

Registered number: 08436788

**FLAMSTEAD END SCHOOL**

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2016**

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**FLAMSTEAD END SCHOOL**  
**(A Company Limited by Guarantee)**

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**FLAMSTEAD END SCHOOL**  
**(A Company Limited by Guarantee)**

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

<b>Members</b>	Mr M J Howell Mrs C M Morris (resigned 15 March 2016) Mr M A Banner Mr G P Bonsignore (appointed 20 November 2015) Mr G Rose (appointed 20 November 2015)
<b>Trustees</b>	Mr M J Howell, Chair Mrs C M Morris (resigned 15 March 2016) Mrs F E Alder Mr M A Banner Mr G Barber Mr G P Bonsignore Mr S Dhillon Mr P R Havis Mrs C Howell Mrs S A Killey, Headteacher Mrs K T Palgrave Mr G Rose Mr J M L Todd Mrs M Mobley (appointed 15 March 2016)
<b>Company Secretary</b>	Mrs K Perry
<b>Chief Executive Officer</b>	Mrs S A Killey
<b>Senior Leadership Team</b>	Mrs S A Killey, Headteacher Mrs F A Alder, Deputy Headteacher Mrs K J Perry, Business Manager Mr P Earl, Assistant Headteacher Mrs C Desmond, Assistant Headteacher Mrs K Palmer, Assistant Headteacher
<b>Company name</b>	Flamstead End School
<b>Registered and principal office</b>	Longfield Lane Cheshunt Herts EN7 6AG
<b>Company registered number</b>	08436788
<b>Independent auditors</b>	Price Bailey LLP Chartered Accountants Statutory Auditors Causeway House 1 Dane Street Bishop's Stortford Hertfordshire CM23 3BT
<b>Bankers</b>	Lloyds Bank Plc

**FLAMSTEAD END SCHOOL**  
**(A Company Limited by Guarantee)**

**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

The Trustors present their Annual Report together with the financial statements and Auditors' Report of Flamstead End School (the Charitable Company) for the period ended 31 August 2016. The Annual Report serves the purpose of both a Trustees' Report, and a Directors' Report under company law.

The Charitable Company operates Flamstead End School (the School or the Academy) for pupils aged 2-11 serving the catchment area of Flamstead End and the surrounding area. It has a pupil capacity of 420, plus a nursery unit of 60 and a pre-school of up to 48 part time places daily, in addition the School operates a designated reserved provision for pupils with special educational needs (SEN Unit or Resourced Provision) for up to 10 planned places for pupils for speech and language SEN in the age range 4-7.

There were 526 pupils on roll on the summer 2016 school census.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Constitution**

The Trust is a company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of Association are its primary governing documents. The Trustees of the Charitable Company are also the Directors for the purposes of company law. The terms Trustee, Director and Governor are interchangeable.

Details of the Trustees who served throughout the year are included in the Reference and Administrative Details section 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.

**Trustee and Officers' Indemnities**

In accordance with normal commercial practice the Trust has purchased protection for Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The policy with Zurich insurance, provides cover up to £2,000,000 on any one claim and details of the costs are disclosed in Note 11 to the accounts. When this expired on 31 March 2016 the Trust joined the Department for Education 'Risk protection arrangement (RPA)' on 01/04/2016 where the limit is £10,000,000 for any one claim, details of these costs are disclosed in Note 11.

**Method of Recruitment and Appointment or Election of Trustees**

The Members may appoint up to 11 Trustees. Subject to Article 50, the Members may appoint Staff Trustees through such process as they may determine. The total number of Trustees who are employees of the Trust (including the Headteacher) must not exceed one third of the total number of Trustees. The Headteacher shall be treated for all purposes as being an ex officio Trustee. Subject to Article 57, Parent Trustees shall be elected by parents of registered pupils at the Academy and must be a parent of a pupil at the Academy at the time elected. The Trustees may also appoint Co-opted Trustees.

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

The Trust is committed to providing adequate opportunities for Trustees to undertake and receive suitable training so as to enable them to perform their role effectively. To this end the School provides an internal programme of continued professional development led by school staff and links with a number of local training providers. New Trustees are given an induction pack and paired with another Trustee as a mentor. Procedures for new Trustee's induction are included within the 'Trustees Induction Policy'.

**Organisational Structure**

The governance of the Trust is defined in the Memorandum and Articles of Association together with the funding agreement with the Department of Education.

The Trust Board, which meets on at least three occasions per year, is responsible for the strategic direction of the Trust. The Trust Board reviews progress towards educational objectives and results. They also approve major expenditure requests, set the budget for the following year, and set the organisational staffing structure, agree the performance objectives of the Headteacher with the School Improvement Partner, and review them.

**FLAMSTEAD END SCHOOL**  
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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

The Headteacher is the designated Accounting Officer of the Trust and has overall responsibility for its day to day financial management. The Headteacher manages the Trust on a daily basis supported by a Senior Leadership Team. The Senior Leadership Team meets frequently to discuss emerging matters and to help to develop strategies for future development to be put to the Headteacher and the Trust Board as required for approval. Each member of the Senior Leadership Team has specific responsibilities to assist the Headteacher to manage certain aspects of the Trust.

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

Pay and remuneration of key management personnel is decided by a variety of contributory factors, such as the school group size, Individual Salary Range, the pay scales for each role and the level of experience of each staff member. In addition, pay scales may be affected by nationally agreed pay awards, the ability to recruit and retain in post, all of which are in accordance with the Trust's appointment and pay policies. All amendments to key management's pay and remuneration is approved by the appropriate committee within the discretion and responsibility devolved to them.

**Connected Organisations and Related Parties**

Owing to the nature of the Trust's operations and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which a Trustee has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Trust's financial regulations and normal procurement procedures. Any transaction where a Trustee may have a pecuniary interest is only undertaken in accordance with the 'at cost' principle described in the Academies Financial Handbook.

The Trust does not have a formal sponsor.

**OBJECTIVES AND ACTIVITIES**

**Objectives and Aims**

The principal object and aim of the Trust is the operation of Flamstead End School to provide education and care for pupils of different abilities between the ages of 2 and 11.

**Strategies and Activities**

During the year the School has worked towards achieving these aims by:

- ensuring that every child enjoys the same high quality education in terms of resourcing, tuition and care;
- raising the standard of educational achievement of all pupils and reducing the attainment gap for those eligible for free school meals;
- improving the effectiveness of the School by keeping the curriculum and organisational structure under continual review;
- providing value for money for the funds expended;
- complying with all appropriate statutory and curriculum requirements; and
- conducting the Trust's business in accordance with the highest standards of integrity.

At Flamstead End School we aim to get the best for, and from, each child. We intend to enable each child to realise his or her full academic, creative and physical potential and to develop positive social and moral values.

**Public Benefit**

The Trustees believe that by working towards the objects and aims of the School as detailed above, they have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission.

**STRATEGIC REPORT**

**Achievements and Performance**

The Academy continued its mission to ensure students achieved their potential; encouraged a wide range of extra-curricular activities; developed and retained suitable staff.

**FLAMSTEAD END SCHOOL**  
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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

**Key Performance Indicators**

The Trustees receive termly information to enable them to monitor the performance of the School compared to aims, strategies and financial budgets. As funding is based on pupil numbers this is a key performance indicator. Pupil numbers for September 2016 were full. Another key financial performance indicator is staffing costs as a percentage of total income, for 2015/16 this was 70%.

The Trustees are confident that staffing levels are closely monitored to agreed Full Time Equivalent and staffing structures.

The Finance, together with Premises Committees also monitor premises costs to General Annual Grant (GAG) income, capitation spend for curriculum departments to GAG income, total income less grants and cash flow on a regular basis to ensure that the budget is set and managed appropriately. All of the above KPI's were within set parameters.

**Going Concern**

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

**FINANCIAL REVIEW**

The principal source of funding for the Trust is the (GAG) and other grants that it receives from the EFA. For the year ended 31 August 2016 the Trust received £2,182,024 of GAG and other funding (see Note 3). A high percentage of this income is spent on wages and salaries and support costs to deliver the Trust's primary objective of the provision of education. During the year the Trust spent £2,558,113 and transferred £18,802 to support capital new build and improvements on the School site. The Trust brought forward from 14/15 £3,448,342 restricted funds and £261,750 unrestricted funding. The carry forward for 15/16 is £2,759,852 restricted funding and £326,750 unrestricted funding.

Due to the accounting rules for the Local Government Pension Scheme under FRS102, the Trust is recognising a significant pension fund deficit of £1,030,000. This does not mean that an immediate liability for this amount crystallises and such a deficit generally results in a cash flow effect in the form of increased employer contributions over a number of years.

**Reserves Policy**

The Trustees are aware of the requirement to balance current and future needs and always aim to set a balanced budget with annual income balancing annual expenditure. The Trustees monitored estimated year end carry forward figures by the reports from the Business Manager, discussed within each full Trustees meeting. The medium term finance plan identifies how any carry forward will be allocated in the plan for the following academic year, including the identification of any funds earmarked for a specific project or purpose. The Trust's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £326,750. This has been built up from a mixture of locally raised income and balances transferred from the predecessor school.

Reserves held are to:

- meet any unforeseen emergency or unexpected needs for funds for example: urgent site/premises repairs or replacements;
- provide time to take action should funding levels fall for example: to enable the Trust the option to respond through natural wastage rather than through redundancy of staff;
- meet planned commitments that cannot be met through future income alone for example: major asset purchase or extension; and
- fund short term deficits in cash whilst waiting receipt of funding.

The cash balance of the Trust has been healthy all year, ending the year with a balance of £582,389. A significant proportion of this cash is held against specific projects and is not available to meet normal recurring expenditure.

**FLAMSTEAD END SCHOOL**  
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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

**Investment Policy**

An Investment Policy was approved by the Board of Trustees on 4 September 2013. The aim of the policy is to ensure funds that the Trust does not immediately need to cover anticipated expenditure are invested in such a way as to maximise its income but with minimal risk. The aim is to research where funds may be deposited applying prudence in ensuring there is minimum risk. The Trustees do not consider the investment of surplus funds as a primary activity, rather as a result of good stewardship and as and when circumstances allow, taking into account prevailing interest rates and the time requirement to consider and administer funds movements.

**PRINCIPAL RISKS AND UNCERTAINTIES**

The Trustees maintain a risk register identifying the major risks to which the Trust is exposed, and identifying actions and procedures to mitigate those risks. A formal review of the risk management process is undertaken on at least an annual basis and the internal control systems and the exposure to any risks are monitored on behalf of the Trustees at each Finance Committee meeting. The principal risks facing the Trust are outlined below; those facing the Academy at an operational level are addressed by its systems and by internal financial and other controls.

The Trustees report that the Trust's financial and internal controls conform to guidelines issued by the EFA, and that improvements to the wider framework of systems dealing with business risk and risk management strategy continue to be made and formally documented. It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

As an academy school, the level of financial risk is low. Cash flows can be reliably forecast, monitored and reported. Staff costs make up the majority of expenditure and this is relatively stable with contingencies in place to cover such items as sickness and maternity.

The Trustees assess the other principal risks and uncertainties facing the Trust as follows:

- The Trust has considerable reliance on continued Government funding through the EFA and there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.
- Failures in governance and/or management - the risk in this area arises from potential failure to effectively manage the Trust's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks.
- Reputational - the continuing success of the Academy is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Trustees ensure that student success and achievement are closely monitored and reviewed.
- Safeguarding and child protection - the Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline.
- Staffing - the success of the Academy is reliant on the quality of its staff and so the Trustees monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.
- Fraud and mismanagement of funds - The Trust has appointed Internal Auditors from Price Bailey LLP to carry out checks on financial systems and records as required by the Academy Financial Handbook. All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area.
- Financial Instruments – the Trust only deals with bank balances, cash and trade creditors, with limited trade (and other) debtors. The risk in this area is considered to be low, and
- Defined benefit pension liability – as the Government has agreed to meet the defined benefit pension liability of any school ceasing to exist the main risk to the Academy is an annual cash flow funding as part of the deficit. Trustees take these payments into account when setting the annual budget plan.

The Trust has continued to strengthen its risk management process throughout the year by improving the process and ensuring staff awareness.

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

**PLANS FOR FUTURE PERIODS**

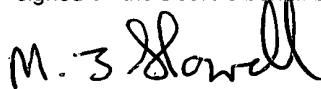
- We intend to review the provision of the speech and language unit in the light of proposed funding methods and allocation of places by Hertfordshire County Council.
- During 2016/17 we will be making two Condition Improvement Funding bids to update the heating system and upgrade flooring tiles in many areas of the School.
- We will be reviewing the future structure of the School as a stand-alone academy. With changes to funding methods and effective reduction in budgets, we will be looking to see if we should be setting up our own Multi Academy Trust or joining an existing trust. This will involve re-visiting the governance structure of the School.

**PROVISION OF INFORMATION TO AUDITORS**

Insofar as the Trustees are aware: there is no relevant audit information of which the Charitable Company's Auditors are unaware, and the Trustees have taken all the 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, Price Bailey LLP, are willing to continue in office and a resolution to reappoint them was agreed summer 2016.

The Trustees' Report, incorporating a Strategic Report, was approved by the Board of Trustees on 23/11/2016 and signed on the Board's behalf by:



**Mr M J Howell**  
**Trustee**



**FLAMSTEAD END SCHOOL**  
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**GOVERNANCE STATEMENT**

**SCOPE OF RESPONSIBILITY**

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

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

**GOVERNANCE**

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

Trustee	Meetings attended	Out of a possible
Mr M J Howell,	5	5
Mrs C M Morris	1	2
Mr M A Banner	5	5
Mr G P Bonsignore	3	5
Mr G Rose	4	5
Mrs F E Alder	5	5
Mr G Barber	2	5
Mr S Dhillon	5	5
Mr P R Havis	1	5
Mrs C Howell	5	5
Mrs S A Killey	5	5
Mrs K T Palgrave	5	5
Mr J M L Todd	3	5
Mrs M Mobley	2	3

The key challenges faced by the Trustees in the year ended 31 August 2016 were:

Celia Morris (Vice Chair of Trustees) resigned as Member and Trustee. Gary Rose and Pino Bonsignore became Members of the Trust as joint Chair of Finance and Personnel Committee. Malcolm Banner was re-appointed as a Trustee. Gary Barber and Sukhmeet Dhillon were re-appointed as Trustees by parents. Margaret Mobley was co-opted as a Trustee.

The difficult decision was made to close our long established swimming pool. There were many discussions within the Board of Trustees and with interested parents before the decision was taken, but it was felt that the cost of continuing to run the pool exceeded its benefits.

The long term finances of the Trust, as with all educational establishments, are challenging and we need to review our structure as a stand-alone academy to see if we can be viable over the medium term or see benefits from joining a MAT.

Particular challenges faced by the Audit committee, was the added responsibility for the Pre-School. This has involved a complete restructure of the staffing and financing of the Pre-School.

It has been agreed that the committee would not continue as a stand alone from 1 September 2016, and it would be subsumed into the Finance & Personnel Committee.

The Trust received one comprehensive internal audit visit during the year to review processes and the general financial controls in place, to provide assurance to Trustees in this respect and additionally on the control design and operating effectiveness. Key risks considered included; Policies and procedures, general ledger, income and debtors, expenditure and creditors, cash and banking.

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**GOVERNANCE STATEMENT (continued)**

The School ceased to be the lead agency for Longfield Children's Centre as of 31 March 2015, the loss of the resultant operational and lead agency fee income together with projected 'flat' grant income in the years ahead was factored into the medium term financial plan (MTFP) document. In addition there will be rising costs resulting from higher pensions (employer contributions increasing 14.1% - 16.4% September 2015) and national insurance contributions from April 2016 onwards increasing by 3.4%. Teachers' pay awards and progression will add to costs as will the effects of inflation on general expenditure, as will the effect of the Living Wage 2016 - 2020. The resultant year-end balance projection within the following 3-5 years of the MTFP posed a challenge to Trustees to agree where expenditure could be reduced and whether it would be possible to increase income, to ensure an overall balanced budget forecast position (including required reserves) for the following three years.

The education sector in general is facing difficulties in recruiting and Trustees were challenged to recruit suitable candidates to fulfil this outstanding school's ambitions.

The Finance and Personnel Committee is a sub-committee of the main Board of Trustees. Its purpose is to address financial and staffing matters.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mrs S A Killey	4	4
Mrs F E Alder	4	4
Mr M J Howell	4	4
Mr P R Havis	0	4
Mr G P Bonsignore	3	4
Mr G Rose	4	4

The Audit Committee is also a sub-committee of the main Board of Trustees. Its purpose is to advise the Board of Trustees on matters relating to internal and external audit.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mr M A Banner	4	4
Mr P R Havis	0	4
Mr G Rose	4	4

**REVIEW OF VALUE FOR MONEY**

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

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

All general purchases are subject to a purchase order sanctioned by either/both Accounting Officer or Chief Financial Officer with scrutiny before agreed; usually these are from regular suppliers whose prices are checked periodically to ensure they remain competitive. For larger purchases quotes from approved/various suppliers are obtained and discussed prior to committing the school to expenditure.

During the course of this year specifically when the previous long term agreement for insurance expired, alternative quotes were obtained although the school chose to join the governments Risk Protection Arrangement for the majority of loss cover - this provides enhanced cover with a significant cost saving to the school.

Gas and Electricity contracts were to expire shortly after the year end and during preceding months various options and quotes were explored. The school chose to join the government Crown Commercial Service for energy with the opinion it would be the best value for purchasing after reviewing its strategies and benefits.

When Teaching Assistants retired or resigned during the year they were not always replaced, existing staff were redeployed to cover as needed – resulting in a cost saving whilst delivering the necessary service.

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**GOVERNANCE STATEMENT (continued)**

The contract for midday play leaders was reviewed with the numbers of personnel reduced now this system is embedded into the school day.

The commencement of a rolling programme to refurbish all school toilets and sink areas commenced during this year's summer recess, phase one consisted of four rooms. Suppliers to quote were chosen following liaising with other schools (forum networking both in Hertfordshire and nationally) for contractor recommendations following their own procurement exercise and experiences. The successful contractor was not the cheapest; they were a recommendation following an installation at another school plus had worked at this school on a completely different project previously and had delivered quality with excellent service and consideration to their working environment.

Payment for all goods and services was transferred from cheques to BACS, overall a cost saving with more efficient processes in school that release staff time and assisted with a reduction of paid hours in the school office.

The school assumed responsibility for the onsite pre-school 01/04/2015. Following a full review exercise, during this year a formal restructure of the facility was undertaken to ensure financially it could break even each year although most importantly that it delivered a service required by the school senior leadership team, resulting in what is considered to be an enhanced value.

**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 Trust 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 Flamstead End School for the year 1 September 2015 to 31 August 2016 and up to the date of approval of the Annual Report and financial statements.

**CAPACITY TO HANDLE RISK**

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

**THE RISK AND CONTROL FRAMEWORK**

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

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

The Board of Trustees has considered the need for a specific internal audit function and has decided to appoint Price Bailey LLP as Internal Auditor.

The Internal Auditor's role includes giving advice on financial matters and performing a range of checks on the Trust's financial systems. In particular, the Internal Auditors ensured the Academy adhered to the "musts" set out in the Academies Financial Handbook. On an annual basis, the Internal Auditor reports to the Board of Trustees on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

Price Bailey delivered their work as planned and no material control issues were identified.

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**GOVERNANCE STATEMENT (continued)**

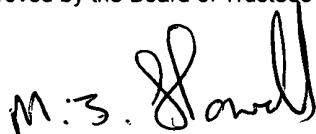
**REVIEW OF EFFECTIVENESS**

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

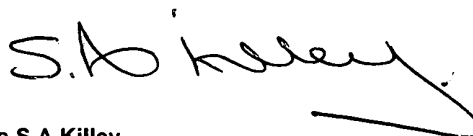
- the work of the Internal Auditor;
- the work of the external Auditors;
- the financial management and governance self-assessment process; and
- the work of the executive managers within the Trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by the Board of Trustees on 23/11/2016 and signed on their behalf, by:



**Mr M J Howell**  
Trustee



**Mrs S A Killey**  
Accounting Officer

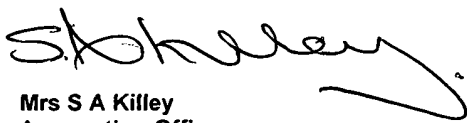
**FLAMSTEAD END SCHOOL**  
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**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

As Accounting Officer of Flamstead End School I have considered my responsibility to notify the Board of Trustees and the Education Funding Agency (EFA) of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the 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 Board of Trustees are able to identify any material irregular or improper use of funds by the Trust, or material non-compliance with the terms and conditions of funding under the Trust's funding agreement and the Academies Financial Handbook 2015.

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



**Mrs S A Killey**  
**Accounting Officer**

23.11.2016

**FLAMSTEAD END SCHOOL**  
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**STATEMENT OF TRUSTEES' RESPONSIBILITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

The Trustees (who act as Governors of Flamstead End School and are also the Directors of the Charitable Company for the purposes of company law) are responsible for preparing the Trustees' Report (including the Strategic Report) and the financial statements in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

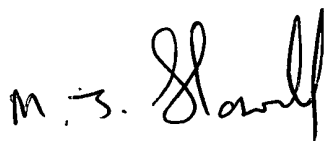
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies' Accounts Direction 2015 to 2016;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting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

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

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

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

Approved by the Board of Trustees on 23/11/2016 and signed on its behalf by:



**Mr M J Howell**  
**Trustee**

**FLAMSTEAD END SCHOOL**  
**(A Company Limited by Guarantee)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
FLAMSTEAD END SCHOOL**

We have audited the financial statements of Flamstead End School 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) and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

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

**RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS**

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

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

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

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

**OPINION ON FINANCIAL STATEMENTS**

In our opinion the financial statements:

- give a true and fair view of the state of the Trust'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 Trustees' Report, incorporating the Strategic Report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

**FLAMSTEAD END SCHOOL**  
**(A Company Limited by Guarantee)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
FLAMSTEAD END SCHOOL**

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic Report.

Gary Miller (Senior Statutory Auditor)

for and on behalf of

**Price Bailey LLP**

Chartered Accountants  
Statutory Auditors

Causeway House  
1 Dane Street  
Bishop's Stortford  
Hertfordshire  
CM23 3BT  
5 December 2016



**FLAMSTEAD END SCHOOL**  
**(A Company Limited by Guarantee)**

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO FLAMSTEAD  
END SCHOOL AND THE EDUCATION FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 9 March 2016 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Flamstead End School 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 Flamstead End School and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Flamstead End School 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 Flamstead End School and the EFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF FLAMSTEAD END SCHOOL'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT**

The Accounting Officer is responsible, under the requirements of Flamstead End School's funding agreement with the Secretary of State for Education dated 27 March 2013, 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 Trust's income and expenditure.

The work undertaken to draw to our conclusion includes:

- Consideration and corroboration of the evidence supporting the Accounting Officer's statement on regularity, propriety and compliance.
- Evaluation of the general control environment of the Trust, extending the procedures required for financial statements to include regularity.
- Discussions with and representations from the Accounting Officer and other key management personnel.
- An extension of substantive testing from our audit of the financial statements to cover matters pertaining to regularity, propriety and compliance in particular checking that selected items were appropriately authorised, and appropriate.

**FLAMSTEAD END SCHOOL**  
**(A Company Limited by Guarantee)**

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO FLAMSTEAD  
END SCHOOL AND THE EDUCATION FUNDING AGENCY (continued)**

**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.

Reporting Accountant

**Price Bailey LLP**  
Chartered Accountants  
Statutory Auditors

5 December 2016

**FLAMSTEAD END SCHOOL**  
(A Company Limited by Guarantee)

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

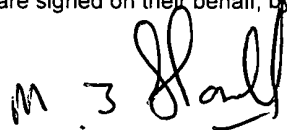
	Note	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	As restated Total funds 2015 £
<b>INCOME FROM:</b>						
Donations and capital grants	2	1,711	50,106	9,252	61,069	625,192
Charitable activities	3	34,548	2,147,476	-	2,182,024	2,258,493
Other trading activities	4	28,097	25,789	-	53,886	93,356
Investments	5	644	-	-	644	572
<b>TOTAL INCOME</b>		<b>65,000</b>	<b>2,223,371</b>	<b>9,252</b>	<b>2,297,623</b>	<b>2,977,613</b>
<b>EXPENDITURE ON:</b>						
Charitable activities		-	2,159,397	398,716	2,558,113	2,583,905
<b>TOTAL EXPENDITURE</b>	6	<b>-</b>	<b>2,159,397</b>	<b>398,716</b>	<b>2,558,113</b>	<b>2,583,905</b>
<b>NET INCOME / (EXPENDITURE) BEFORE TRANSFERS</b>		<b>65,000</b>	<b>63,974</b>	<b>(389,464)</b>	<b>(260,490)</b>	<b>393,708</b>
Transfers between funds	15	-	(18,802)	18,802	-	-
<b>NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES</b>		<b>65,000</b>	<b>45,172</b>	<b>(370,662)</b>	<b>(260,490)</b>	<b>393,708</b>
Actuarial losses on defined benefit pension schemes	20	-	(363,000)	-	(363,000)	(4,000)
<b>NET MOVEMENT IN FUNDS</b>		<b>65,000</b>	<b>(317,828)</b>	<b>(370,662)</b>	<b>(623,490)</b>	<b>389,708</b>
<b>RECONCILIATION OF FUNDS:</b>						
Total funds brought forward		261,750	(637,435)	4,085,777	3,710,092	3,320,384
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>326,750</b>	<b>(955,263)</b>	<b>3,715,115</b>	<b>3,086,602</b>	<b>3,710,092</b>

**FLAMSTEAD END SCHOOL**  
**(A Company Limited by Guarantee)**  
**REGISTERED NUMBER: 08436788**

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

	Note	£	2016 £	£	2015 £
<b>FIXED ASSETS</b>					
Tangible assets	12		3,715,115		3,754,640
<b>CURRENT ASSETS</b>					
Debtors	13	51,392		123,195	
Cash at bank and in hand		582,389		758,248	
		<u>633,781</u>		<u>881,443</u>	
<b>CREDITORS:</b> amounts falling due within one year	14	(232,294)		(292,991)	
<b>NET CURRENT ASSETS</b>			401,487		588,452
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			4,116,602		4,343,092
Defined benefit pension scheme liability	20		(1,030,000)		(633,000)
<b>NET ASSETS INCLUDING PENSION SCHEME LIABILITIES</b>			<u>3,086,602</u>		<u>3,710,092</u>
<b>FUNDS OF THE ACADEMY</b>					
Restricted income funds:					
Restricted income funds	15	74,737		(4,435)	
Restricted fixed asset funds	15	3,715,115		4,085,777	
		<u>3,789,852</u>		<u>4,081,342</u>	
Restricted income funds excluding pension liability					
Pension reserve		(1,030,000)		(633,000)	
		<u>2,759,852</u>		<u>3,448,342</u>	
Total restricted income funds			2,759,852		3,448,342
Unrestricted income funds	15		326,750		261,750
<b>TOTAL FUNDS</b>			<u>3,086,602</u>		<u>3,710,092</u>

The financial statements were approved by the Trustees, and authorised for issue, on 23/11/2016 and are signed on their behalf, by:



**Mr M J Howell**  
**Chair of Trustees**

The notes on pages 20 to 36 form part of these financial statements.

**FLAMSTEAD END SCHOOL**  
(A Company Limited by Guarantee)

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

	Note	2016 £	As restated 2015 £
<b>Cash flows from operating activities</b>			
Net cash (used in)/provided by operating activities	17	(157,132)	355,542
<b>Cash flows from investing activities:</b>			
Interest received		644	572
Purchase of tangible fixed assets		(19,371)	(151,874)
<b>Net cash used in investing activities</b>		(18,727)	(151,302)
<b>Change in cash and cash equivalents in the year</b>		(175,859)	204,240
Cash and cash equivalents brought forward		758,248	554,008
<b>Cash and cash equivalents carried forward</b>		<u>582,389</u>	<u>758,248</u>

**FLAMSTEAD END SCHOOL**  
**(A Company Limited by Guarantee)**

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

**1. ACCOUNTING POLICIES**

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

**1.1 Basis of preparation of financial statements**

The financial statements of the 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.

Flamstead End School constitutes a public benefit entity as defined by FRS 102.

**First time adoption of FRS 102**

These financial statements are the first financial statements of Flamstead End School prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the Charities SORP 2015 (SORP 2015). The financial statements of Flamstead End School for the year ended 31 August 2015 were prepared in accordance with previous Generally Accepted Accounting Practice ('UK GAAP') and SORP 2005.

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

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

**1.2 Company status**

The Academy is a company registered in England & Wales and limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the Academy being wound up, the liability in respect of the guarantee is limited to £10 per member of the Academy. The registered office is Longfield Lane, Cheshunt, Hertfordshire EN7 6AG.

**1.3 Fund accounting**

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

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

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

**FLAMSTEAD END SCHOOL**  
**(A Company Limited by Guarantee)**

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

**1. ACCOUNTING POLICIES (continued)**

**1.4 Income**

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

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

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

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

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

**1.5 Expenditure**

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

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

All resources expended are inclusive of irrecoverable VAT.

**1.6 Going concern**

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

**FLAMSTEAD END SCHOOL**  
**(A Company Limited by Guarantee)**

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

**1. ACCOUNTING POLICIES (continued)**

**1.7 Tangible fixed assets and depreciation**

All assets costing more than £2,000 are capitalised.

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

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is 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:

Leasehold Property	- 125 years straight line
Fixtures and fittings	- 10 years straight line

**1.8 Interest receivable**

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

**1.9 Taxation**

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

**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 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 Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions 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.



**FLAMSTEAD END SCHOOL**  
**(A Company Limited by Guarantee)**

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

**1. ACCOUNTING POLICIES (continued)**

**1.13 Financial instruments**

The Academy only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable.

**1.14 Pensions**

Retirement benefits to employees of the Trust 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 Trust.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 20, 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 Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities Incorporating Income and Expenditure Account and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

**1.15 Critical accounting estimates and areas of judgement**

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

Critical accounting estimates and assumptions:

The 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 20, 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.

**FLAMSTEAD END SCHOOL**  
(A Company Limited by Guarantee)

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

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

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Donations	1,711	50,106	-	51,817	48,004
Capital grants	-	-	9,252	9,252	577,188
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total donations and capital grants	1,711	50,106	9,252	61,069	625,192
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

In 2015, of the total income from donations and capital grants, £3,512 was to unrestricted funds, £44,492 was to restricted funds and £577,188 was to restricted fixed asset funds

**3. FUNDING FOR ACADEMY TRUST'S EDUCATIONAL OPERATIONS**

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
<b>DfE/EFA grants</b>				
General Annual Grant (GAG)	-	1,692,433	1,692,433	1,627,380
Other DfE / EFA grants	-	226,034	226,034	220,449
	<hr/>	<hr/>	<hr/>	<hr/>
	-	1,918,467	1,918,467	1,847,829
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Other government grants</b>				
Other government grants	-	229,009	229,009	371,742
	<hr/>	<hr/>	<hr/>	<hr/>
	-	229,009	229,009	371,742
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Other funding</b>				
Catering Income	34,548	-	34,548	38,922
	<hr/>	<hr/>	<hr/>	<hr/>
	34,548	-	34,548	38,922
	<hr/>	<hr/>	<hr/>	<hr/>
	34,548	2,147,476	2,182,024	2,258,493
	<hr/>	<hr/>	<hr/>	<hr/>

In 2015, of the total income from charitable activities, £38,922 was to unrestricted funds and £2,219,571 was to restricted funds.

**FLAMSTEAD END SCHOOL**  
(A Company Limited by Guarantee)

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

**4. OTHER TRADING ACTIVITIES**

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Educational trips	-	24,545	24,545	25,308
Other activities	24,482	1,244	25,726	63,866
Hire of facilities	3,615	-	3,615	4,182
	<u>28,097</u>	<u>25,789</u>	<u>53,886</u>	<u>93,356</u>

In 2015, of the total income from other trading activities, £67,788 was to unrestricted funds and £25,568 was to restricted funds.

**5. INVESTMENT INCOME**

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Interest received	644	-	644	572
	<u>644</u>	<u>-</u>	<u>644</u>	<u>572</u>

In 2015, of the total investment income, £ 572 was to unrestricted funds and £ NIL was to restricted funds.

**6. EXPENDITURE**

	Staff costs 2016 £	Premises 2016 £	Other costs 2016 £	Total 2016 £	As restated Total 2015 £
Provision of education:					
Direct costs	1,367,616	-	208,088	1,575,704	1,702,738
Support costs	247,945	583,480	150,984	982,409	881,167
	<u>1,615,561</u>	<u>583,480</u>	<u>359,072</u>	<u>2,558,113</u>	<u>2,583,905</u>

In 2016, of the total expenditure, £ NIL (2015 - £52,567) was to unrestricted funds £2,159,397 (2015 - £2,228,547) was to restricted funds and £398,716 (2015 - £302,791) was to restricted fixed asset funds.

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**7. CHARITABLE ACTIVITIES**

	2016 £	As restated 2015 £
Direct costs	1,575,704	1,708,420
Support costs	982,409	875,485
<b>Total</b>	<b>2,558,113</b>	<b>2,583,905</b>

	2016 £	2015 £
Analysis of support costs		
Support staff costs	247,945	313,278
Depreciation	58,327	56,740
Technology costs	10,778	10,947
Premises costs	553,814	377,949
Other support costs	96,687	92,227
Governance costs	14,858	24,344
<b>Total</b>	<b>982,409</b>	<b>875,485</b>

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

This is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets:		
- owned or leased by the Trust	58,327	56,740
Auditor's remuneration - audit	4,750	4,750
Auditor's remuneration - non audit (including Internal Audit)	5,300	7,300

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**9. STAFF COSTS**

Staff costs were as follows:

	2016 £	2015 £
Wages and salaries	1,307,184	1,400,408
Social security costs	68,838	67,427
Operating costs of defined benefit pension schemes	239,539	235,105
	<u>1,615,561</u>	<u>1,702,940</u>

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

	2016 No.	2015 No.
Teachers	21	21
Administration and support	39	44
Management	6	6
	<u>66</u>	<u>71</u>

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

	2016 No.	2015 No.
In the band £ 75,001 - £ 85,000	1	1

The key management personnel of the Trust comprise the Trustees and the Senior Leadership Team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Trust was £262,234 (2015: £284,964).

**10. TRUSTEES' REMUNERATION AND EXPENSES**

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

**S Killey (Staff)**

Remuneration £75,000-£80,000 (2015: £75,000-£80,000)

Employer's pension contributions £10,000-£15,000 (2015: £10,000-£15,000)

**F Alder (Staff)**

Remuneration £50,000-£55,000 (2015: £50,000-£55,000)

Employer's pension contributions £5,000-£10,000 (2015: £5,000-£10,000)

**K Palgrave (Staff)**

Remuneration £15,000-£20,000 (2015: £15,000-£20,000)

Employer's pension contributions £0-£5,000 (2015: £0-£5,000)

During the year ended 31 August 2016, expenses totalling £155 were reimbursed or paid directly to 1 Trustee (2015: £0).

Other related party transactions involving the Trustees are set out in note 22.

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**11. TRUSTEES' AND OFFICERS' INSURANCE**

In accordance with normal commercial practice the Trust has purchased insurance to protect Trustees and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2016 was included in the total insurance cost.

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

**12. TANGIBLE FIXED ASSETS**

	Leasehold property £	Fixtures and fittings £	Total £
<b>Cost</b>			
At 1 September 2015	3,575,836	287,531	3,863,367
Additions	-	19,371	19,371
Disposals	-	(750)	(750)
At 31 August 2016	3,575,836	306,152	3,881,988
<b>Depreciation</b>			
At 1 September 2015	59,364	49,363	108,727
Charge for the year	29,666	28,661	58,327
On disposals	-	(181)	(181)
At 31 August 2016	89,030	77,843	166,873
<b>Net book value</b>			
At 31 August 2016	3,486,806	228,309	3,715,115
At 31 August 2015	3,516,472	238,168	3,754,640

**13. DEBTORS**

	2016 £	2015 £
VAT recoverable	7,183	23,900
Prepayments and accrued income	44,209	99,295
	51,392	123,195

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**14. CREDITORS: Amounts falling due within one year**

	2016 £	2015 £
Trade creditors	126	54,474
Other taxation and social security	27,871	25,361
Other creditors	26,286	25,101
Accruals and deferred income	178,011	188,055
	<u>232,294</u>	<u>292,991</u>
	2016 £	2015 £
<b>Deferred income</b>		
Deferred income at 1 September 2015	50,577	35,706
Resources deferred during the year	81,596	50,577
Amounts released from previous years	(50,577)	(35,706)
Deferred income at 31 August 2016	<u>81,596</u>	<u>50,577</u>

The deferred income in the year represents universal free school meals income received in advance of £39,385, Early years funding received in advance of £31,680 with the remainder relating to various income streams lower than £5,000.

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**NOTES TO THE FINANCIAL STATEMENTS  
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**15. STATEMENT OF FUNDS**

	Brought forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (losses) £	Carried forward £
<b>Unrestricted funds</b>						
Unrestricted funds	261,750	65,000	-	-	-	326,750
<b>Restricted funds</b>						
General Annual Grant (GAG)	-	1,692,433	(1,610,491)	(18,802)	-	63,140
Pupil Premium	-	138,759	(138,759)	-	-	-
Restricted trip donations	-	24,545	(24,545)	-	-	-
Other government grants	-	7,105	(7,105)	-	-	-
Pre-school	(4,435)	127,059	(111,027)	-	-	11,597
Other EFA/DFE	-	77,631	(77,631)	-	-	-
Other LA income	-	155,839	(155,839)	-	-	-
Pension reserve	(633,000)	-	(34,000)	-	(363,000)	(1,030,000)
	(637,435)	2,223,371	(2,159,397)	(18,802)	(363,000)	(955,263)
<b>Restricted fixed asset funds</b>						
Restricted fixed asset fund	3,754,640	-	(58,327)	18,802	-	3,715,115
Devolved Formula Capital (DFC) Condition Improvement Grant	-	9,252	(9,252)	-	-	-
	331,137	-	(331,137)	-	-	-
	4,085,777	9,252	(398,716)	18,802	-	3,715,115
Total restricted funds	3,448,342	2,232,623	(2,558,113)	-	(363,000)	2,759,852
Total of funds	3,710,092	2,297,623	(2,558,113)	-	(363,000)	3,086,602

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

**Pupil Premium**

This represents funding to be used to help raise achievement and improve outcomes for pupils from low income families who are eligible for free school meals.

**Restricted Trip Donations**

This represents contributions made by parents to the running of educational visits for the pupils of the Academy and the associated costs of running the trips.

**Other Government Grants**

This represents various grants from local and national government bodies for the provision of specific services to pupils of the Academy.



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

**15. STATEMENT OF FUNDS (continued)**

**Pre School**

Government grants and parental contributions were received to enable the facilities to pay all staff together with other services and obligations. The Pre-school is run under the Academy name.

**Other EFA/DfE**

This represents funding received from the EFA/DfE which is restricted in nature.

**Other LA Income**

This represents funding received by the Local Authority which is restricted in nature.

**Pension Reserve**

This fund represents the Trust's share of the deficit on the Local Government Pension Scheme (LGPS) transferred to it on conversion from a state controlled school.

**Restricted Fixed Asset Fund**

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

**Devolved Formula Capital (DFC) fund**

The Trust is to use the DFC allocation to maintain and improve its buildings and facilities.

**Condition Improvement Grant**

The Academy is to use this funding for the purpose of upgrading and replacing the fire alarm system throughout the School and repairs and replacement of the School roof. The brought forward fund was fully spent during the year.

**Transfers**

The transfer between funds represents the net adjustment for additions purchased during the year.

**General Annual Grant (GAG)**

This represents funding from the EFA to cover the costs of recurrent expenditure.

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

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**16. 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	-	-	-	-	3,754,640
Current assets	559,044	74,737	3,715,115	3,715,115	-
Creditors due within one year	(232,294)	-	-	(232,294)	881,443
Provisions for liabilities and charges	-	(1,030,000)	-	(1,030,000)	(292,991)
	<u>326,750</u>	<u>(955,263)</u>	<u>3,715,115</u>	<u>3,086,602</u>	<u>3,710,092</u>

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

	2016 £	As restated 2015 £
Net (expenditure)/income for the year (as per Statement of Financial Activities)	(260,490)	393,708
<b>Adjustment for:</b>		
Depreciation charges	58,327	56,740
Dividends, interest and rents from investments	(644)	(572)
Loss on the sale of fixed assets	569	13,371
Decrease in debtors	71,803	121,440
Decrease in creditors	(60,697)	(262,145)
Pension adjustment	34,000	33,000
<b>Net cash (used in)/provided by operating activities</b>	<u>(157,132)</u>	<u>355,542</u>

**18. ANALYSIS OF CASH AND CASH EQUIVALENTS**

	2016 £	2015 £
Cash in hand	582,389	758,248
<b>Total</b>	<u>582,389</u>	<u>758,248</u>

**19. MEMBERS' LIABILITY**

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

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**20. PENSION COMMITMENTS**

The Trust'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 Hertfordshire County Council. Both are Multi-Employer Defined Benefit Pension Schemes.

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

Contributions amounting to £26,138 were payable to the schemes at 31 August 2016 (2015 - £24,958) and are included within creditors.

**Teachers' Pension Scheme**

**Introduction**

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

**Valuation of the Teachers' Pension Scheme**

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay, including a 0.08% employer administration charge (currently 14.1%);
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million;
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations; and
- 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 £125,069 (2015 - £108,809).

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.

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**20. PENSION COMMITMENTS (continued)**

**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 £131,000 (2015 - £148,000), of which employer's contributions totalled £106,000 (2015 - £119,000) and employees' contributions totalled £25,000 (2015 - £29,000). The agreed contribution rates for future years are 25.3% for employers and 5.5-7.5% for employees.

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

Principal actuarial assumptions:

	2016	2015
Discount rate for scheme liabilities	2.00 %	3.70 %
Expected return on scheme assets at 31 August	2.00 %	3.70 %
Rate of increase in salaries	3.60 %	4.00 %
Rate of increase for pensions in payment / inflation	2.10 %	2.60 %

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	22.3	22.3
Females	24.5	24.3
Retiring in 20 years		
Males	24.3	24.5
Females	26.7	26.7

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

	Fair value at 31 August 2016 £	Fair value at 31 August 2015 £
Equities	518,000	365,000
Bonds	230,000	159,000
Property	58,000	41,000
Cash	17,000	24,000
<b>Total market value of assets</b>	<b>823,000</b>	<b>589,000</b>

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**20. PENSION COMMITMENTS (continued)**

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)	(116,000)	(130,000)
Net interest cost	(24,000)	(22,000)
<b>Total</b>	<b>(140,000)</b>	<b>(152,000)</b>
 Actual return on scheme assets	 103,000	 23,000

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

	2016 £	2015 £
Opening defined benefit obligation	1,222,000	1,014,000
Current service cost	116,000	130,000
Interest cost	48,000	40,000
Contributions by employees	25,000	29,000
Actuarial losses	442,000	9,000
<b>Closing defined benefit obligation</b>	<b>1,853,000</b>	<b>1,222,000</b>

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

	2016 £	2015 £
Opening fair value of scheme assets	589,000	418,000
Interest income	24,000	18,000
Actuarial gains and (losses)	79,000	5,000
Contributions by employer	106,000	119,000
Contributions by employees	25,000	29,000
<b>Closing fair value of scheme assets</b>	<b>823,000</b>	<b>589,000</b>

**21. OPERATING LEASE COMMITMENTS**

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

	2016 £	2015 £
<b>Amounts payable:</b>		
Within 1 year	1,801	1,801
Between 1 and 5 years	1,801	3,602
<b>Total</b>	<b>3,602</b>	<b>5,403</b>

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**22. RELATED PARTY TRANSACTIONS**

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 10.

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

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

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