of the total income from charitable activities, £22,997 was to unrestricted funds and £5,700,840 was to restricted funds.

**FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS**

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
<b>DfE/EFA grants</b>				
General annual grant	-	5,224,726	5,224,726	5,301,070
Other DfE/EFA grants	-	29,233	29,233	56,233
Pupil premium	-	376,443	376,443	341,937
	<u>-</u>	<u>5,630,402</u>	<u>5,630,402</u>	<u>5,699,240</u>
<b>Other government grants</b>				
Local authority grants	-	6,330	6,330	1,600
	<u>-</u>	<u>6,330</u>	<u>6,330</u>	<u>1,600</u>
<b>Other funding</b>				
School Fund	2,181	-	2,181	3,696
	<u>2,181</u>	<u>-</u>	<u>2,181</u>	<u>3,696</u>
	<u>2,181</u>	<u>5,636,732</u>	<u>5,638,913</u>	<u>5,704,536</u>

In 2015, of the total income from charitable activities, £3,696 was to unrestricted funds and £5,700,840 was to restricted funds.

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**4. OTHER TRADING ACTIVITIES**

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
University income	4,775	-	4,775	7,940
Consultancy income	12,430	-	12,430	7,135
Other income	22,809	-	22,809	13,151
	<u>40,014</u>	<u>-</u>	<u>40,014</u>	<u>28,226</u>

In 2015, of the total income from other trading activities, £28,226 was to unrestricted funds and £ NIL was to restricted funds.

**5. INVESTMENT INCOME**

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Bank interest	1,503	-	1,503	1,615

In 2015, of the total investment income, £1,615 was to unrestricted funds and £ NIL was to restricted funds.

**6. EXPENDITURE**

	Staff costs 2016 £	Premises 2016 £	Other costs 2016 £	Total 2016 £	Total 2015 £
Funding for educational operations:					
Direct costs	3,099,728	326,044	400,926	3,826,698	3,885,655
Support costs	1,382,284	268,508	310,484	1,961,276	1,550,955
Catering:					
Direct costs	-	-	79,305	79,305	68,761
Support costs	-	-	19,733	19,733	4,631
Governance: Support costs	1,105	-	22,752	23,857	20,687
	<u>4,483,117</u>	<u>594,552</u>	<u>833,200</u>	<u>5,910,869</u>	<u>5,530,689</u>

In 2016, of the total expenditure, £22,752 (2015 - £73,392) was to unrestricted funds and £5,746,281 (2015 - £5,457,297) was to restricted funds.

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**7. SUPPORT COSTS**

	<b>Funding for education £</b>	<b>Catering £</b>	<b>Governance £</b>	<b>Total 2016 £</b>	<b>Total 2015 £</b>
Premises costs	268,508	-	-	268,508	274,971
Other support costs	310,484	19,733	22,752	352,969	258,603
Wages and salaries	1,382,284	-	1,105	1,383,389	1,042,699
	<b>1,961,276</b>	<b>19,733</b>	<b>23,857</b>	<b>2,004,866</b>	<b>1,576,273</b>

Included within governance costs in the year ended 31 August 2015 were other support costs of £20,073 and wages and salaries of £614.

Included within governance costs are any costs associated with the strategic as opposed to day-to-day management of the charity's activities. These costs will include any employee benefits for trusteeship, the cost of charity employees involved in meetings with trustees, the cost of any administrative support provided to the trustees, and costs relating to constitutional and statutory requirements including audit and preparation of statutory accounts.

**8. NET INCOMING RESOURCES/(RESOURCES EXPENDED)**

This is stated after charging:

	<b>2016 £</b>	<b>2015 £</b>
Depreciation of tangible fixed assets: - owned by the charity	<b>326,044</b>	<b>288,581</b>
Auditor's remuneration - audit	<b>12,175</b>	<b>11,175</b>
Auditor's remuneration - other services	<b>3,020</b>	<b>6,260</b>
Operating lease costs	<b>53,140</b>	<b>65,252</b>

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**9. STAFF COSTS**

Staff costs were as follows:

	2016 £	2015 £
Wages and salaries	3,381,701	3,374,362
Social security costs	296,927	273,118
Operating costs of defined benefit pension schemes	587,952	518,923
	<u>4,266,580</u>	<u>4,166,403</u>
Supply teacher costs	216,537	106,170
	<u>4,483,117</u>	<u>4,272,573</u>

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

	2016 No.	2015 No.
Teachers	61	61
Admin and support	50	47
Management	9	10
	<u>120</u>	<u>118</u>

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

	2016 No.	2015 No.
In the band £60,001 - £70,000	2	1
In the band £70,001 - £80,000	1	1
In the band £90,001 - £100,000	1	1

The key management personnel of the Academy comprise the senior management team, details of whom can be found on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy Trust was £595,510 (2015: £670,495).

**10. RELATED PARTY TRANSACTIONS**

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

There were no related party transactions in the year (2015: £nil).

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

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**11. GOVERNORS' AND OFFICERS' INSURANCE**

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2016 was £620 (2015 - £1,209).

**12. GOVERNORS' REMUNERATION AND EXPENSES**

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

		2016 £	2015 £
Ms N Walters	Remuneration	95,000-100,000	95,000-100,000
	Pension contributions paid	15,000-20,000	10,000-15,000
Ms A R Judeh	Remuneration	40,000-45,000	40,000-45,000
	Pension contributions paid	5,000-10,000	5,000-10,000
J Perkins	Remuneration	20,000-25,000	20,000-25,000
	Pension contributions paid	0-5,000	0-5,000

During the year, no Governors received any reimbursement of expenses (2015 - £74).

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**13. TANGIBLE FIXED ASSETS**

	Long term leasehold land and buildings £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Total £
<b>COST</b>					
At 1 September 2015	11,278,169	73,161	4,000	189,806	11,545,136
Additions	404,761	67,473	-	110,513	582,747
At 31 August 2016	11,682,930	140,634	4,000	300,319	12,127,883
<b>DEPRECIATION</b>					
At 1 September 2015	609,554	23,625	4,000	128,329	765,508
Charge for the year	233,659	20,091	-	72,294	326,044
At 31 August 2016	843,213	43,716	4,000	200,623	1,091,552
<b>NET BOOK VALUE</b>					
At 31 August 2016	10,839,717	96,918	-	99,696	11,036,331
At 31 August 2015	10,668,615	49,536	-	61,477	10,779,628

**14. DEBTORS**

	2016 £	2015 £
Trade debtors	1,050	7,410
VAT recoverable	128,381	72,016
Other debtors	-	21,580
Prepayments and accrued income	545,737	108,547
	<u>675,168</u>	<u>209,553</u>

**15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2016 £	2015 £
Trade creditors	347,589	240,133
Other creditors	19	-
Accruals	232,548	192,904
	<u>580,156</u>	<u>433,037</u>



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**16. STATEMENT OF FUNDS**

	Brought Forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
<b>UNRESTRICTED FUNDS</b>						
Unrestricted funds	297,309	58,382	(99,037)	(4,775)	-	251,879
<b>RESTRICTED FUNDS</b>						
General Annual Grant (GAG)	1,003,865	5,224,726	(4,963,515)	(559,071)	-	706,005
Other DfE/EFA grants	61,267	405,677	(466,944)	-	-	-
Other funds	-	6,329	(6,329)	-	-	-
Pension reserve	(1,000,000)	-	(49,000)	-	(620,000)	(1,669,000)
	65,132	5,636,732	(5,485,788)	(559,071)	(620,000)	(962,995)
<b>RESTRICTED FIXED ASSET FUNDS</b>						
Restricted Fixed Asset Funds	10,779,628	659,082	(326,044)	563,846	-	11,676,512
Total restricted funds	10,844,760	6,295,814	(5,811,832)	4,775	(620,000)	10,713,517
Total of funds	11,142,069	6,354,196	(5,910,869)	-	(620,000)	10,965,396

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

The General Annual Grant and Other DfE/EFA grants relate to government funding for the provision of education by the Academy.

Other gains and losses relate to the actuarial loss for the year on the Local Government Pension Scheme.

The Government capital grant funds are provided by the Government for specific capital projects. Such funds are to be treated as restricted due to restrictions imposed by the DfE over the use and disposal of the related assets.

The restricted income funds are subject to specific expenditure within the Academy's declared objects.

Transfers represent expenditure on fixed assets from the GAG, also where capital grants have been received but the resulting expenditure has been treated as revenue expenditure within restricted funds. Transfers also include an adjustment of unrestricted costs associated with University income.

The excess of restricted fixed asset funds over the total net book value of fixed assets represents capital monies not yet spent. At 31 August 2016 this amounted to £640,181.

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**NOTES TO THE FINANCIAL STATEMENTS  
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**16. STATEMENT OF FUNDS (continued)**

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2016.

**17. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Tangible fixed assets	-	-	11,036,331	11,036,331	10,779,628
Current assets	251,879	1,286,161	640,181	2,178,221	1,795,478
Creditors due within one year	-	(580,156)	-	(580,156)	(433,037)
Provisions for liabilities and charges	-	(1,669,000)	-	(1,669,000)	(1,000,000)
	<u>251,879</u>	<u>(962,995)</u>	<u>11,676,512</u>	<u>10,965,396</u>	<u>11,142,069</u>

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

	2016 £	2015 £
Net income for the year (as per Statement of financial activities)	443,327	466,320
<b>Adjustment for:</b>		
Depreciation charges	326,044	288,581
Dividends, interest and rents from investments	(1,503)	(1,615)
(Increase)/decrease in debtors	(49,498)	13,194
Increase in creditors	147,119	311,657
Capital grants from DfE and other capital income	(659,082)	(180,107)
Defined benefit pension scheme cost less contributions payable	11,000	29,000
Defined benefit pension scheme finance cost	38,000	36,000
<b>Net cash provided by operating activities</b>	<u>255,407</u>	<u>963,030</u>

**19. ANALYSIS OF CASH AND CASH EQUIVALENTS**

	2016 £	2015 £
Cash in hand	803,053	1,585,925
Notice deposits	700,000	-
<b>Total</b>	<u>1,503,053</u>	<u>1,585,925</u>

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**20. CAPITAL COMMITMENTS**

At 31 August 2016 the Academy had capital commitments as follows:

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Contracted for but not provided in these financial statements	<b>257,158</b>	<b>-</b>

**21. PENSION COMMITMENTS**

The Academy's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by West Midlands Pension Fund. Both are Multi-Employer Defined Benefit Pension Schemes.

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

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

**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

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**21. PENSION COMMITMENTS (continued)**

- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS will be as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £383,436 (2015 - £327,386).

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

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

**Local Government Pension Scheme**

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2016 was £199,282 (2015 - £165,000), of which employer's contributions totalled £155,342 (2015 - £122,000) and employees' contributions totalled £43,940 (2015 - £43,000). The agreed contribution rates for future years are 19.4% for employers and between 5.5% and 12.5% for employees.

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

The Academy has entered into an agreement to make contributions in addition to normal funding levels due to the scheme being in deficit. It is anticipated that the additional contributions will be paid over the next 20 years. The expected additional contributions will be:

2017/18 - £52,700  
2018/19 - £54,800  
2019/20 - £56,900  
2020/21 - £59,100

Principal actuarial assumptions:

	2016	2015
Discount rate for scheme liabilities	2.20 %	4.00 %
Rate of increase in salaries	3.75 %	4.05 %
Rate of increase for pensions in payment / inflation	2.00 %	2.30 %
Inflation assumption (CPI)	2.00 %	2.30 %

**HANDSWORTH WOOD GIRLS' ACADEMY**  
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**NOTES TO THE FINANCIAL STATEMENTS  
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**21. PENSION COMMITMENTS (continued)**

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

	2016	2015
Retiring today		
Males	23.1	23.0
Females	25.8	25.6
Retiring in 20 years		
Males	25.3	25.2
Females	28.1	28.0

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

	Fair value at 31 August 2016 £	Fair value at 31 August 2015 £
Equities	974,000	723,000
Government bonds	114,000	90,000
Property	131,000	103,000
Other bonds	141,000	122,000
Cash/liquidity	105,000	61,000
Other	177,000	111,000
Total market value of assets	<u>1,642,000</u>	<u>1,210,000</u>

The actual return on scheme assets was £250,000 (2015 - £51,000).

The amounts recognised in the Statement of Financial Activities Incorporating Income and Expenditure Account are as follows:

	2016 £	2015 £
Current service cost (net of employee contributions)	167,000	151,000
Net interest cost	37,000	36,000
Administration expenses	1,000	-
Total	<u>205,000</u>	<u>187,000</u>

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**21. PENSION COMMITMENTS (continued)**

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

	2016 £	2015 £
Opening defined benefit obligation	2,210,000	1,975,000
Current service cost	167,000	151,000
Interest cost	89,000	81,000
Contributions by employees	46,000	43,000
Actuarial losses	818,000	41,000
Benefits paid	(19,000)	(81,000)
	<u>3,311,000</u>	<u>2,210,000</u>
Closing defined benefit obligation	<u>3,311,000</u>	<u>2,210,000</u>

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

	2016 £	2015 £
Opening fair value of scheme assets	1,210,000	1,075,000
Interest income	52,000	45,000
Actuarial gains and (losses)	198,000	6,000
Administration expenses	(1,000)	-
Contributions by employer	156,000	122,000
Contributions by employees	46,000	43,000
Benefits paid	(19,000)	(81,000)
	<u>1,642,000</u>	<u>1,210,000</u>
Closing fair value of scheme assets	<u>1,642,000</u>	<u>1,210,000</u>

**22. OPERATING LEASE COMMITMENTS**

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

	2016 £	2015 £
<b>AMOUNTS PAYABLE:</b>		
Within 1 year	48,734	53,140
Between 1 and 5 years	14,417	15,856
	<u>63,151</u>	<u>68,996</u>
Total	<u>63,151</u>	<u>68,996</u>

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**HANDSWORTH WOOD GIRLS' ACADEMY**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
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**23. MEMBERS' LIABILITY**

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

**24. AGENCY ARRANGEMENTS**

The Academy distributes bursary funds to students as an agent for the EFA. In the accounting period ending 31 August 2016 the Academy received £44,019 (2015: £43,134) and disbursed £44,000 (2015: £43,272) from the fund. There was a £19 outstanding creditor (2015: £138 debtor) as at 31 August 2016.

**25. FIRST TIME ADOPTION OF FRS 102**

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

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

The Local Government Pension Scheme has been adjusted to reflect changes resulting from transition to FRS 102 and whilst there is no difference to report in the net liability, the actuarial loss in the comparative year has decreased by £21,000 to £35,000 with an increase in the charge to expenditure of the same amount.