

REGISTRAR OF COMPANIES

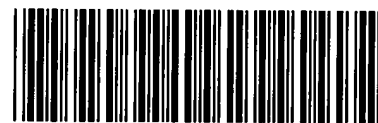
Holland Park School

Annual Report and Financial Statements

Year to 31 August 2016

Company Limited by Guarantee
Registration Number
8588099 (England and Wales)

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Reference and administrative information

Members	Miss Margaret Allen Ms Anne Marie Carrie Cllr Mrs Elizabeth Rutherford JP Dr Krish Soni Mr Michael Tory Mrs Gilly Wiscarson JP
Governors	Miss Margaret Allen Ms Catherine Blackler * Ms Anne Marie Carrie (Chair) Mr David Chappell - Associate Head & Accounting Officer * Mr Colin Hall - Head Ms Sarah-Jane Holm Professor Peter McCaffery Cllr Mrs Elizabeth Rutherford JP (Vice Chair) Dr Krish Soni * Mr Leigh Tapper (resigned 15.09.2015) Mr Michael Tory Mrs Gilly Wiscarson JP *
	*Members of the Resources & Audit Committee
Clerk to the Governors	Mr Michael Metcalfe
Company Secretary	Wilsons Solicitors LLP
Leadership Team	2015 - 2016
Head	Colin Hall
Associate Head	David Chappell (Accounting Officer)
Deputy Heads	Richard Northover Amanda Redfearn Nicholas Robson Daniel Seed Ross Wilson
Assistant Headteachers	Simon Dobson Frances Hirst Marisa Pilling Alexandra Pugh Alex Seal Gregory Smith (resigned 31.12.2015)
Chief Finance Officer	Shamsur Rahman

Reference and administrative information

Registered address	Airlie Gardens London W8 7AF
Company registration number	8588099
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Bankers	Lloyds Bank 112 Kensington High Street London W8 4SN
Solicitors	Wilsons Solicitors LLP Alexandra House St John Street Salisbury SP1 2SB

The governors of Holland Park School ('the Academy' or 'the Academy Trust') present their annual report together with the financial statements of the charitable company for the year to 31 August 2016. The annual report serves the purposes of both a trustees' report under charity law and a directors' report under company law.

The financial statements have been prepared in accordance with the accounting policies set out on pages 31 to 38 of the attached financial statements and comply with the Academy's Articles of Association, applicable laws and 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 United Kingdom and Republic of Ireland (FRS 102), effective from accounting periods commencing 1 January 2015 or later.

The Academy Trust operates a school for students aged 11 to 18 serving a catchment area in the Tri-Borough partnership of Kensington and Chelsea, Westminster and Hammersmith and Fulham. It has a student capacity of 1,430 (including a maximum of 230 in the Sixth Form) and had a roll of 1,363 on the census date of 14th May 2016.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

Holland Park School is a charitable company limited by guarantee and is an exempt charity, incorporated on 27 June 2013 (company number 08588099). The Academy's Articles of Association and the Funding Agreement executed on 30 August 2013 are the primary governing documents of the Academy.

The governors act as trustees and are also directors of the charitable company for the purposes of company law. The company is known as Holland Park School.

Members' liability

Every member of the Academy Trust undertakes to contribute such amount as may be required (not exceeding £10) to the Academy Trust's assets if it should be wound up while he or she is a member or within one year after he or she ceases to be a member, for payment of the Academy Trust's debts and liabilities before he or she ceases to be a member, and of the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributories among themselves (Articles of Association section 8).

Governors' indemnities

As stated in the Academy's Articles of Association (Clause 133): 'Subject to the provisions of the Companies Act 2006 every Governor or other officer or auditor of the Academy Trust shall be indemnified out of the assets of the Academy Trust against any liability incurred by him/her in that capacity in defending any proceedings, whether civil or criminal, in which judgement is given in favour or in which he/she is acquitted or in connection with any application in which relief is granted to him/her by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Academy Trust.'

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Governors' indemnities (continued)

The Academy has an indemnity policy in place to cover the cost of any such claims up to a total of £2,000,000 in any one year.

Principal activities

1. 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.
2. To be at the heart of our community promoting community cohesion and sharing facilities with other schools and this wider community.

Governors

The governors are directors of the charitable company for the purposes of the Companies Act 2006. The following governors were in office at 31 August 2016 and served throughout the period except where shown.

Governor	Appointed/Resigned	Appointing body
Miss Margaret Allen		
Ms Catherine Blackler		
Ms Anne Marie Carrie		
Mr David Chappell		
Mr Colin Hall		
Ms Sarah-Jane Holm		
Prof Peter McCaffery		
Cllr Mrs Elizabeth Rutherford JP		
Dr Krish Soni		
Mr Leigh Tapper	Resigned 15 September 2015	Elected by parental vote
Mr Michael Tory		
Mrs Gilly Wiscarson JP		

Method of recruitment and appointment or election of governors

Following election by the previous governing body, the members appointed a sixth member (to meet the requirements of voting rights associated with local authority representatives) and those governors required to complement the Articles of Association. These governors were appointed in accordance with the Articles and this defines their term of office.

Future governors shall be appointed or elected as the case may be under the Articles of Association and Funding Agreement.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Method of recruitment and appointment or election of governors (continued)

The members, of whom there must be a minimum of three, may appoint up to eight Governors including:

- ◆ A minimum of two parent governors
- ◆ The Head Teacher (Ex-officio)
- ◆ The Associate Head Teacher (Ex-officio)
- ◆ Up to four co-opted governors

The total number of governors (including the Head Teacher) who are employees of the Academy Trust must not exceed one third of the total number of governors.

The parent governors are elected by parents of registered students at the Academy and should be a parent of a student at the Academy at the time when they are elected. If this is not reasonably practical then a person who is a parent of a child of compulsory school age may be appointed.

The term of office for any governor is four years except for:

- ◆ Parent governors who cease to be governors when they are no longer a parent of a student at the Academy or four years, whichever is the shorter; and
- ◆ Staff governors who will only hold office for so long as they continue to be employed as a member of teaching or associate staff.

Policies and procedures adopted for the induction and training of governors

Governance at Holland Park School is taken very seriously. Governors meet regularly to lead, control and monitor the overall performance of the Academy. The governing body considers and decides on all major matters of Academy strategy. Certain specific responsibilities are delegated to the governors' committees. The governing body reviews its own performance and that of the committees, primarily through discussion with the Chair and the Head. On conversion to Academy status, four of the original governors were elected as members of the new Academy by the governing body of the time to ensure continuity of experience and knowledge. Two new governors were appointed through national selection consultants to ensure that the school had access to the widest and highest possible level of applicants. Parent governors are elected by the parent body. All new governors are briefed thoroughly by the Chair and the Head, with a tour of the school and extensive discussion on roles and responsibilities. An annual skills audit has been put in place to ensure that any gaps in skills and knowledge within the governing body can be identified and rectified by training, or by ensuring that any new governors are able to offer those specifically. All governors have access to the Tri-Borough's 'Training and Development for Governors' programme. In addition to governors' meetings, the entire governing body attend the school for three calendared days each year to critically observe staff and students at work.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Organisational structure

The Academy's organisational leadership involves the governors and the Leadership Team.

The governors are responsible for setting general policy, adopting an annual school improvement plan and budget, monitoring financial and operational performance, making strategic decisions about the direction of the Academy, approving major items of expenditure and making senior staff appointments. The full board meet four times per year and more often when necessary.

Governors fulfil their audit function and responsibilities through the work of the Resources and Audit Committee. Governors are mindful of the guidance issued by the EFA, namely section 2.4. of the 2016 handbook, that says Trusts should provide assurance over the suitability of, and compliance with, its financial systems and operational controls, taking into account the differing risks and complexity of their operations. Governors have asked the Trust's external auditor to carry out a supplementary programme of work, looking specifically at financial operations and procedures.

The Academy has the following committees:

- ◆ Performance
- ◆ Personnel
- ◆ Resources & Audit

All committees have approved terms of reference. Within these terms of reference authority and responsibility for decisions is delegated to the appropriate decision makers.

There are also a number of panels which are convened as necessary, including:

- ◆ Admissions
- ◆ Staff discipline
- ◆ Staff discipline appeals
- ◆ Student discipline
- ◆ Student discipline appeals
- ◆ Staff performance management
- ◆ Staff performance management appeals

The overall scheme of financial delegation and the finance policy incorporate the Academies Financial Handbook 2016. These policies are reviewed annually by the Resources & Audit Committee for approval by the full governing body.

Day to day management of the Academy is delegated to the Head and the Associate Head.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Arrangements for setting pay and remuneration of key management personnel

The Governing Body recognises the importance of a consistent and recognised pay and conditions framework and is committed to abiding by or bettering those national terms and conditions for teachers. In addition, the Governing Body (or its representatives) acknowledges that it should recognise national guidance and local agreements on pay scales for all staff and will be mindful of any national developments in support staff conditions of service. It must however also take account of the constraints of the school budget and the overall staffing structure of the school. The school's Pay Policy provides detailed guidance. All pay decisions are based on outcomes from annual performance reviews and considered by the Governors' Performance Review Committee.

Connected organisations, including related party relationships

Holland Park School has long established links with The Holland Park School Trust, an independent charity which supports the student enrichment activities of the school such as the Duke of Edinburgh award scheme, sports and fitness coaching, science activities, visits and trips, as well as contributing towards the cost of the free breakfast provision for students. Additionally the school provides regular use of its facilities by community user groups, amounting to some 700 users per week, including weekends. During the taught day we host on two afternoons a local primary school and they use the school's sports facilities, including the swimming pool. The pool is also used by a local specialist school working with students with high level special educational needs.

OBJECTIVES AND ACTIVITIES

Objects and aims

Holland Park School is a highly successful and over-subscribed comprehensive school in the heart of west central London. It is recognised as "an outstanding school" by Ofsted (2011 and 2014), recorded as one of the country's highest performing schools and praised in the Good Schools Guide as a school which "has seen a steep and continuing rise in results". In 2015 it was designated Teaching School Status by the Department for Education (DfE).

The school is committed to exacting high standards, to formality and to demanding creative excellence from its staff and students. It is a driven institution where students' success lies at the core of all planning. It seeks to be ambitious, to be bold for students' futures. Seeing people's potential and making detailed plans for its realisation is at the centre of its approach.

Career planning for staff and students is intentionally diverse and personalised, building on capacity and believing that aspiration is for all. Very little at Holland Park School happens by chance or accident: this is a planned, well-articulated institution which relishes its responsibility for driving forwards fast and is passionate about equality of opportunity.

OBJECTIVES AND ACTIVITIES (continued)

Public Benefit

In setting the Academy's objectives and planning its activities, the governors have given careful consideration to the Charity Commission's general guidance on public benefit.

STRATEGIC REPORT

Achievements and performance

Results

In 2015, 74% of students achieved 5 or more A*-C GCSEs, including English and Mathematics. In 2016 this figure rose to 80.3%.

In 2015, 62% of students achieved the English Baccalaureate. In 2016 this figure was 61%. The national average is 22.5%.

In 2016 the school's Progress 8 score was 0.58. This score places the school in the DfE's 'well above average' category (about 5% of schools in England).

KS4 Exam Results GCSE 2016

YEAR 11	2011	2012	2013	2014	2015	2016	National 2016
% 5 A* to C	98.7	99.1	99.6	96.3	87.2	92.4	64.9
% 5 A* to C inc. English and Maths	77.4	90.8	87.5	86.1	74.0	80.3	52.8
% EBacc	22.3	24.0	43.1	46.2	62.1	61.1	22.5
% Expected progress in English	80.3	89.0	92.0	91.8	82.3	84.3	69.0
% Expected progress in Mathematics	81.3	87.1	84.8	83.6	79.1	82.1	66.0

STRATEGIC REPORT (continued)

Achievements and performance (continued)

Results (continued)

KS5 Exam Results A2 2016

	2010	2011	2012	2013	2014	2015	2016	2016 National
Pass rate (%)	100	98.7	100	99.5	100	99.6	98.8	98.1
A-C (%)	84.7	87.3	85.5	94.1	95.5	93.0	92.2	77.6
A-B (%)	57.6	62.7	60.8	70.2	76.3	72.6	77.3	52.9
A-A* (%)	27.1	35.5	27.9	37.8	45.5	39.6	53.1	25.8
A* (%)	9.4	9.2	5.6	7.6	16.7	11.7	18.8	8.1

University Destinations 2015

This year there were 67 applicants to UCAS from Holland Park School students. The final UCAS report shows the following:

	2015 number of students	2015 % of total	2016 number of students	2016 % of total
Students with places at Russell Group Universities	40	53%	42	53%
Students with places at universities that are not Russell Group	25	33%	24	30%
Art College	2	3%	1	1%
Total number of students placed	67	89%	67	85%
Total number of students not placed	8	11%	12	15%

STRATEGIC REPORT (continued)

Achievements and performance (continued)

Review of activities (continued)

University Destinations 2015 (continued)

Of those students not placed, 12 are taking a gap year, with the intention of applying for a university course next year.

It has been another year of stunning achievement from very many of our students. Two students went off to Cambridge this year, five to Durham, six to Manchester, four to Nottingham and six to Warwick. Students have gone off to study a wide range of subjects, spanning the traditional and the vocational. The percentage of students securing a place at Russell Group universities has remained stable.

Ofsted

The Ofsted review in 2014 judged Holland Park School to be **outstanding** in all categories.

Holland Park School requested a voluntary inspection by B11 Education in 2013-14. The team judged the Academy to be **outstanding** in all categories.

Awards currently held by the Academy include:

- ◆ Ofsted – Outstanding School
- ◆ Designated Teaching Status
- ◆ SSAT- Outstanding Improvement Award
- ◆ Investors in People - Gold Award
- ◆ The Teaching Awards – Distinction
- ◆ Educational Outcomes Award
- ◆ The Prince's Teaching Institute
- ◆ Leading Edge Partnership Programme
- ◆ London Schools – Gold Club
- ◆ NPQH Leadership Development School
- ◆ Inclusion Quality Mark – Flagship School
- ◆ World Class Schools

STRATEGIC REPORT (continued)

Key financial performance indicators

- ◆ achieving the budgeted operating surplus for the current year;
- ◆ ensuring that staff costs, including agency and other temporary staffing, remain below 70% of the school's total delegated budget (excluding other unrestricted income);
- ◆ extending the use of the school's facilities by local users to generate additional income; and
- ◆ having an agreed financial plan for the next three years that demonstrates an incremental surplus.

Going concern

After making appropriate enquiries, the governing body has a reasonable expectation that the Academy has adequate resources to continue in operational existence for the foreseeable future in particular for a period of not less than one year from the date of approval of these financial statements. 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 principal accounting policies.

The continued provision of education is dependent on the ongoing funding by the Education Funding Agency of the Department for Education of which there is reasonable expectation of it continuing for the foreseeable future.

Financial review

Financial report for the period

Most of the Academy's income is obtained from the Education Funding Agency in the form of the General Annual Grant (GAG), the use of which is restricted for education purposes. The grants received from the EFA and other government bodies during the year and the associated expenditure are shown as restricted funds in the statement of financial activities.

Total income for the year was £10,591,000 (2015 - £10,486,000).

Total expenditure in the year including depreciation of £1,544,000 (2015 - £1,534,000) was £11,514,000 (2015 - £11,760,000).

Expenditure against Unrestricted funds and Restricted EFA funds was £9,709,000 (2015 - £10,007,000), leading to an operational surplus of £592,000 (2015 - £248,000) (excluding capital and Other Restricted funding).

The total funds of the Academy at 31 August 2016 were £50,304,000 (2015 - £53,071,000).

This includes a designation of £1.5m of General funds in respect of anticipated capital work on the Thorpe Lodge.

The results for the period are shown on page 27.

STRATEGIC REPORT (continued)

Reserves policy

The Academy inherited a substantial reserve from the predecessor school as a legacy from the new building which was completed in November 2012. The governors have agreed that the surplus unrestricted funds carried forward to 2016-17 should be used to complete the final phase of the whole school site renovations, principally the refurbishment of Thorpe Lodge, a grade 2 listed building at the entrance to the school grounds, to provide teaching, conference, administrative and community space. Following a tender process Atomik Architecture has been appointed to oversee and manage the refurbishment of the building with a budget of £1 million. Work is also underway to assess the potential for attracting heritage funding to enable the complete restoration of the internal finishes.

Under accounting standard FRS 102 Section 28: Employee benefits it is necessary to charge projected deficits on the Local Government Pension Scheme that is provided for associate staff to a specific restricted reserve. As at 31 August 2016 the deficit on this reserve amounted to £3,093,000.

Investment policy

The governors are aware that there is a need to improve the current return on balances the Academy holds. The governors have opened a 32 day investment account with the Academy's bankers, Lloyds Bank Ltd. This will be managed day to day by the Chief Finance Officer and reported to the Resources & Audit Committee.

PRINCIPAL RISKS AND UNCERTAINTIES

The risks to the Academy have been identified and a risk register established which is reviewed at the Resources & Audit Committee meetings and reported to the full governing body termly.

The highest financial risks identified are as follows. They are each being closely monitored by governors and expert advice will be obtained as required.

- ◆ Significant drop in funding following the introduction of the National Funding Formula;
- ◆ Significant costs arising from building defects;
- ◆ Liabilities arising from the signing of a 125 year lease (currently a Tenancy at Will);
- ◆ Loss of the Sixth Form due to reduction in funding for small sixth forms; and
- ◆ Future repayment requirements arising from the Local Government Pension Scheme (LGPS) deficit.

The school, with the Royal Borough, has identified two significant financial risks in relation to building defects. First, a continual ingress of water into the basement, which is causing flooding and potential irreparable damage to the swimming pool; second, concerns arising from glass breakages (some 14 in total to date) that requires a full upgrade to the currently installed glass types. Both undertakings carry significant cost.

PLANS FOR FUTURE PERIODS

The school's Self Improvement Plan 2016-17 builds upon the exceptional report received from Ofsted in November 2014. The school's designation as a teaching school will be a key priority for the foreseeable future, whilst we maintain the excellent practice and outcomes already in existence. Our second cohort of School Direct trainee teachers began training in September 2016. From the eight trainees in the previous academic year, four were appointed to teaching positions in the school. The school's Self Improvement Plan has been considered fully by the school's Leadership Team and the Governors and is published for all staff in our Staff Planner and it directs the work of the Academy for the coming year. The Quality of Teaching remains its primary focus to ensure that the school adapts accordingly to maintain its exceptional performance against a national changing framework of syllabus, examination and assessment. To complement this, our Staff Development Programme ensures that our teachers have access to the very best of practice, guidance and support. The school assesses the performance of teachers against published Teacher Standards and their value added is measured against targets set in the top 10% of national performance.

More specifically, in relation to student achievement, we have an acute focus on the gap between Free School Meals (FSM) and non-FSM performance, beginning with a closer analysis of performance on entry following KS2 testing. Additionally we are seeking to close the gap in performance at KS4 between mathematics and English (in 2016 84% and 82% respectively).

To support leaders in the school, a number of staff have been appointed to the position of Leading Practitioners. These colleagues are considered to be outstanding in their own classroom and this is evidenced through their students' examination performance. These colleagues work with teachers to disseminate and share exceptional practice.

Having moved into the new building in November 2012, we continue to develop the facilities. The school is using reserves to refurbish and develop Thorpe Lodge; a grade 2 listed on-site building, currently unsuitable for use by staff and students.

The school's Community Use Scheme received approval from the Royal Borough's Planning Committee, and we are seeking to extend the use of the school's facilities by local community groups. A Community Use Management Team has been established to oversee requests and arrangements.

The key priorities for the year are published in our Staff Planner which is available on request from the school. In summary these are:

Outcomes for students

Sustaining the exceptional performance of our GCSE students following the removal of controlled assessment and coursework framework by:

- ◆ a comprehensive weekly staff development programme;
- ◆ improved arrangements for 'unseen' termly internal examinations;
- ◆ an observation of teaching schedule involving all staff;

PLANS FOR FUTURE PERIODS (continued)

Outcomes for students (continued)

- ◆ weekly book monitoring by the Leadership Team;
- ◆ additional after school learning clubs and calendared Saturday intervention; and
- ◆ increased data collection and analysis.

Quality of teaching, learning and assessment

Ensuring that there is consistency across subject staff given an expansion of less-experienced staff and the need for constant reinvigoration amongst the more experienced by:

- ◆ a staff training programme that focuses sharply on the needs of different groups of staff;
- ◆ monitoring this work weekly via workbook reviews and classroom observation; and
- ◆ utilising our best practitioners to model outstanding teaching.

Personal development, behaviour and welfare

Implementing our Ofsted development point – students' access to extra-curricular programmes – by:

- ◆ publishing a 'Beyond 3pm' programme in Staff, Parent and Student Planners;
- ◆ extending the provision offered by the Physical Education Team; and
- ◆ further extending our Duke of Edinburgh programme.

Effectiveness of leadership and management

Managing our decreasing delegated budget and anticipating the impact of a national funding formula by:

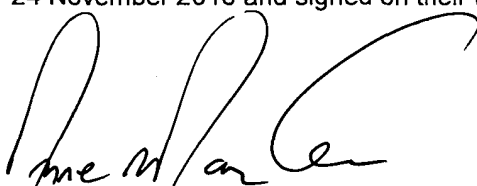
- ◆ maximising the efficiency of our staffing plan;
- ◆ reviewing existing contracted services;
- ◆ gaining additional income through facility hire;
- ◆ gaining additional income through our affiliation with the Royal Borough Teaching Alliance; and
- ◆ expanding sixth form numbers through a revised curriculum offer.

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 governors' report, incorporating a strategic report, was approved by the governors on 24 November 2016 and signed on their behalf by:



Anne Marie Garrie
Chair of governors

Date: 24.11.2016

Scope of responsibility

As governors, we acknowledge we have overall responsibility for ensuring that Holland Park 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 governors have delegated the day-to-day responsibility to the Associate Head, as Accounting Officer, for ensuring that 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 the Academy and the Secretary of State for Education. The Associate Head is 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 4 times during the year. Attendance during the period at meetings of the board of governors was as follows:

Governor	Meetings attended	Out of a possible
Ms Anne Marie Carrie (Chair)	3	4
Cllr Mrs Elizabeth Rutherford JP	3	4
Mrs Gilly Wiscarson JP	3	4
Mr Michael Tory	4	4
Dr Krish Soni	3	4
Miss Margaret Allen	4	4
Professor Peter McCaffery	0	4
Mrs Sarah-Jane Holm	4	4
Mr Colin Hall	4	4
Mr David Chappell	4	4
Ms Catherine Blackler	3	4

Governance reviews

Governors took full part in the Ofsted. Ofsted's comment was:

Governors are proud to lead the Academy. They are unwavering in their commitment to its continued improvement. They are focused, skilled and assertive in their support and challenge for the Academy.

Ofsted's further comments were:

- ◆ Governance of the Academy is outstanding. Governors know the Academy's strengths extremely well and offer the headteacher and his senior team insightful, perceptive challenges.

Governance reviews (continued)

The annual governors' skills' audit demonstrates the high levels of competence and confidence within the governing body. Governors are committed to attending relevant workshops run by the local authority and visit the school individually throughout the year with the aim of providing challenge to the Leadership Team. Our governors represent a wide range of professions, including finance, medicine, education and local politics, and so are able to bring a diverse set of skills and knowledge to bear to the role.

Governors regularly review their statutory obligations. They are diligent, for example, in their scrutiny of financial management and safeguarding arrangements in the Academy.

Attendance at Committee meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
Ms Anne Marie Carrie (Chair)	n/a	n/a
Cllr Mrs Elizabeth Rutherford JP	4	4
Mrs Gilly Wiscarson JP	5	5
Mr Michael Tory	1	1
Dr Krish Soni	3	4
Miss Margaret Allen	2	3
Professor Peter McCaffery	2	3
Mrs Sarah-Jane Holm	n/a	n/a
Mr Colin Hall	3	3
Mr David Chappell	4	4
Ms Catherine Blackler	4	4

Review of value for Money

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

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

- ◆ recruiting three new Assistant Headteachers with responsibility for the leadership and management of English, Humanities and Languages respectively;
- ◆ recruiting a senior member of staff to manage recruitment and oversee the School Direct trainees;
- ◆ increasing PPA (Planning, Preparation and Assessment) time for English teachers to enable high-quality written feedback;

Governance reviews (continued)

Review of value for Money (continued)

- ◆ terminating the 24 hour security contract and renegotiating Site Team contracts to facilitate the opening and closing of school;
- ◆ negotiating cost revisions to the cleaning contract;
- ◆ introducing the Wise Pay online provision for parents to reduce administration demands on staff and the finance team;
- ◆ promoting six further colleagues (12 in total) to the position of Leading Practitioner, with responsibility for the support and development of other teaching colleagues;
- ◆ employing two highly qualified tutors to provide 1 to 1 support for students joining Year 7 with a literacy profile below expectation;
- ◆ employing additional, academically able, Learning Support Assistants to support students on the Provision Map, including carers for three wheelchair users;
- ◆ providing a workskills programme for Year 11 students at risk of NEET (Not in Education, Employment or Training);
- ◆ providing alternative education provisions for students at risk of exclusion;
- ◆ providing a free daily breakfast for all students;
- ◆ providing an annual standardised reading test for all students to monitor reading and spelling ages, linking outcomes to examination access arrangements;
- ◆ providing a wide range of subject specific and syllabus related, funded trips and visits;
- ◆ developing new subjects at KS5 and hosting events to support UCAS applications; and
- ◆ staffing Saturday and calendared holiday learning opportunities for all students.

The effectiveness of these, and other non-costed initiatives, can be seen in the school's outstanding examination performance and national analysis in the school's national performance documents.

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 the Academy's 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 at the Academy for the year ended 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 period ended 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 Resources and Audit Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- ◆ the feedback from the auditor extended visits (termly);
- ◆ 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 governors have reconsidered the need for a specific internal audit function and have appointed Buzzacott to undertake this role in the coming financial year. This function will replace the work undertaken previously by the Responsible Officer.

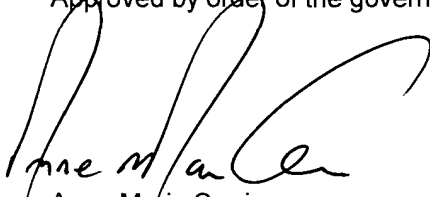
Review of effectiveness

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


- ◆ the internal assurance work of Buzzacott;
- ◆ the work of the external auditor;
- ◆ the financial management and governance self-assessment process; and
- ◆ the work of the Leadership Team within the Academy who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has advised the Resources and Audit Committee of the implications of his review of the system of internal control and a plan to address weaknesses and ensure that continuous improvement of the system is in place.

Approved by order of the governors on 24 November 2016 and signed on their behalf by:



Anne Marie Carrie
Chair of governors



David Chappell
Accounting Officer

Statement of regularity, propriety and compliance 31 August 2016

As Accounting Officer of Holland Park School, I have considered my responsibility to notify the Academy Trust board of governors and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State. 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 governors 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 two instances of irregularity, impropriety or funding non-compliance were discovered. These related to additional non-worked overtime claims by two members of the Site Team. Both instances were investigated in line with the school's disciplinary policy and both resulted in dismissal. The EFA were informed on the matter and the outcome. The school is now in receipt of monthly repayments from one ex-colleague and continues to pursue the second whose whereabouts is currently unknown.

A handwritten signature in black ink, appearing to read 'D. Chappell', with a long horizontal flourish extending to the right.

David Chappell
Accounting Officer

Date: 24.11.2016

Statement of governors' responsibilities 31 August 2016

The governors (who act as trustees of the Academy for the purposes of charity law and are also the directors of the Academy for the purposes of company law) are responsible for preparing 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 Academy 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:

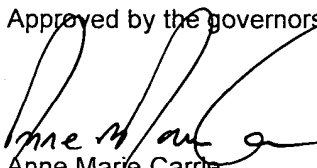
- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in the Charities' SORP 2015 and the Academies Accounts Direction 2015 to 2016;
- ◆ make judgments and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom 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 Academy will continue in operation.

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

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

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

Approved by the governors on 24 November 2016 and signed on their behalf by:


Anne Marie Carrle
Chair of governors

Independent auditor's report on the financial statements to the Members of Holland Park School

We have audited the financial statements of Holland Park School ("the charitable company") for the year ended 31 August 2016 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies 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 2015 to 2016 issued by the Education Funding Agency.

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of governors and auditor

The governors act as trustees for the charitable activities of Holland Park School and are also the directors of the charitable company for the purpose of company law.

As explained more fully in the statement of governors' responsibilities set out in the governors' report, including the strategic report, the governors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the governors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the governors' report, including the strategic 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

In our opinion:

- ◆ the financial statements give a true and fair view of the state of the charitable company's affairs as at 31 August 2016 and of its income and expenditure for the period then ended;
- ◆ the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- ◆ the financial statements have been prepared in accordance with the Companies Act 2006; and
- ◆ the financial statements have been prepared in accordance with the Charities SORP 2015 and Academies Accounts Direction 2015 to 2016.

Opinion on other matter prescribed by the Companies Act 2006

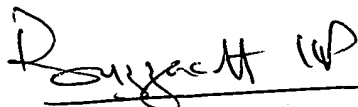
In our opinion the information given in the governors' report, including the strategic report, for the financial period for which the financial statements are prepared is consistent with the financial statements.

We would like to draw readers' attention to note 16 to the accounts (page 46) and the narrative within the governors' report (see page 12), which discloses significant uncertainty regarding the value and timing of work required to rectify defects identified at the school building during the year. Our report is not qualified in this regard.

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.



Avnish Savjani, Senior Statutory Auditor
for and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

14 December 2016

Holland Park School 24

Independent reporting accountant's assurance report on regularity to Holland Park School and the Education Funding Agency

In accordance with the terms of our engagement letter dated 4 April 2014 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 Holland Park School during the period from 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 Holland Park School and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Holland Park 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 Holland Park School and the EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Holland Park School's Accounting Officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of Holland Park School's funding agreement with the Secretary of State for Education dated 30 August 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 period from 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.

Independent reporting accountant's assurance report on regularity 31 August 2016

Approach (continued)

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 Trust's income and expenditure.

The work undertaken to draw to our conclusion includes:

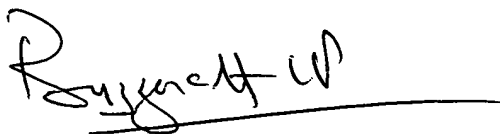
- ◆ An assessment of the risk of material irregularity and impropriety across all of the Academy Trust's activities;
- ◆ Further testing and review of the areas identified through the risk assessment including enquiry, identification of control processes and examination of supporting evidence across all areas identified as well as additional verification work where considered necessary; and
- ◆ Consideration of evidence obtained through the work detailed above and the work completed as part of our financial statements audit in order to support the regularity conclusion.

Overtime irregularities

We would like to draw attention to the disclosure made by the school within their Governance Statement (page 21), relating to overtime irregularities identified during the year. We do not consider the identified financial loss to the school to be significant and are satisfied that appropriate procedures have been followed, including reporting the matter to the EFA and the strengthening of internal controls to mitigate the risk of further loss in this manner. Our opinion is not qualified in this regard.

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 from 1 September 2015 to 31 August 2016 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Buzzacott LLP
Chartered Accountants
130 Wood Street
London
EC2V 6DL

14 December 2016

Statement of financial activities (including income and expenditure account) Year to 31 August 2016

	Notes	Restricted funds				2016 Total funds £'000	2015 Total funds £'000
		Unrestricted general fund £'000	General funds £'000	Fixed assets fund £'000	Other £'000		
Income from:							
Donations and capital grants	1	13		28	105	146	114
Charitable activities							
Funding for the academy's educational operations	4	-	10,063	-		10,063	10,044
Other trading activities	2	215	-	-	157	372	323
Investments	3	10	-	-	-	10	5
Total income		238	10,063	28	262	10,591	10,486
Expenditure on:							
Charitable activities							
Academy's educational operations	6	3	9,706	1,544	261	11,514	11,760
Total expenditure		3	9,706	1,544	261	11,514	11,760
Net income (expenditure)		235	357	(1,516)	1	(923)	(1,274)
Other recognised gains and losses							
Actuarial losses on defined benefit pension scheme	21	-	(1,844)	-	-	(1,844)	22
Net movement in funds		235	(1,487)	(1,516)	1	(2,767)	(1,252)
Reconciliation of funds							
Total fund balances brought forward at 1 September 2015		1,667	(803)	51,957	250	53,071	54,323
Total fund balances carried forward at 31 August 2016		1,902	(2,290)	50,441	251	50,304	53,071

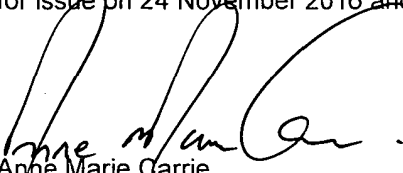
All of the Academy Trust's activities derived from operations which commenced during the above two periods.

All recognised gains and losses are included in the statement of financial activities.

Balance sheet 31 August 2016

	Notes	2016 £'000	2016 £'000	2015 £'000	2015 £'000
Fixed assets					
Tangible fixed assets	12		<u>50,443</u>		<u>51,937</u>
Current assets					
Debtors	13	503		305	
Cash at bank and in hand		<u>3,133</u>		<u>2,491</u>	
		3,636		2,796	
Liabilities					
Creditors: amounts falling due within one year	14	<u>(656)</u>		<u>(526)</u>	
Net current assets			<u>2,980</u>		<u>2,270</u>
Total assets less current liabilities			53,423		54,207
Creditors: amounts falling due after more than one year	15		<u>(26)</u>		<u>-</u>
Net assets excluding pension scheme liability			<u>53,397</u>		<u>54,207</u>
Pension scheme liability	21		<u>(3,093)</u>		<u>(1,136)</u>
Total net assets			<u>50,304</u>		<u>53,071</u>
Funds of the Academy					
Restricted income funds					
. Fixed assets fund	17		50,441		51,957
. Restricted income funds	17		803		333
. Other restricted funds	17		251		250
. Pension reserve	17		<u>(3,093)</u>		<u>(1,136)</u>
			48,402		51,404
Unrestricted income funds					
General fund	17		402		167
Designated fund	17		<u>1,500</u>		<u>1,500</u>
Total funds			<u>50,304</u>		<u>53,071</u>

The financial statements on page 27 to 52 were approved by the governors, and authorised for issue on 24 November 2016 and are signed on their behalf by:


 Anne Marie Garrie
 Chair of governors

Holland Park School
 Company Limited by Guarantee
 Registration Number: 8588099 (England and Wales)

Statement of cash flows Year to 31 August 2016

		2016 £'000	2015 £'000
Net cash inflow from operating activities			
Net cash provided by (used in) operating activities	A	654	785
Cash flows from investing activities			
	B	(12)	(45)
Change in cash and cash equivalents in the year		642	740
Reconciliation of net cash flow to movement in net funds:			
Cash and cash equivalents at 1 September 2015		2,491	1,751
Cash and cash equivalents at 31 August 2016	C	3,133	2,491

A Reconciliation of income (expenditure) to net cash flow from operating activities

	2016 £'000	2015 £'000
Net income (expenditure) for the year (as per the statement of financial activities)	(923)	(1,246)
Adjusted for:		
Reclassification of fixed assets	-	70
Depreciation charges (note 12)	1,544	1,534
Capital grants from DfE and other capital income	(28)	(27)
Interest receivable (note 3)	(10)	(5)
Defined benefit pension scheme cost less contributions payable (note 21)	68	104
Defined benefit pension scheme finance cost (note 21)	45	21
(Increase) decrease in debtors	(128)	329
Increase (decrease) in creditors	86	5
Net cash provided by operating activities	654	785

B Cash flows from investing activities

	2016 £'000	2015 £'000
Dividends, interest and rents from investments	10	5
Proceeds from sale of tangible fixed assets	-	9
Purchase of intangible fixed assets	-	-
Purchase of tangible fixed assets	(50)	(86)
Capital grants from DfE/EFA	28	27
Net cash used in investing activities	(12)	(45)

Statement of cash flows Year to 31 August 2016

C Analysis of cash and cash equivalents

	2016	2015
	£'000	£'000
Cash at bank and in hand	3,133	2,491
Total cash and cash equivalents	3,133	2,491

Statement of 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.

Basis of preparation

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.

Holland Park School meets the definition of a public benefit entity under FRS 102.

Transition to FRS 102

First time adoption of FRS 102

These financial statements are the first financial statements of Holland Park 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 Holland Park 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.

Explanation of transition to 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.

Transition to FRS 102 (continued)

Explanation of transition to FRS 102 (continued)

Comparative figures have been restated to reflect the adjustments made, except to the extent that the trustees have taken advantage of exemptions to retrospective application of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'.

Reconciliations and descriptions of the effect of the transition to FRS 102 and SORP 2015 on total funds and net income/(expenditure) for the comparative period reported under previous UK GAAP and SORP 2005 are given below:

Reconciliation of net expenditure	2015 £'000
Net expenditure previously reported under UK GAAP	(1,246)
Change in recognition of LGPS interest cost (A)	(28)
Net expenditure reported under FRS 102	(1,274)

A – Change in recognition of LGPS interest cost

Under previous UK GAAP the academy trust recognised an expected return on defined benefit plan assets in expense. Under FRS 102 a net interest expense, based on the net defined benefit liability, is recognised in expense. There has been no change in the defined benefit liability at either 1 September 2014 or 31 August 2015. The effect of the change has been to reduce the credit to expense by £28,000 and increase the credit in other recognised gains and losses in the statement of financial activities by an equivalent amount.

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 company 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 academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Income

All incoming resources are recognised when the academy trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

Grants

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

The General Annual Grant is recognised in full in the statement of financial activities in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

Sponsorship income

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the statement of financial activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

Donations

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

Other income

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

Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

Income (continued)

Donated goods, facilities and services (continued)

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

Expenditure

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.

Expenditure on raising funds

This includes all expenditure incurred by the academy trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Charitable activities

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

All resources expended are stated net of recoverable VAT.

Tangible fixed assets

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

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

Tangible fixed assets (continued)

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

◆ Long leasehold buildings	2% per annum
◆ Fixtures, fittings and equipment	10% per annum
◆ IT equipment	33% per annum
◆ Motor vehicles	20% per annum reducing balance

A full year's depreciation is charged in the year of acquisition. None is charged in the year of disposal.

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

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

Liabilities

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Leased assets

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

Stock

Unsold uniforms and catering stocks are valued at the lower of cost or net realisable value.

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.

Pensions benefits

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of 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 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.

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.

Designated funds represent resources that have been set aside by governors for specific future purposes.

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

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

Restricted other funds comprise all other restricted funds received and include grants from the Local Authority, the Royal Borough of Kensington and Chelsea.

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 useful economic lives of tangible fixed assets have been estimated in accordance with the policy on page 35.

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 accounting estimates and areas of judgement (continued)

Critical areas of judgement

There have been no judgements made in the preparation of these financial statements that are considered to have had a significant impact on the amounts recognised.

1 Donations and capital grants

	Unrestricted funds £'000	Restricted funds £'000	2016 Total funds £'000	2015 Total funds £'000
Capital grants	-	28	28	27
Other donations	13	105	118	87
	13	133	146	114

2 Other trading activities

	Unrestricted funds £'000	Restricted funds £'000	2016 Total funds £'000	2015 Total funds £'000
Lettings income	115	-	115	25
Trip income	-	157	157	176
Miscellaneous income	100	-	100	122
	215	157	372	323

3 Investment income

	Unrestricted funds £'000	Restricted funds £'000	2016 Total funds £'000	2015 Total funds £'000
Interest receivable	10	-	10	5
	10	-	10	5

4 Funding for academy's educational operations

	Unrestricted funds £'000	Restricted funds £'000	2016 Total funds £'000	2015 Total funds £'000
DfE / EFA grants				
General Annual Grant (GAG)	-	9,113	9,113	9,341
Other DfE / EFA	-	574	574	627
	-	9,687	9,687	9,968
Other government grants				
Local Authority grants	-	376	376	76
Special educational projects	-	-	-	-
	-	376	376	76
	-	10,063	10,063	10,044

5 Expenditure

	Non pay expenditure			2016	2015
	Staff costs £'000	Premises £'000	Other costs £'000	Total funds £'000	Total funds £'000
Charitable activities					
· Academy's educational operations					
.. Direct costs	5,330	1,312	712	7,354	7,399
.. Allocated support costs	1,067	1,755	1,338	4,160	4,361
	6,397	3,067	2,050	11,514	11,760
Net expenditure for the year includes:					
Depreciation				1,544	1,534
Fees payable to auditor					
· Audit				11	9
· Other services				13	10

6 Charitable activities - academy's educational operations

	2016 Total funds £'000	2015 Total funds £'000
Direct costs	7,354	7,399
Support costs	4,160	4,361
	11,514	11,760

	2016 Total funds £'000	2015 Total funds £'000
Analysis of support costs		
Support staff costs	1,067	1,129
Depreciation (note 12)	232	259
Technology costs	354	441
Premises costs	1,755	1,174
Other support costs	662	1,278
Governance costs (note 7)	90	80
Total support costs	4,160	4,361

7 Governance costs

	2016 Total funds £'000	2015 Total funds £'000
Legal and professional fees	66	61
Auditor's remuneration:		
· Audit of financial statements	11	9
· TPS audit	1	1
· Responsible officer audit	4	3
· Other services	8	6
	90	80

8 Comparative information

Analysis of income and expenditure in the year ended 31 August 2015 between restricted and unrestricted funds:

	Notes	Unrestricted general fund £'000	Restricted funds			2015 Total funds £'000
			General funds £'000	Fixed assets fund £'000	Other £'000	
Income from:						
Donations and capital grants	1	59	28	27	-	114
Charitable activities						
Funding for the academy's educational operations	4	-	10,044	-	-	10,044
Other trading activities	2	25	122	-	176	323
Investments	3	5	-	-	-	5
Total income		89	10,194	27	176	10,486
Expenditure on:						
Charitable activities						
Academy's educational operations	6	12	10,023	1,534	191	11,760
Total expenditure		12	10,023	1,534	191	11,760
Net income (expenditure)		77	171	(1,507)	(15)	(1,274)
Other recognised gains and losses						
Actuarial losses on defined benefit pension scheme	21	-	22	-	-	22
Net movement in funds		77	193	(1,507)	(15)	(1,252)

9 Staff

(a) Staff costs

Staff costs during the period were:

	2016 Total funds £'000	2015 Total funds £'000
Wages and salaries	4,765	4,779
Social security costs	437	385
Pension costs	782	620
	5,984	5,784
Supply staff costs	406	340
Staff restructuring costs	7	30
	6,397	6,154

	2016 £'000	2015 £'000
Staff restructuring costs comprise		
Redundancy payments	7	30
	7	30

(b) Staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £6,628 (2015 – £33,450). Individually the payments were for £6,628.

(c) Staff numbers

The average number of persons (including the senior management team) employed by the charitable company during the year ended 31 August 2016 expressed as full-time equivalents was as follows:

Charitable activities	2016 No.	2015 No.
Teachers	63	66
Administration and support	43	47
Management	12	12
	118	125

9 Staff (continued)

(d) Higher paid staff

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

	2016 No.	2015 No.
£60,001 - £70,000	4	-
£70,001 - £80,000	4	6
£80,001 - £90,000	1	1
£90,001 - £100,000	-	3
£100,001 - £110,000	3	2
£120,001 - £130,000	-	-
£130,001 - £140,000	1	-
£140,001 - £150,000	-	1
£150,001 - £160,000	1	-
£180,001 - £190,000	-	-
£190,001 - £200,000	-	1
£220,001 - £230,000	1	-

12 of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2016 employer's pension contributions for these staff amounted to £180,723 (2015 - £169,166). One of the above employees participated in the Local Government Pension Scheme and employer's pension contributions amounted to £11,815 (2015 - £23,603).

(e) Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team. The total amount of employee benefits (including employee pension contributions) received by key management personnel for their services to the academy trust was £1,499,089 (2015: £1,482,856).

10 Governors' remuneration and expenses

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

	2016 £'000	2015 £'000
C Hall, Headteacher and Governor		
· Remuneration	220-225	190-195
· Employer's pension contributions	-	25-30
D Chappell, Associate Headteacher and Governor		
· Remuneration	155-160	140-145
· Employer's pension contributions	25-30	20-25

10 Governors' remuneration and expenses (continued)

During the year ended 31 August 2016, no expenses were reimbursed Governors (2015 – 503.80 to one Governor).

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

11 Governors' and Officers' insurance

In accordance with normal commercial practice the Academy has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £2m on any one claim and is included as part of a wider insurance package. The cost in relation to the governors and officers is not separately identifiable.

12 Tangible fixed assets

	Leasehold land and buildings £'000	Furniture and equipment £'000	Computer equipment £'000	Motor vehicles £'000	Total funds £'000
Cost/valuation					
At 1 September 2015	52,500	1,453	983	41	54,977
Additions	-	9	41	-	50
At 31 August 2016	52,500	1,462	1,024	41	55,027
Depreciation					
At 1 September 2015	2,100	295	630	15	3,040
Charge in year	1,050	146	341	7	1,544
At 31 August 2016	3,150	441	971	22	4,584
Net book value					
At 31 August 2016	49,350	1,021	53	19	50,443
At 31 August 2015	50,400	1,158	353	26	51,937

The lease for the land and buildings has not yet been finalised. However, the School is occupying and using the land and buildings, and hence their value has been included above.

13 Debtors

	2016 £'000	2015 £'000
Trade debtors	206	18
VAT recoverable	98	62
Other debtors	-	2
Prepayments and accrued income	199	223
	503	305

14 Creditors: amounts falling due within one year

	2016 £'000	2015 £'000
Trade creditors	21	12
Taxation and social security	146	122
Other creditors	26	-
Accruals and deferred income	463	392
	656	526
Deferred income		
Deferred income at 1 September 2015	189	-
Released during the year	(189)	-
Resources deferred in the year	61	189
Deferred income at 31 August 2016	61	189

15 Creditors: amounts falling due in greater than one year

	2016 £'000	2015 £'000
Other creditors	26	-
	26	-

16 Contingent liability

A number of significant defects in the school building were identified during the year that will require considerable cost to rectify in future accounting periods. At the date of approval of these accounts, the school does not have a reliable estimate as to how much this will ultimately cost and it is also unclear at what point in time the work will be required. The matter is further complicated by the lease status of the school (see note 12) and discussions are on-going with a view to determining who bears responsibility for carrying out this work. As a result, no adjustments have been made to the financial statements to recognise this future cost.

17 Funds

	Balance at 1 September 2015 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2016 £'000
Restricted general funds					
General Annual Grant (GAG)	333	9,113	(8,740)	-	706
Pupil Premium	-	515	(515)	-	-
Other grants	-	59	(59)	-	-
Pension reserve	(1,136)	-	(113)	(1,844)	(3,093)
Local Authority grants	-	376	(279)	-	97
	(803)	10,063	(9,706)	(1,844)	(2,290)
Restricted fixed assets fund					
DfE/EFA capital grants	50	28	(2)	-	76
Capital expenditure from GAG	157	-	(5)	-	152
Transfer on conversion	51,750	-	(1,537)	-	50,213
	51,957	28	(1,544)	-	50,441
Other restricted funds					
Local Authority grants	238	-	-	-	238
Other restricted funds	12	157	(156)	-	13
	250	157	(156)	-	251
Total restricted funds	51,404	10,248	(11,406)	(1,844)	48,402
Unrestricted funds					
General funds	167	238	(3)	-	402
Designated funds	1,500	-	-	-	1,500
Total unrestricted funds	1,667	238	(3)	-	1,902
Total funds	53,071	10,486	(11,409)	(1,844)	50,304

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

EFA revenue grant fund and other restricted funds

General Annual Grant (GAG)

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

Fixed assets fund

These grants relate to capital funding to carry out works of a capital nature. The transfer between funds related to the purchase of capital items using EFA restricted or unrestricted general funds.

17 Funds (continued)

Pension reserve

The pension reserve relates to the Academy's share of the deficit of the Local Government Pension Scheme.

Designated funds

The designated funds are resources that the trustees have set aside to meet the costs of future work on the refurbishment of Thorpe Lodge.

18 Analysis of net assets between funds

	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed assets fund £'000	Total 2016 £'000
Fund balances at 31 August 2016 are represented by:				
Tangible fixed assets	-	-	50,443	50,443
Current assets	1,902	1,736	(2)	3,636
Current liabilities	-	(656)	-	(656)
Non-current liabilities	-	(26)	-	(26)
Pension scheme liability	-	(3,093)	-	(3,093)
Total net assets	1,902	(2,039)	50,441	50,304

19 Commitments under operating leases

Operating leases

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

	2016 £'000	2015 £'000
Amounts due within one year	103	103
Amounts due between one and five years	128	231
	231	334

20 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.

21 Pension and similar obligations

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

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

Contributions amounting to £51,977 were payable to the schemes at 31 August 2016 (2015: no outstanding amounts) 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)

21 Pension and similar obligations (continued)

Teachers' Pension Scheme (continued)

Valuation of the Teachers' Pension Scheme (continued)

- ◆ total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- ◆ an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- ◆ the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

During the 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 £531,000 (2015: £481,000).

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

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

Local Government Pension Scheme (LGPS)

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2016 was £189,000, of which employer's contributions totalled £131,000 and employees' contributions totalled £58,000. The agreed contribution rates for future years are 17.8% of pensionable pay for employers and 5.5 – 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.

21 Pension and similar obligations (continued)**Local Government Pension Scheme (LGPS) (continued)**

Principal Actuarial Assumptions	At 31 August 2016	At 31 August 2015
Rate of increase in salaries	4.1	4.5
Rate of increase for pensions in payment / inflation	2.3	2.7
Discount rate for scheme liabilities	2.2	4.0
Inflation assumption (CPI)	2.3	2.3

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

	At 31 August 2016	At 31 August 2015
<i>Retiring today</i>		
Males	22.5	22.4
Females	25.8	25.7
<i>Retiring in 20 years</i>		
Males	24.8	24.6
Females	28.1	28.0

The Academy's share of the assets and liabilities in the scheme were:

	Fair value at 31 August 2016 £'000	Fair value at 31 August 2015 £'000
Equities	1,757	1,265
Absolute return portfolio	234	181
Property	97	82
Cash	92	76
Total market value of assets	2,180	1,604
Present value of scheme liabilities		
Funded	(5,273)	(2,739)
Deficit in the scheme	(3,093)	(1,135)

The actual return on scheme assets was £389,000 (2015: £72,000).

Amounts recognised in statement of financial activities	2016 £'000	2015 £'000
Current service costs (net of employee contributions)	199	246
Net interest cost	43	42
Total operating charge	242	288
Analysis of pension finance income/(costs)		
Expected return on pension scheme assets	68	57
Interest on pension liabilities	(111)	(99)
Pension finance income/(costs)	(43)	(42)

21 Pension and similar obligations (continued)

Local Government Pension Scheme (LGPS) (continued)

Changes in the present value of defined benefit obligations were as follows:	2016 £'000	2015 £'000
At 1 September 2015	2,740	2321
Current service cost	199	246
Interest cost	111	99
Employee contributions	58	73
Actuarial loss	2,165	-
At 31 August 2016	5,273	2,739
Changes in the fair value of the Academy's share of scheme assets:	2016 £'000	2015 £'000
At 1 September 2015	1,604	1,316
Interest income	68	57
Actuarial gain	321	22
Employer contributions	131	143
Employee contributions	58	73
Administration expenses	(2)	-
At 31 August 2016	2,180	1,611

22 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 member of the trustee has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy's financial regulations and normal procurement procedures.

The Holland Park School Trust (charity registration number 1108984) was formed to support the Academy by funding initiatives which improve behaviour in and out of school and increase the performance and opportunities of the students. During the year, Anne Marie Carrie and Michael Tory, who are governors of the Academy, were also trustees of the Holland Park School Trust.

During the year, the Academy received donations totalling £125,000 from the Holland Park School Trust. This funded a range of extra-curricular activities, including the Breakfast Club and Fitness 300 Club, that the Academy would have otherwise been unable to run.