

# REGISTRAR OF COMPANIES

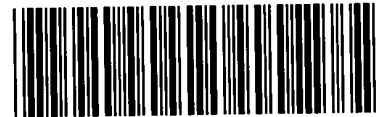
## The Broxbourne School

### Annual Report and Financial Statements

31 August 2017

Company Limited by Guarantee  
Registration Number  
7447497 (England and Wales)

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## Reference and administrative information

<b>Governors</b>	Mr C Bradbrook Mrs C Company Mr R Davies* Mrs O Delano* (Vice Chair) Mr D Holliday* Mr D Horner Ms P Humphreys* (Headteacher and Accounting Officer) Mrs E Ingrey* (Support Staff Governor) Mr M James Mrs A Martino (Staff Governor) Mrs D McNicholas** Mrs C Pepper* Mrs A Pilbeam* (Staff Governor) Mr G Rose* (Parent Governor – term of office ended on 1/7/2017) Mr P Shawyer* Mr R Smith* Mrs K Trew* (Chair) Mr G Troll* (Parent Governor – elected on 15/8/2017) Mrs P Waddington
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\*members of the Finance and Premises Committee

\*\*ex officio member of the Finance and Premises Committee

<b>Members</b>	The members of the School are the same as the governors noted above
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<b>Company Secretary</b>	Mrs C Jarman
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### Senior Leadership Team:

<b>Headteacher</b>	Ms P Humphreys
<b>Deputy Head</b>	Mr K Parris
<b>Deputy Head</b>	Mr P Clift
<b>Assistant Head</b>	Mr N Jolley
<b>Acting Assistant Head</b>	Mrs A Martino (contract for Acting Assistant Head role ended on 31/8/2017)
<b>Assistant Head</b>	Miss A Naugher
<b>Assistant Head</b>	Mrs S Palmer
<b>Assistant Head</b>	Mr S Pinnock
<b>Assistant Head</b>	Mrs L Reynard
<b>Assistant Head</b>	Mr L Sweetland
<b>SLT member</b>	Mr C Sheppard

<b>Business Manager</b>	Mrs E Ingrey
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## Reference and administrative information

<b>Registered address</b>	The Broxbourne School High Road Broxbourne Hertfordshire EN10 7DD
<b>Company registration number</b>	7447497 (England and Wales)
<b>Auditor</b>	Buzzacott LLP 130 Wood Street London EC2V 6DL
<b>Bankers</b>	Lloyds Bank Plc 1 Bancroft Hitchin Hertfordshire SG5 1JG
<b>Solicitors</b>	Legal Services Resources Post Point CH0235 Hertfordshire County Council County Hall Hertford SG13 8DE  CMS Cameron McKenna Nabarro Olswang LLP Cannon Place 78 Cannon Street London EC4N 6AF

## **Governors' report** Year to 31 August 2017

The governors of The Broxbourne School (the 'School' or the 'Charitable Company') present their statutory report together with the financial statements of the Charitable Company for the year ended 31 August 2017.

The report has been prepared in accordance with Part 8 of the Charities Act 2011 and it is also the report of the directors for the purposes of the Companies Act 2006.

The financial statements have been prepared in accordance with the accounting policies set out on pages 32 to 37 of the attached financial statements and comply with the School's memorandum and 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).

### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

#### **Constitution**

The School is a company limited by guarantee and an exempt charity. The Charitable Company's memorandum and articles of association are the primary governing documents of the School.

The governors act as the trustees for the charitable activities of The Broxbourne School and are also the directors of the Charitable Company for the purposes of company law.

Details of the governors who served during the year and up to the date of approval of this report are included in the Reference and Administrative Details on page 1.

#### **Members' Liability**

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

#### **Governors' Indemnities**

At the start of every academic year, all governors are required to complete and sign a Declaration of Business Interests Form which is held by the Company Secretary. In addition at the start of every full Governing Body and committee meeting, governors are asked to declare any conflict of business interests. Where an interest is declared, the governor must leave the meeting while a related item is under discussion. No qualifying third party indemnity provisions have been declared in this financial year. Details of indemnity insurance in place are given in note 11 to the financial statements.

**STRUCTURE, GOVERNANCE AND MANAGEMENT** (continued)

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

- ◆ The governors may appoint up to 8 Community governors, provided that the total number of governors (including the Headteacher) who are employees of the School does not exceed one third of the total number of governors.
- ◆ The Headteacher shall be treated for all purposes as being an ex-officio governor.
- ◆ Parent governors shall be elected by parents of registered pupils at the School. A parent governor must be a parent of a pupil at the School at the time when they are elected. The Governing Body shall make all necessary arrangements for, and determine all other matters relating to, an election of parent governors, including any question of whether a person is a parent of a registered pupil at the School. Any election of parent governors which is contested shall be held by secret ballot. The arrangements made for the election of a parent governor shall provide for every person who is entitled to vote in the election to have an opportunity to do so by post or, if he prefers, by having his ballot paper returned to the School by a registered pupil. Where a vacancy for a parent governor is required to be filled by election, the Governing Body shall take such steps as are reasonably practical to secure that every person who is known to them to be a parent of a registered pupil at the School is informed of the vacancy and that it is required to be filled by election, informed that they are entitled to stand as a candidate, and vote at the election, and given an opportunity to do so. The number of parent governors required shall be made up by parent governors appointed by the Governing Body if the number of parents standing for election is less than the number of vacancies. In appointing a parent governor, the Governing Body shall appoint a person who is the parent of a registered pupil at the School; or where it is not reasonably practical to do so, a person who is the parent of a child of compulsory school age.
- ◆ The staff governors shall be elected by staff members at the School. A staff governor must be a staff member at the time when they are elected. If a staff governor ceases to be a staff member then they shall be deemed to have resigned and shall cease to be a governor. The governors shall make all necessary arrangements for, and determine all other matters relating to, an election of the staff governors, including any question of whether a person is a staff member. Any election of staff governors which is contested shall be held by secret ballot.
- ◆ The governors may appoint up to 3 co-opted governors. A 'co-opted governor' means a person who is appointed to be a governor by being co-opted by governors who have not themselves been so appointed. The governors may not co-opt an employee of the School as a co-opted governor if that would cause the total number of governors (including the Headteacher) who are employees of the School to exceed one third of the total number of governors.

## **STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)**

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

All governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as governors. New governors are invited to a meeting with the Chair of the Governing Body and the Headteacher. Induction includes guidance on charity and educational legal and financial matters. As there are normally only two or three new governors a year, induction tends to be done informally and is tailored specifically to the individual. In addition new governors are expected to attend the Induction course provided by the Hertfordshire County Council Governance Team.

### **Organisational Structure**

Appropriate powers and functions are delegated to the Headteacher and include responsibility for the internal organisation, management and control of the School, the implementation of all policies approved by the Governing Body and the direction of teaching and the curriculum. The Headteacher is the Accounting Officer.

The Full Governing Body has delegated some duties and powers to the committees described below. The Full Governing Body will ratify all committee decisions of the Finance and Premises Committee and the Personnel and Curriculum Committee. The quorum for the Full Governing Body is set out in Articles 114 and 116 of the Academy's Articles of Association.

All governors are members of at least one of four Monitoring Groups (MG), established to monitor the work of the School: MG1: Improving the environment and health and safety; MG2: Improving learning to include curriculum, teaching and learning, care, support and guidance; MG3: Attainment and progress monitoring; overview of intervention strategies including those to support disadvantaged pupils and use of ICT to support teaching and learning; MG4: Strategy and target setting. A member of the Senior Leadership Team also attends each of the four Monitoring Groups. MG1 report to the Finance and Premises Committee; MG2 and MG3 report to the Personnel and Curriculum Committee. MG4 reports through the Headteacher's report to the Full Governors' meeting.

**STRUCTURE, GOVERNANCE AND MANAGEMENT** (continued)

**Organisational Structure** (continued)

<b>Committee Name</b>	<b>Duties of Committee</b>	<b>Quorum for Committee</b>
Finance and Premises Committee	<ul style="list-style-type: none"> <li>◆ Report to each Full Governing Body meeting</li> <li>◆ Be responsible for all financial matters including the formulation and monitoring of the budget in accordance with the Academies Financial Handbook</li> <li>◆ Monitor the effectiveness and condition of the School's facilities and ensure that the School complies with health and safety regulations</li> <li>◆ Formulate recommendations for inclusion in the School's improvement plan</li> <li>◆ Receive monitoring reports from MG1</li> </ul>	At least 3 governors will constitute a quorum
Personnel and Curriculum Committee	<ul style="list-style-type: none"> <li>◆ Report to each Full Governing Body meeting</li> <li>◆ Be responsible for all personnel matters other than those referred to the Staff Disciplinary and Grievance Committee</li> <li>◆ Be responsible for all matters relating to the quality of teaching, the development and application of the curriculum and achievement in the School</li> <li>◆ Receive monitoring reports from MG2 and MG3</li> </ul>	At least 3 governors will constitute a quorum
Pupil Disciplinary Committee	<ul style="list-style-type: none"> <li>◆ Report to each Full Governing Body meeting</li> <li>◆ Be responsible for dealing with all pupil disciplinary matters requiring governors' attention</li> </ul>	3 governors will constitute a quorum
Staff Disciplinary and Grievance Committee	<ul style="list-style-type: none"> <li>◆ Report to each Full Governing Body meeting</li> <li>◆ Be responsible for dealing with all staff grievances and staff disciplinary matters requiring governors' attention</li> </ul>	3 governors will constitute a quorum
Appeals Committee	<ul style="list-style-type: none"> <li>◆ Report to each Full Governing Body meeting</li> <li>◆ Hear appeals against decisions of the Staff Disciplinary and Grievance Committee about staff disciplinary matters, in accordance with agreed procedures</li> <li>◆ Hear appeals against decisions by the Headteacher in relation to staff discipline and dismissal</li> <li>◆ Make any determination or decision under the Governing Body's Complaints Procedure</li> </ul>	3 governors will constitute a quorum



**STRUCTURE, GOVERNANCE AND MANAGEMENT** (continued)

**Organisational Structure** (continued)

Committee Name	Duties of Committee	Quorum for Committee
Admissions Committee	<ul style="list-style-type: none"><li>♦ Report to each Full Governing Body meeting</li><li>♦ Be responsible for dealing with all pupil admissions</li><li>♦ Annually review admission criteria and make recommendations</li></ul>	3 governors will constitute a quorum

The Finance and Premises Committee reviews and monitors in detail the Budget and the Value for Money Statement. These are then presented to the full Governing Body for ratification. Similarly, the Finance and Premises Committee reviews and brings to the Full Governing Body for ratification the internal financial procedures set out in the financial regulations manual; the procedure and timetable for regular reporting of financial progress against the budget; the setting and approval of delegated authority levels and signatories for cheques, bank forms and Department for Education (DfE) returns; the procedures for purchasing and procurement, including limits for tendering; insurance arrangements; payroll services; register of assets; receipts of gifts and hospitality; and the reporting and investigation of suspected thefts and frauds.

During the year governors have held three Governing Body meetings. In addition, the Finance and Premises Committee has met five times and the Personnel and Curriculum Committee has met three times. Each Monitoring Group has met at least twice. A register of training undertaken by governors is updated regularly and kept by the Company Secretary.

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

The key management personnel of the School responsible for directing and controlling the School comprise the governors together with the senior leadership team. Governors are not remunerated for their services as governors of the School. However, certain governors (staff governors) are remunerated in their capacity as School employees.

Staff governors and the senior leadership team are paid on the main teacher's scale and leadership scale as set out in the School's pay policy. Performance management of staff governors is carried out by their line managers and reviewed by the Headteacher. A panel of governors is nominated each year to carry out the performance management review of the senior leadership team. An adviser from Herts for Learning is present to assist governors with the Headteacher's performance management.

## **STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)**

### **Connected Organisations, including Related Party Relationships**

The Broxbourne School is not part of a federation. However, it is committed to working in partnership to promote learning and well-being for its own pupils and those in the local community. Links with the National College for School Leadership, School's network (formerly Specialist Schools and Academies Trust), PiXL (Partners in Excellence), University of Cambridge and University College London (UCL) Institute of Education enable the School to learn about innovation and to share best practice with schools across the country. The School continues to be part of a national community of Leading Edge schools and so has opportunities to benchmark its practice and exchange ideas with other high performing schools.

All parents, carers and teaching staff of the School are automatically members of the Friends of the Broxbourne School (FOTBS). FOTBS help to raise funds for the school by organising various events during the year. They also support teaching staff and parents, for example by providing refreshments at the many parents' evenings and school events.

The School works closely with four partner primary schools in the local community.

The School hosts The Broxbourne Music Centre, an extended community partnership which improves music provision in the School and locality because the School is able to share accommodation, equipment and peripatetic expertise.

## **OBJECTIVES AND ACTIVITIES**

### **Objects and Aims**

The School's objects ("the Objects") are specifically restricted to the following:

- ◆ to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum ("The Broxbourne School"); and
- ◆ to provide or assist in the provision, in the interests of social welfare, of facilities at The Broxbourne School for recreation or other leisure time occupation for people in the local community who have need of such facilities, with the aim of improving the conditions of life of such persons for the public benefit.

### **Objectives, Strategies and Activities**

The Broxbourne School aims to 'raise achievement and expectations in a caring and supportive environment'. 'Achievement and Opportunity for all'.

The main objectives of the School during the year ended 31 August 2017 are summarised below:

- ◆ Improve learning;

## **OBJECTIVES AND ACTIVITIES (continued)**

### **Objectives, Strategies and Activities (continued)**

- ◆ Raise achievement;
- ◆ Continue to review and monitor safeguarding procedures;
- ◆ Promote positive behaviour and attitudes for learning;
- ◆ Ensure effective self-evaluation and monitoring of practice; and
- ◆ Continue to improve the School environment and resources.

### **Public Benefit**

The governors of the School have complied with their duty to have due regard to the Charity Commission's guidance on public benefit in exercising their duties. Its aims fall within the following charitable purposes that are for public benefit: prevention of poverty; advancement of education, health, citizenship and community development; advancement of the arts, culture, heritage or science, amateur sport; environmental protection or improvement; advancement of human rights, conflict resolution or reconciliation; the promotion of religious or racial harmony, equality and diversity; and relief of those in need by reason of youth, age, ill health, disability, financial hardship, or other disadvantage.

## **STRATEGIC REPORT**

### **Achievements and Performance**

#### ***Key Performance Indicators***

A highlight for the school, for the second consecutive year, was receiving a letter from Nick Gibb, Minister of State for Schools, confirming the School is amongst the top state funded schools in England for the percentage of pupils entering and achieving the core academic subjects needed for the English Baccalaureate. Nick Gibb thanked the School for its work in continuing the drive towards high standards of educational achievement and congratulated staff for their hard work and professionalism.

We have also this year been recredited with the Hertfordshire Anti-bullying Award.

Our A-level scores this summer were excellent with an average points score per entry of 38 points (closely equivalent to a B grade). This enabled many of our students to enter university, to gain high level apprenticeships, or to enter employment with training and excellent prospects. A third of all examination grades were A\*/A and nearly 70% were A\*, A or B.

GCSE results were also very pleasing with:

- ◆ 81% grades 4-9 in English and Maths.
- ◆ 32% of all examination grades were A\*/A grades (or equivalent grades 7 to 9 in English and Maths).

**STRATEGIC REPORT** (continued)

**Achievements and Performance** (continued)

**Key Performance Indicators** (continued)

- ◆ Progress 8 score of 0.19 (above average).
- ◆ Attainment 8 score of 55.2.

The School's overall attendance has remained high at 96%.

The School currently holds a number of other national awards. These include:

- ◆ NACE Challenge Award in recognition for our work with able, gifted and talented pupils;
- ◆ Artsmark Gold from the Arts Council of Great Britain for exceptional arts extra-curricular provision;
- ◆ Investors in People Award in recognition of the quality of the School's staff development;
- ◆ Hertfordshire Anti-Bullying Accreditation; and
- ◆ British Council's International Schools Award.

In 2012 an inspection graded the school as 'outstanding' for its Financial Management and Governance Evaluation.

Students at this School are fortunate to enjoy an exceptional programme of extra-curricular activities. These have included many sports activities, visits to museums, galleries, concerts, plays and other places of interest in this country and abroad – over the last year residential visits included: Shropshire, Norfolk, Dorset, Bournemouth, Auschwitz, the Battlefields, Normandy, Christmas markets in France, Duke of Edinburgh expeditions, netball and rugby tours to Leicester, a rugby tour to Canada, two study visits to Italy, our 46<sup>th</sup> German exchange and a ski trip to Austria. The School's Jazz Band successfully auditioned and performed in Disneyland Paris.

Students from the School have continued to be very willing to give service in the community e.g. Reading Club, sports coaches, drama, music etc. In the Duke of Edinburgh's Award we have a large number of participants in both the Bronze and Gold Awards. Many sixth form students in the School have very successfully mentored and supported Year 11 students with their studies.

In the 2016/17 academic year there has been investment in the learning environment. The School has improved its ICT provision with replacement computers and a class set of iPads. Maintenance, health and safety and redecoration have also continued to be high priority.

The School has remained popular with parents. Last year 1,100 Year 6 parents stated a preference for The Broxbourne School.

**STRATEGIC REPORT** (continued)

**Financial Review**

A summary of the year's results are provided on the Statement of Financial Activities on page 29.

Total income for the year ended 31 August 2017 amounted to £7,417,466 (2016 - £7,360,839).

Most of the School's income is obtained from the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the financial year and the associated expenditure are shown as restricted funds in the statement of financial activities.

Capital grants and donations received are credited to the restricted fixed assets fund and the balance on the fund is reduced by the annual depreciation charge. The movements on this fund, therefore, largely reflect the movements in the carrying value of the School's tangible fixed assets.

During the year, total expenditure was £8,179,380 (2016 - £7,930,029). The operational deficit for the year (excluding restricted fixed asset funds and all accounting adjustments arising from the pension scheme valuation) was £191,178 (2016 – deficit of £89,635).

At 31 August 2017 the net book value of fixed assets was £5,230,844 (2016 - £5,583,979) and movements in tangible fixed assets are shown in note 12 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the School.

The School achieves value for money because it deploys its available resources efficiently, effectively and economically to meet the needs of its pupils and to achieve outstanding outcomes. Benchmarking against similar schools demonstrates expenditure is targeted to improve pupils' learning and in those areas is higher than the average e.g. educational supplies per pupil, learning resources per pupil, ICT per pupil. Staff costs are also high because of the importance the School places on recruiting and retaining high quality specialist teachers. Best value practices - challenge, compare, consult, compete are adopted in all financial matters, policy making and the day-to-day running of the School. The School's Improvement Plan and subject improvement planning are accurately costed. Budget priorities reflect priorities written in the School's Improvement Plan.

**STRATEGIC REPORT** (continued)

**Financial Review** (continued)

***Reserves Policy***

The School held fund balances at 31 August 2017 of £4,514,936 (2016 - £3,807,850) comprising £783,092 (2016 - £999,774) of unrestricted general funds and £3,731,844 (2016 - £2,808,076) of restricted funds. The restricted funds balance comprises the balance on the tangible fixed assets fund of £5,230,844 (2016 - £5,595,369) and the pension reserve deficit of £1,499,000 (2016 - £2,788,000). Because the Local Government Pension Scheme is a funded scheme, employers' pension contributions will increase in line with the deficit over a period of years. The School will not be liable for a lump sum, the increased pension contributions will be met from the School's budgeted annual income and so there will be no direct impact on the free reserves of the School in recognising the deficit on the pension scheme.

It should however be noted that the unrestricted reserves balance of £783,092 (2016 - £999,774) is not wholly available to the Academy for use in its day-to-day operations. The balance includes an amount of £296,677 (2016 - £79,486) in relation to the cumulative legal and professional fees incurred to date by the Academy in relation to its estates project. Further commentary is provided in note 23 to the financial statements. Excluding this balance, the unrestricted reserves would amount to £486,415 (2016 - £920,288) and this is what the governors consider to be the School's true level of free reserves.

The governors have reviewed the reserve levels of the School during the reporting period. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The governors consider that an appropriate level of free reserves should be a minimum of one month's salaries. However, this is not possible given the present level of funding which is not commensurate with the increase in salaries. The governors intend to use the reserves over the next two to three years to cover the inevitable operational deficit. Once the new building is complete, the governors believe that additional income will be forthcoming through increased number of pupils, external letting income and also cost efficiencies. As noted above, the School's current level of free reserves is £486,414 (2016 - £920,288). The school intends to continue monitoring free reserves.

***Investment Policy***

Investments must be made only in accordance with written procedures approved by the Governing Body except for deposits to an interest bearing savings account.

***Going Concern***

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

**STRATEGIC REPORT** (continued)

**Principal Risks and Uncertainties**

The governors have created a risk register which evaluates the following:

- ◆ the type of risks the School faces and the risks regarded as tolerable;
- ◆ the likelihood of the risks materialising and the School's ability to reduce their incidence and impact on the School's operations; and
- ◆ control procedures which can respond quickly to evolving risks arising from factors within the School and to changes in the external environment.

The register covers a variety of risk areas, including:

- ◆ natural risk – uncontrollable event e.g. fire;
- ◆ failure to comply with health and safety legislation resulting in an employee/pupil or visitor being injured or killed;
- ◆ financial control risk resulting in serious budget deficit or fraud;
- ◆ failure to comply with Employment law resulting in litigation, tribunals;
- ◆ competition for funding/reputation/stakeholder risk – achievement standards falling or poor marketing; falling rolls;
- ◆ charitable status risk – risk the School could lose its charitable status;
- ◆ insurance risk – inadequate insurance;
- ◆ technology risk – information security risk; virus risk/corruption of data risk;
- ◆ quality risk of suppliers e.g. capital project providers; and
- ◆ Safeguarding and Child Protection.

At present, the major risks to which the School is exposed, as identified by the governors, are those relating to the school redevelopment project; the budget and risks to its reputation from failure to comply with legislation. The governors have implemented a number of systems to manage and mitigate these risks as follows:

**STRATEGIC REPORT** (continued)

**Principal Risks and Uncertainties** (continued)

***School Redevelopment Project:*** Project managers appointed to ensure all requirements adhered to and project specific risk log regularly reviewed and updated. Early and regular engagement with Broxbourne Borough Council (planning authority), Hertfordshire County Council and Education and Skills Funding Agency (for Schedule 1 approval). OJEU (Official Journal of the European Union) compliant procurement procedures followed with appropriate legal advice. Use of Social Infrastructure Framework (SID) using only contractors demonstrating technical capability and financial stability. Gateway agreements scrutinised by governors and appropriate professionals. Legal representatives (Nabarro) ensure agreements are appropriate. Ongoing communication with professionals including established Education Brief to ensure parameters of the project are set and agreed by all parties.

***Risk that budget will be in deficit:*** Budget reviewed by strategy governors, Finance and Premises Committee and approved by Full Governing Body. Headteacher monitors monthly forecasts. Responsible Officer monitors termly and reports to Finance and Premises Committee.

***Health and Safety (H&S):*** Annual risk assessment takes place and regular monitoring by governors, site staff and senior staff. H&S policy regularly reviewed. Regular H&S audit e.g. fire risk assessment. Construction Design and Management professional engaged to monitor H&S with regard to school redevelopment. Procurement process ensures appropriate attention to H&S matters.

***Safeguarding:*** All staff and governors regularly reminded of safeguarding matters (regular staff briefings, all governing body meetings) and undertake statutory training every three years. Child protection policy and safeguarding advice regularly reviewed and staff sign register to confirm they have read. Targeted advice or referrals made for all child protection issues. Transfer of child protection files follows clear procedure. Regular communication between four nominated Designated Senior Persons.

***Employment law:*** School seeks HR advice with all employee issues. Staff well-being and retention considered.

The School has an effective system of internal financial controls and this is explained in more detail in the 'Governance Statement'.



## **STRATEGIC REPORT** (continued)

### **Plans for Future Periods**

The 2017/18 aims and key objectives for the School include:

- ◆ **Improving Learning:** continue to improve the quality of learning and teaching. Promote strategies such as 'Challenge' (Use highly effective questioning as well as challenging classroom and homework activities to engage all pupils and develop higher order thinking); 'Love Literacy' (Promote a passion for and develop pupils' skills in reading, writing and oral communication); 'Memory Matters More' (Develop and implement strategies to support pupils in the long- term retention of knowledge); 'Empowering pupils as learners' (Develop pupils' independent skills to help them succeed academically and prepare for a lifetime of learning); and 'Effective learning dialogues' (Provide pupils with regular incisive verbal and written feedback with a focus on how to improve. Pupils' work is marked consistently and pupils engage with written feedback which is then checked by staff).
- ◆ **Achieve:** continue to raise achievement through tailored curriculum pathways, outstanding teaching and learning, tracking of pupils' progress and targeted interventions: 4+, 5+ and 7+ in English and Maths, Attainment 8; Progress 8; A-level points per entry and positive KS5 value-added.
- ◆ **Pupil Attitudes:** continue to improve attendance (especially disadvantaged pupils) through curricular provision, listening to pupils' concerns, greater engagement and continuous dialogue with pupils and parents; create attitude conducive to learning through e.g. KS3 resilience, coaching, academic mentoring, '7 habits' programmes and other targeted interventions; consider effectiveness of different support strategies for disaffected pupils and pupils at risk of exclusion; continue to promote an atmosphere of respect, dignity, collaboration in and out of lessons and to adopt a zero tolerance policy to disruptive behaviour, bullying and prejudice.
- ◆ **Leadership:** all monitoring, meetings and Continuing Professional Development (CPD) to have teaching and learning as key focus; pupil and parent evaluations used to improve teaching and learning; leadership of learning distributed effectively across the School; continue to evaluate and review safeguarding procedures; spiritual, moral, social and cultural development promoted.
- ◆ **The Environment:** continue to improve the School environment and resources: plan for re-development of School buildings funded by sale of land; investment in ICT infrastructure; ensure value for money and sustainability by careful monitoring of the use of energy.

The School continues to review its provision and looks for ways to further improve. In this way the School aims to be 'outstanding', with exemplary teaching and learning, high standards, excellent relationships, pupils enjoying their education and exceptional care, support and guidance. The School has the following priorities in ensuring future success: raising achievement, teaching and learning, staff development, shared accountability, monitoring and auditing provision.

## **Governors' report** Year to 31 August 2017

### **AUDITOR**

Insofar as the governors are aware:

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

The governors' report, incorporating a strategic report, approved by order of the Governing Body, as the company directors and signed on its behalf by

*KJ Trew*

Mrs Karen Trew  
Chair of the Governing Body

Date: *11th December 2017*

## Governance statement 31 August 2016

### Scope of responsibility

As governors, we acknowledge we have overall responsibility for ensuring that The Broxbourne School (the '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 Governing Body have delegated the day-to-day responsibility to the Headteacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between the School and the Secretary of State for Education. The Headteacher is also responsible for reporting to the Governing Body 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 Governing Body has formally met three times during the year. Attendance during the year at meetings of the Governing Body was as follows:

Governor	Number of meetings attended	Out of a possible
Mr C Bradbrook	2	3
Mrs C Company	1	3
Mr R Davies	1	3
Mrs O Delano	2	3
Mr D Holliday	2	3
Mr D Horner	1	3
Ms P Humphreys	3	3
Mrs E Ingrey	3	3
Mr M James	3	3
Mrs A Martino	1	3
Mrs D McNicholas	3	3
Mrs C Pepper	2	3
Mrs A Pilbeam	3	3
Mr G Rose (term of office ended 1/7/2017)	1	3
Mr P Shawyer	2	3
Mr R Smith	3	3
Mrs K Trew	3	3
Mr G Troll (elected 15/8/2017)	0	0
Mrs P Waddington	0	3

## Governance statement 31 August 2016

### Governance (continued)

The Governing Body has monitored the School's performance and supported its drive to achieve ambitious targets identified in the School Development Plan. Governors have also continued to explore funding opportunities which could ensure that the School's facilities are fit for the 21<sup>st</sup> century.

The Finance and Premises Committee is a sub-committee of the main Governing Body. Further details of the Committee's duties are outlined in the Governors' Report. The focus of the Committee during the year has been to monitor and control costs in a number of areas, such as cleaning and staff training.

Attendance at meetings in the year was as follows:

Governor	Number of meetings attended	Out of a possible
Mr R Davies	4	5
Mrs O Delano	3	5
Mr D Holliday	5	5
Ms P Humphreys	2	5
Mrs E Ingrey	5	5
Mrs D McNicholas	5	5
Mrs C Pepper	4	5
Mrs A Pilbeam	3	5
Mr G Rose (term of office ended 1/7/2017)	5	5
Mr P Shawyer	3	5
Mr R Smith	2	5
Mrs K Trew	4	5
Mr G Troll (elected 15/8/2017)	0	0

### Governance review

In March 2015 a skills audit of the Governing Body was undertaken at the recommendation of the Department for Education. This identified areas of expertise where the Governing Body had limited knowledge/expertise e.g. building, surveying and HR. In recent parent elections, these skills have been secured.

Another skills audit was undertaken in November 2016. The review identified that there was overall a good skills mix within the Governing Body. Nonetheless, where a vacancy on the Governing Body arises, the School refers to the results of the skills audit when considering the suitability of prospective governors.

**Review of value for Money**

As Accounting Officer the Headteacher has responsibility for ensuring that the School 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 School's use of its resources has provided good value for money during the academic year, and reports to the Governing Body where value for money can be improved, including the use of benchmarking data where available. The Accounting Officer for the School has delivered and improved value for money during the year by:

**1. Raising student attainment**

A-level scores have remained high. The average points score per entry was 38 (2015/16 – 37) and A\*/A was 34% (2015/16 – 26%).

GCSE results also improved with 81% of students achieving A\*–C or equivalent grades 4-9 in English and Maths (2015/16 - 79%).

The School has continued with targeted interventions in English and Maths and progress is extremely pleasing.

**2. Managed printing**

The School has continued to embed 'managed printing' and the cost of printing has significantly reduced.

**3. ICT Provision**

The School has continued to invest in the ICT infrastructure providing an additional set of class iPads, a new server and replacing obsolete machines.

**4. Recruitment**

The School has reviewed its costs for recruitment of teachers and entered into a contract with the Times Educational Supplement for advertising, to ensure reduced costs which are fixed for 3 years.

**5. Benchmarking**

The School benchmarks financial performance against other academies to further ensure we are achieving good value for money. Areas that are higher than average are investigated. Staff costs remain high because of the importance the School places on recruiting and retaining high quality specialist teachers. Best value practices – challenge, compare, consult and complete are adopted in all financial matters, policy making and the day-to-day running of the School.

## **Governance statement 31 August 2017**

### **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 School'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 School for the year ended 31 August 2017 and up to the date of approval of the annual report and financial statements.

### **Capacity to handle risk**

The Governing Body has reviewed the key risks to which the School is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Governing Body is of the view that there is an ongoing process for identifying, evaluating and managing the School's significant risks that has been in place for the year ended 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Body.

### **The risk and control framework**

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

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

The Governing Body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the governors have appointed Mrs D McNicholas, a governor, to carry out a programme of internal checks. The reviewer's role includes giving advice on financial matters and performing a range of checks on the School's financial systems. On a termly basis, the reviewer has reported to the governors on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities. No material control issues were identified as a result of the termly visits undertaken during the year.

## Governance statement 31 August 2017

### Review of effectiveness

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

- ◆ the results of the termly programme of internal checks carried out by Mrs D McNicholas;
- ◆ the work of the external auditor;
- ◆ the financial management and governance self-assessment process; and
- ◆ the work of the Senior Leadership Team within the School who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the Governing Body and signed on their behalf by:



Mrs Karen Trew  
(Chair of the Governing Body)



Ms Paula Humphreys  
(Headteacher and Accounting Officer)

Date: 11<sup>th</sup> December 2017

## Statement on regularity, propriety and compliance 31 August 2017

As Accounting Officer of The Broxbourne School (the 'School'), I have considered my responsibility to notify the School Governing Body and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the School and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2016.

I confirm that I and the School's Governing Body are able to identify any material irregular or improper use of funds by the School, or material non-compliance with the terms and conditions of funding under the School's funding agreement and the Academies Financial Handbook 2016.

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



Ms Paula Humphreys  
Accounting Officer

Date: 11.12.2017



## Statement of governors' responsibilities 31 August 2017

The governors of The Broxbourne School (the 'School') (who act as trustees of the School and are also the directors of the School for the purposes of company law) are responsible for preparing the governors' report and the financial statements in accordance with the Annual Accounts Requirements issued by the Education and Skills 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, which give a true and fair view of the state of affairs of the School and of the income and expenditure of the School for that period. In preparing these financial statements, the governors are required to:

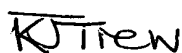
- ♦ select suitable accounting policies and then apply them consistently;
- ♦ observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- ♦ make judgments and estimates that are reasonable and prudent;
- ♦ state whether applicable United Kingdom Accounting Standards 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 School will continue in operation.

The governors are responsible for keeping adequate accounting records that are sufficient to show and explain the School's transactions and disclose with reasonable accuracy at any time the financial position of the School 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 School 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 School 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 ESFA 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 School's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by order of the members of the Governing Body and signed on its behalf by:



Mrs Karen Trew  
Chair of the Governing Body

Date: 1<sup>st</sup> December 2017

## **Independent auditor's report on the financial statements 31 August 2017**

### **Independent auditor's report to the members of The Broxbourne School.**

#### **Opinion**

We have audited the financial statements of The Broxbourne School (the 'charitable company') for the year ended 31 August 2017 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the related notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), 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) (the Charities SORP 2015) and the Academies Accounts Direction 2016 to 2017.

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.

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 2017 and of its income and expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006; and
- ◆ have been prepared in accordance with the Charities SORP 2015 and Academies Accounts Direction 2016 to 2017.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- ◆ the governors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- ◆ the governors' have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**Other information**

The governors' are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- ◆ the information given in the governors' report including the strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the governors' report including the strategic report has been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the governors' report including the strategic report.

**Matters on which we are required to report by exception** (continued)

We have nothing to report in respect of the following matters in relation to which 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 or 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.

**Responsibilities of trustees**

As explained more fully in the governors' responsibilities statement, the governors' are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the governors' determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the governors' are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the governors' either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.



Catherine Biscoe (Senior Statutory Auditor)  
For and on behalf of Buzzacott LLP, Statutory Auditor  
130 Wood Street  
London  
EC2V 6DL

18 December 2017

## **Independent reporting accountant's report on regularity 31 August 2017**

### **Independent reporting accountant's assurance report on regularity to The Broxbourne School and the Education and Skills Funding Agency**

In accordance with the terms of our engagement letter dated 19 September 2016 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Broxbourne School (the charitable company) during the period from 1 September 2016 to 31 August 2017 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 The Broxbourne School and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Broxbourne School and the ESFA those matters we are required to state to them 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 The Broxbourne School and the ESFA, for our work, for this report, or for the conclusion we have formed.

### **Respective responsibilities of The Broxbourne School's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of The Broxbourne School's funding agreement with the Secretary of State for Education dated 21 January 2011 and the Academies Financial Handbook, extant from 1 September 2016, 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 2016 to 2017. 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 2016 to 31 August 2017 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 2016 to 2017 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

## Independent reporting accountant's report on regularity 31 August 2017

### Approach (continued)

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

The work undertaken to draw to our conclusion includes:

- ◆ An assessment of the risk of material irregularity and impropriety across all of the charitable company'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.

### Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period from 1 September 2016 to 31 August 2017 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Buzzacott LLP  
Reporting Accountants  
130 Wood Street  
London  
EC2V 6DL

18 December 2017

# Statement of financial activities Year to 31 August 2017

	Notes	Unrestricted general fund £	Restricted funds			2017 Total funds £	2016 Total funds £
			ESFA £	Other £	Fixed assets fund £		
<b>Income from:</b>							
Donations and capital grants	1	6,926	—	—	26,753	33,679	29,779
Charitable activities							
Funding for the School's educational operations	4	—	6,510,766	40,059	—	6,550,825	6,475,943
Other trading activities	2	825,652	—	—	—	825,652	841,128
Investments	3	7,310	—	—	—	7,310	13,989
<b>Total income</b>		<b>839,888</b>	<b>6,510,766</b>	<b>40,059</b>	<b>26,753</b>	<b>7,417,466</b>	<b>7,360,839</b>
<b>Expenditure on:</b>							
Raising funds		26,858	—	—	—	26,858	27,535
Charitable activities							
School's educational operations	6	1,029,712	6,664,555	40,766	417,489	8,152,522	7,902,494
<b>Total expenditure</b>	5	<b>1,056,570</b>	<b>6,664,555</b>	<b>40,766</b>	<b>417,489</b>	<b>8,179,380</b>	<b>7,930,029</b>
<b>Net expenditure</b>		<b>(216,682)</b>	<b>(153,789)</b>	<b>(707)</b>	<b>(390,736)</b>	<b>(761,914)</b>	<b>(569,190)</b>
<b>Transfers between funds</b>		<b>—</b>	<b>(26,211)</b>	<b>—</b>	<b>26,211</b>	<b>—</b>	<b>—</b>
<b>Other recognised gains and losses</b>							
Actuarial gains (losses) on defined benefit pension scheme	20	—	1,469,000	—	—	1,469,000	(1,092,000)
<b>Net movement in funds</b>		<b>(216,682)</b>	<b>1,289,000</b>	<b>(707)</b>	<b>(364,525)</b>	<b>707,086</b>	<b>(1,661,190)</b>
<b>Reconciliation of funds</b>							
Fund balances brought forward at 1 September 2016		999,774	(2,788,000)	707	5,595,369	3,807,850	5,469,040
<b>Fund balances carried forward at 31 August 2017</b>		<b>783,092</b>	<b>(1,499,000)</b>	<b>—</b>	<b>5,230,844</b>	<b>4,514,936</b>	<b>3,807,850</b>

All of the School's activities derived from continuing operations during the above two financial periods.

All recognised gains and losses are included in the above Statement of Financial Activities.

# **Balance sheet 31 August 2017**

	Notes	2017 £	2017 £	2016 £	2016 £
<b>Fixed assets</b>					
Tangible fixed assets	12		5,230,844		5,583,979
<b>Current assets</b>					
Debtors	13	454,391		278,762	
Short term deposits		600,000		800,000	
Cash at bank and in hand		299,944		444,603	
		<u>1,354,335</u>		<u>1,523,365</u>	
<b>Liabilities</b>					
Creditors: amounts falling due within one year	14	(571,243)		(511,494)	
<b>Net current assets</b>			<u>783,092</u>		<u>1,011,871</u>
<b>Total assets less current liabilities</b>			<u>6,013,936</u>		<u>6,595,850</u>
Pension scheme liability	20		<u>(1,499,000)</u>		<u>(2,788,000)</u>
<b>Total net assets</b>			<u>4,514,936</u>		<u>3,807,850</u>
<b>Funds of the School</b>					
Restricted funds					
. Fixed assets fund	15		5,230,844		5,595,369
. Pension reserve	15		(1,499,000)		(2,788,000)
. Other funds	15		—		707
<b>Total restricted funds</b>			<u>3,731,844</u>		<u>2,808,076</u>
<b>Unrestricted income funds</b>					
. General fund	15		<u>783,092</u>		<u>999,774</u>
<b>Total funds</b>			<u>4,514,936</u>		<u>3,807,850</u>

The financial statements on page 29 to 52 were approved by the Governing Body and signed on its behalf by:

*KTrew*

Mrs Karen Trew  
Chair of the Governing Body  
The Broxbourne School  
Company Limited by Guarantee  
Registration Number: 7447497 (England and Wales)

Date: *11<sup>th</sup> December 2017*



## Statement of cash flows 31 August 2017

		2017 £	2016 £
<b>Net cash flows from operating activities</b>			
Net used in by operating activities	A	(317,700)	(241,629)
<b>Cash flows from investing activities</b>	B	(26,959)	25,379
<b>Change in cash and cash equivalents in the year</b>		<b>(344,659)</b>	<b>(216,250)</b>
<b>Cash and cash equivalents at 1 September 2016</b>		<b>1,244,603</b>	<b>1,460,853</b>
<b>Cash and cash equivalents at 31 August 2017</b>	C	<b>899,944</b>	<b>1,244,603</b>

### A Reconciliation of expenditure to net cash flows from operating activities

	2017 £	2016 £
<b>Net expenditure for the year (as per the statement of financial activities)</b>	<b>(761,914)</b>	<b>(569,190)</b>
<b>Adjusted for:</b>		
Depreciation (note 12)	414,157	410,875
Capital grants from DfE and other capital income	(26,753)	(26,320)
Interest receivable (note 3)	(7,310)	(13,989)
Defined benefit pension scheme cost less contributions payable (note 20)	123,000	35,000
Defined benefit pension scheme finance cost (note 20)	57,000	60,000
Increase in debtors	(175,629)	(141,384)
Increase in creditors	59,749	3,379
<b>Net cash (used in) provided by operating activities</b>	<b>(317,700)</b>	<b>(241,629)</b>

### B Cash flows from investing activities

	2017 £	2016 £
Bank interest received	7,310	13,989
Purchase of tangible fixed assets	(61,022)	(14,930)
Capital grants from DfE/ESFA	26,753	26,320
<b>Net cash (used in) provided by investing activities</b>	<b>(26,959)</b>	<b>25,379</b>

### C Analysis of cash and cash equivalents

	2017 £	2016 £
Short term deposits	600,000	800,000
Cash at bank and in hand	299,944	444,603
<b>Total cash and cash equivalents</b>	<b>899,944</b>	<b>1,244,603</b>

## **Principal accounting policies** Year to 31 August 2017

### **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 Broxbourne School 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), 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 2015), the Academies Accounts Direction 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The Broxbourne School meets the definition of a public benefit entity under FRS 102. The financial statements are presented in Sterling to the nearest Pound.

### **Going concern**

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

### **Income**

All income is recognised when the School 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.

## **Principal accounting policies** Year to 31 August 2017

### **Income** (continued)

#### **Grants** (continued)

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 School 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.

#### **Donated fixed assets**

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.

#### **Other income**

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

### **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 School to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

## Principal accounting policies Year to 31 August 2017

### **Expenditure (continued)**

#### **Charitable activities**

These are costs incurred on the School'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 on 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 School's depreciation policy.

Where assets are being constructed by a third party, the costs of the development are recognised once the significant risk and rewards of ownership of the asset passes to the School.

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:

Freehold buildings	5% per annum
Fixtures, fittings and equipment	15% per annum
Motor vehicles	25% per annum

Depreciation is charged from the month of acquisition.

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.

#### **Debtors**

Debtors are recognised at their settlement amount less any provision for non-recoverability. Prepayments are valued at the amounts prepaid.

## **Principal accounting policies** Year to 31 August 2017

### **Cash at bank and in hand**

Cash at bank and in hand represents such accounts and instruments that are available on demand. Notice deposits are included on the balance sheet as short term deposits.

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

### **Provisions**

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

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

### **Leased assets**

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

### **Financial instruments**

The academy trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy trust and their measurement basis are as follows:

*Financial assets* – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment.

*Cash at bank* – is classified as a basic financial instrument and is measured at face value.

*Financial liabilities* – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to charity's wholly owned subsidiary are held at face value less any impairment.

## **Principal accounting policies Year to 31 August 2017**

### **Taxation**

The School 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 School 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 School 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 School 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. 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 School 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 School at the discretion of the governors.

## **Principal accounting policies** Year to 31 August 2017

### **Fund accounting** (continued)

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

Restricted ESFA funds comprise all other grants received from the Education and Skills Funding Agency.

Restricted other funds comprise all other restricted funds received and include grants from the Local Authority, Hertfordshire County Council.

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

- ◆ The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions 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 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. 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.
- ◆ The net book value of tangible fixed assets is based on the original cost/value of the asset net of provision for depreciation. The depreciation provision to date is based on the governors' assessment of the estimated useful economic lives of such assets. The original valuation of the freehold buildings was determined with reference to an insurance valuation as at 1 January 2011, discounted for the age of the building as at that date.

## Notes to the Financial Statements Year to 31 August 2017

### 1 Donations and capital grants

	Unrestricted funds £	Restricted funds £	2017 Total funds £	2016 Total funds £
Capital grants	—	26,753	26,753	26,320
Other donations	6,926	—	6,926	3,459
	6,926	26,753	33,679	29,779

### 2 Other trading activities

	Unrestricted funds £	Restricted funds £	2017 Total funds £	2016 Total funds £
Hire of facilities	19,702	—	19,702	20,762
Trip income	331,881	—	331,881	395,830
Catering income	335,476	—	335,476	303,616
Miscellaneous income	138,593	—	138,593	120,920
	825,652	—	825,652	841,128

### 3 Investment income

	Unrestricted funds £	Restricted funds £	2017 Total funds £	2016 Total funds £
Interest receivable	7,310	—	7,310	13,989



## Notes to the Financial Statements Year to 31 August 2017

### 4 Funding for the School's educational operations

	Unrestricted funds £	Restricted funds £	2017 Total funds £	2016 Total funds £
<b>DfE / ESFA grants</b>				
. General Annual Grant (GAG)	—	6,222,777	<b>6,222,777</b>	6,216,009
. Other DfE / ESFA	—	287,989	<b>287,989</b>	212,530
	—	6,510,766	<b>6,510,766</b>	6,428,539
<b>Other Government grants</b>				
. Special educational projects	—	7,850	<b>7,850</b>	6,228
. Special Education Needs funding	—	32,209	<b>32,209</b>	41,176
	—	40,059	<b>40,059</b>	47,404
	—	6,550,825	<b>6,550,825</b>	6,475,943

### 5 Expenditure

	Staff costs £	Non pay expenditure		2017 Total funds £	2016 Total funds £
		Premises £	Other costs £		
Expenditure on raising funds	26,858	—	—	<b>26,858</b>	27,535
Charitable activities					
. School's educational operations					
.. Direct costs	5,262,809	—	450,399	<b>5,713,208</b>	5,530,712
.. Allocated support costs	723,788	302,930	1,412,596	<b>2,439,314</b>	2,371,782
	<b>6,013,455</b>	<b>302,930</b>	<b>1,862,995</b>	<b>8,179,380</b>	7,930,029

	2017 Total funds £	2016 Total funds £
<b>Net expenditure for the year includes:</b>		
Operating lease rentals	<b>3,409</b>	4,091
Depreciation	<b>414,157</b>	410,875
Fees payable to auditor for		
. Audit of the financial statements	<b>8,400</b>	8,100
. Other services	<b>6,675</b>	7,038

## Notes to the Financial Statements Year to 31 August 2017

### 6 Charitable activities - School's educational operations

	2017 Total funds £	2016 Total funds £
Direct costs	5,713,208	5,530,712
Support costs	2,439,314	2,371,782
	<b>8,152,522</b>	<b>7,902,494</b>

	2017 Total funds £	2016 Total funds £
<b>Analysis of support costs</b>		
Support staff costs	600,788	593,687
Defined benefit pension scheme cost less contributions	123,000	35,000
Depreciation	414,157	410,875
Technology costs	65,287	65,373
Premises costs	302,930	324,759
Other support costs	918,077	926,950
Governance costs (note 7)	15,075	15,138
	<b>2,439,314</b>	<b>2,371,782</b>

### 7 Governance costs

	2017 Total funds £	2016 Total funds £
Auditor's remuneration:		
· Audit of the financial statements	8,400	8,100
· Other services	6,675	7,038
	<b>15,075</b>	<b>15,138</b>

## Notes to the Financial Statements Year to 31 August 2017

### 8 Comparative information

Analysis of income and expenditure in the year ended 31 August 2016 between restricted and unrestricted funds:

	Unrestricted general fund £	Restricted funds			2016 Total funds £
		ESFA £	Other £	Fixed assets fund £	
<b>Income from:</b>					
Donations and capital grants	3,459	—	—	26,320	29,779
Charitable activities					
· Funding for the School's educational operations	—	6,428,539	47,404	—	6,475,943
Other trading activities	841,128	—	—	—	841,128
Investments	13,989	—	—	—	13,989
<b>Total income</b>	<b>858,576</b>	<b>6,428,539</b>	<b>47,404</b>	<b>26,320</b>	<b>7,360,839</b>
<b>Expenditure on:</b>					
Raising funds	27,535	—	—	—	27,535
Charitable activities					
· School's educational operations	921,383	6,523,539	46,697	410,875	7,902,494
<b>Total expenditure</b>	<b>948,918</b>	<b>6,523,539</b>	<b>46,697</b>	<b>410,875</b>	<b>7,930,029</b>
<b>Net (expenditure) income</b>	<b>(90,342)</b>	<b>(95,000)</b>	<b>707</b>	<b>(384,555)</b>	<b>(569,190)</b>
<b>Other recognised gains and losses</b>					
Actuarial losses on defined benefit pension scheme	—	(1,092,000)	—	—	(1,092,000)
<b>Net movement in funds</b>	<b>(90,342)</b>	<b>(1,187,000)</b>	<b>707</b>	<b>(384,555)</b>	<b>(1,661,190)</b>
<b>Reconciliation of funds</b>					
Fund balances brought forward at 1 September 2015	1,090,116	(1,601,000)	—	5,979,924	5,469,040
<b>Fund balances carried forward at 31 August 2016</b>	<b>999,774</b>	<b>(2,788,000)</b>	<b>707</b>	<b>5,595,369</b>	<b>3,807,850</b>

### 9 Staff

#### a) Staff costs

Staff costs during the period were:

	2017 Total funds £	2016 Total funds £
Wages and salaries	4,575,025	4,473,136
Social security costs	456,951	383,454
Pension costs	915,098	814,443
Apprenticeship levy	9,606	—
	<b>5,956,680</b>	<b>5,671,033</b>
Supply teacher costs	56,775	39,656
Staff severance payments	—	5,000
	<b>6,013,455</b>	<b>5,715,689</b>

## Notes to the Financial Statements Year to 31 August 2017

### 9 Staff costs (continued)

#### b) *Non-statutory/non-contractual staff severance payments*

Included in staff severance payments was a single non-statutory/non-contractual staff severance payment during the year ended 31 August 2016. No such amounts were payable in the year ended 31 August 2017.

#### c) *Staff numbers*

The average number of persons (including the senior management team) employed by the School during the year ended 31 August 2017 was as follows:

	2017 £	2016 £
Teachers	78	79
Administration and support	60	58
Management	10	11
	<b>148</b>	<b>148</b>

#### d) *Higher paid staff*

The number of employees whose emoluments exceeded £60,000 (excluding employer pension contributions) was:

	2017 No	2016 No
£70,001 - £80,000	1	1
£90,001 - £100,000	1	1
£100,001 - £110,000	1	1

#### e) *Key management personnel*

The key management personnel of the School comprise the governors and the senior leadership team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £908,429 (2016: £760,150).

## Notes to the Financial Statements Year to 31 August 2017

### 10 Governors' remuneration and expenses

The Headteacher, staff and other 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 from the School in respect of their role as governors. The value of governors' remuneration and other benefits for governors in post at any point during the reporting period was as follows:

	2017 £000s	2016 £000s
Ms P Humphreys (Headteacher)		
. Remuneration	100 – 105	100 – 105
. Employer's pension contributions	15 – 20	15 – 20
Mrs A Martino (staff governor)		
. Remuneration	50 – 55	50 – 55
. Employer's pension contributions	5 – 10	5 – 10
Mrs A Pilbeam (staff governor)		
. Remuneration	55 – 60	50 – 55
. Employer's pension contributions	5 – 10	5 – 10
Mrs E Ingreby (staff governor)		
. Remuneration	40 – 45	40 – 45
. Employer's pension contributions	10 – 15	10 – 15
Mr G Rose (staff governor and part-time site operative)		
. Remuneration	5 – 10	0 – 5
. Employer's pension contributions	—	—

During the year ended 31 August 2017, travel and subsistence expenses totalling £135 (2016 - £505) were reimbursed to three (2016 - four) staff governors in connection with their duties as employees of the School and not in connection with their duties as governors. No expenses were reimbursed to any other governors.

### 11 Governors' and Officers' insurance

During the year ended 31 August 2017, the School opted into the Department for Education's Risk Protection Arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000. It is not possible to quantify the trustees and officers indemnity element from the overall cost of the RPA scheme.

For the year ended 31 August 2016, insurance cover was purchased from a commercial provider of insurance. The insurance covered the governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on School business for up to £2 million on any one claim.

## Notes to the Financial Statements Year to 31 August 2017

### 12 Tangible fixed assets

	Freehold land and buildings £	Motor vehicles £	Furniture and equipment £	Total funds £
<b>Cost/valuation</b>				
At 1 September 2016	7,611,383	—	215,722	<b>7,827,105</b>
Additions	—	9,000	52,022	<b>61,022</b>
At 31 August 2017	<u>7,611,383</u>	<u>9,000</u>	<u>267,744</u>	<u><b>7,888,127</b></u>
<b>Depreciation</b>				
At 1 September 2016	2,156,558	—	86,568	<b>2,243,126</b>
Charge in period	380,569	563	33,025	<b>414,157</b>
At 31 August 2017	<u>2,537,127</u>	<u>563</u>	<u>119,593</u>	<u><b>2,657,283</b></u>
<b>Net book value</b>				
At 31 August 2017	<u>5,074,256</u>	<u>8,437</u>	<u>148,151</u>	<u><b>5,230,844</b></u>
At 31 August 2016	<u>5,454,825</u>	<u>—</u>	<u>129,154</u>	<u><b>5,583,979</b></u>

The School acquired the school land and buildings from Hertfordshire County Council on 1 January 2011. At the date of acquisition, the governors have based their valuation of the building on the insurance value of the premises, discounted to take account of the age of the building at time of transfer. As permitted by FRS 102, the governors have adopted a policy of not revaluing tangible fixed assets and, under the transitional arrangements set out in FRS 102, with effect from 1 September 2014, the value assigned to the building is now deemed to be its cost.

For the purposes of these financial statements, the land is deemed to have no commercial value.

The School is currently undertaking a project in relation to the redevelopment of its estate. Further information is provided in note 23.

### 13 Debtors

	2017 £	2016 £
Trade debtors	270	1,085
VAT recoverable	21,633	78,504
Estates project (note 23)	296,677	79,486
Prepayments and accrued income	118,732	118,465
Other debtors	17,079	1,222
	<u><b>454,391</b></u>	<u><b>278,762</b></u>

## Notes to the Financial Statements Year to 31 August 2017

### 14 Creditors: amounts falling due within one year

	2017 £	2016 £
Trade creditors	130,109	101,783
Taxation and social security	116,543	109,788
Other creditors	122,051	114,284
Accruals and deferred income	202,540	185,639
	<b>571,243</b>	<b>511,494</b>
<b>Deferred income</b>		
Deferred Income at 1 September 2016	129,509	143,500
Released during the year	(129,509)	(143,500)
Resources deferred in the year	160,976	129,509
Deferred Income at 31 August 2017	<b>160,976</b>	<b>129,509</b>

Deferred income primarily comprises income received in advance in respect of school trips and events which are scheduled to take place during the 2017/18 financial year.

## Notes to the Financial Statements Year to 31 August 2017

### 15 Funds

	Balance at 1 September 2016 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2017 £
<b>Restricted ESFA revenue funds</b>					
. General Annual Grant (GAG)	—	6,222,777	(6,196,566)	(26,211)	—
. Other ESFA grants	—	287,989	(287,989)	—	—
	—	6,510,766	(6,484,555)	(26,211)	—
. Pension reserve	(2,788,000)	—	(180,000)	1,469,000	(1,499,000)
	(2,788,000)	6,510,766	(6,664,555)	1,442,789	(1,499,000)
<b>Restricted fixed asset funds</b>					
. Transfer on conversion	5,455,990	—	(381,735)	—	5,074,255
. DfE/ESFA capital grants – Devolved Formula Grant	87,846	26,753	(21,349)	5,695	98,945
. Capital expenditure from GAG funding	50,267	—	(13,645)	20,516	57,138
. DfE/ESFA capital grants – Capital Maintenance grant	1,266	—	(760)	—	506
	5,595,369	26,753	(417,489)	26,211	5,230,844
<b>Other restricted funds</b>					
. Local authority grants	707	7,850	(8,557)	—	—
. Other restricted funds	—	32,209	(32,209)	—	—
	707	40,059	(40,766)	—	—
<b>Total restricted funds</b>	<b>2,808,076</b>	<b>6,577,578</b>	<b>(7,122,810)</b>	<b>1,469,000</b>	<b>3,731,844</b>
<b>Unrestricted funds</b>					
. General funds	999,774	839,888	(1,056,570)	—	783,092
<b>Total unrestricted funds</b>	<b>999,774</b>	<b>839,888</b>	<b>(1,056,570)</b>	<b>—</b>	<b>783,092</b>
<b>Total funds</b>	<b>3,807,850</b>	<b>7,417,466</b>	<b>(8,179,380)</b>	<b>1,469,000</b>	<b>4,514,936</b>

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

#### **ESFA revenue grant fund and other restricted funds**

These grants relate to the School's development and operational activities.

#### **General Annual Grant (GAG)**

Under the funding agreement with the Secretary of State, the School was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2017. The transfer from restricted GAG funds to the restricted fixed assets fund has been made to cover the shortfall in the financing of the fixed assets through capital funding and capital donations alone.



## Notes to the Financial Statements Year to 31 August 2017

### 15 Funds (continued)

#### **Fixed assets fund**

These grants relate to funding received from the ESFA and other sources which have been used to purchase fixed assets or applied towards eligible maintenance expenditure. The fund also includes assets received from Hertfordshire County Council on conversion to academy status. The transfer represents amounts transferred from the School's GAG funds to finance the School's tangible fixed assets.

#### **Pension reserve**

The pension reserve relates to the School's share of the deficit of the Hertfordshire County Council Local Government Pension Scheme.

#### **Other funds**

These grants are from organisations other than the ESFA and are for specific purposes relating to the School's development and operational activities.

### 16 Analysis of net assets between funds

	Unrestricted funds £	Restricted ESFA funds £	Restricted fixed assets fund £	Total 2017 £
<b>Fund balances at 31 August 2017 are represented by:</b>				
Tangible fixed assets	—	—	5,230,844	5,230,844
Current assets	783,092	571,243	—	1,354,335
Current liabilities	—	(571,243)	—	(571,243)
Pension scheme liability	—	(1,499,000)	—	(1,499,000)
<b>Total net assets</b>	<b>783,092</b>	<b>(1,499,000)</b>	<b>5,230,844</b>	<b>4,514,936</b>

### 17 Capital commitments

	2017 £	2016 £
Contracted for, but not provided in the financial statements	—	10,301

## Notes to the Financial Statements Year to 31 August 2017

### 18 Commitments under operating leases

#### *Operating leases*

At 31 August 2017, the total of the School's future minimum lease payments under non-cancellable operating leases (exclusive of VAT) was as follows:

	Office equipment	
	2017 £	2016 £
Amounts due within one year	6,063	3,409
Amounts due between two and five years inclusive	10,281	—
	<b>16,344</b>	<b>3,409</b>

### 19 Members' Liability

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

### 20 Pension and similar obligations

The School'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 Hertfordshire County Council Pension Fund. 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 2016.

Contributions amounting to £78,035 were payable to the schemes at 31 August 2017 (2016: £98,467) 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.

**20 Pension and similar obligations** (continued)

***Teachers' Pension Scheme*** (continued)

*Valuation of the Teachers' Pension Scheme*

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).
- ◆ 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%.

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, 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 £581,699 (2016: £521,436).

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

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

## Notes to the Financial Statements Year to 31 August 2017

### 20 Pension and similar obligations (continued)

#### **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 2017 was £264,000, of which employer's contributions totalled £212,000 and employees' contributions totalled £52,000. The agreed contribution rates for future years are 25.3% of pensionable pay for the employer and between 5.5% and 12.5% for the employees depending on their pensionable pay.

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.

<b>Principal Actuarial Assumptions</b>	<b>At 31 August 2017</b>	<b>At 31 August 2016</b>
Rate of increase in salaries	2.5%	3.6%
Rate of increase for pensions in payment / inflation	2.4%	2.1%
Discount rate for scheme liabilities	2.5%	2.0%
Inflation assumption (CPI)	2.4%	2.1%
Commutation of pensions to lump sums – pre-April 2008 service	75%	75%
Commutation of pensions to lump sums – post-April 2008 service	50%	50%

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

	<b>At 31 August 2017</b>	<b>At 31 August 2016</b>
<i>Retiring today</i>		
Males	22.5	22.3
Females	24.9	24.5
<i>Retiring in 20 years</i>		
Males	24.1	24.3
Females	26.7	26.7

<b>Sensitivity analysis for the year ended 31 August 2017</b>	<b>Approx increase to defined benefit obligation %</b>	<b>Approx monetary value £'000</b>
0.5% decrease in real discount rate	10%	532
0.5% increase in the salary increase rate	2%	80
0.5% increase in the pension increase rate	9%	444

## Notes to the Financial Statements Year to 31 August 2017

### 20 Pension and similar obligations (continued)

#### *Local Government Pension Scheme (LGPS) (continued)*

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

	Fair value at 31 August 2017 £'000	Fair value at 31 August 2016 £'000
Equities	2,379	1,996
Gilts	915	887
Property	256	222
Cash and other liquid assets	110	63
<b>Total market value of assets</b>	<b>3,660</b>	<b>3,168</b>
	2017 £'000	2016 £'000
<b>Amounts recognised in statement of financial activities</b>		
Current service cost	(335)	(250)
Interest income	65	98
Interest cost	(122)	(158)
<b>Total amount recognised in the SOFA</b>	<b>(392)</b>	<b>(310)</b>
Changes in the present value of defined benefit obligations were as follows:	2017 £'000	2016 £'000
At 1 September 2016	5,956	4,154
Current service cost	335	250
Interest cost	122	158
Employee contributions	52	53
Actuarial (gain)/loss	(1,198)	1,413
Benefits paid	(108)	(72)
<b>At 31 August 2017</b>	<b>5,159</b>	<b>5,956</b>
Changes in the fair value of the Academy's share of scheme assets:	2017 £'000	2016 £'000
At 1 September 2016	3,168	2,553
Interest income	65	98
Actuarial gain	271	321
Employer contributions	212	215
Employee contributions	52	53
Benefits paid	(108)	(72)
<b>At 31 August 2017</b>	<b>3,660</b>	<b>3,168</b>

## Notes to the Financial Statements Year to 31 August 2017

### 21 Related party transactions

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

### 22 Agency arrangements

The Academy distributes 16-19 bursary funds to students as an agent for ESFA. During the year ended 31 August 2017 the Academy received £18,599 (2016 - £12,565) and disbursed £17,023 (2016 - £16,391) from the fund. An amount of £4,019 (2016 - £2,443) is included in other creditors relating to undistributed funds that is repayable to ESFA.

### 23 Estate project

During the year ended 31 August 2016, the School entered into a contract with a land broker to facilitate the sale and redevelopment of the School's estate. The project involves the disposal of existing land to a developer who will take responsibility for the development of the new School buildings. The land broker was appointed to assist with the design and development of the new buildings, to procure a developer for the new estate, to procure a buyer for the existing estate, and to provide project management services. During the year ended 31 August 2017, a developer was appointed. A buyer was identified post-year end and the final contractual terms are in the course of being finalised. No groundworks have yet commenced, but the developer has commissioned the necessary surveys.

Whilst the land broker had rendered services to the School during the reporting period, the School is able to recover the value of any fees charged by the broker from the appointed developer and currently carries a relatively limited level of financial risk exposure in respect of the project. During the year ended 31 August 2017 fees to the value of £200,000 (excluding VAT) were invoiced to the School. The amount was recovered in full from the developer in the same period and payment and receipts have been excluded from these financial statements. The costs excluded from these financial statements will be reflected in the developer's costs for the construction of the new estate and ultimately recognised in the School's financial statements once the risks and rewards of ownership of the property pass to the School in full and the new property is brought on to the balance sheet.

In addition to the above fees, legal and professional costs of £217,191 (2016 - £79,486) were incurred directly by the School in relation to the project which are not recoverable from any other party. These costs cumulatively amount to £296,677 with approximately half of this balance relating to the cost of the development of the new estate and approximately half relating to the disposal of the existing estate. The balance of £296,677 (2016 - £79,486) is held within debtors (note 13).