

Company Registration No. 07732319 (England and Wales)

**HINCHINGBROOKE SCHOOL**

**(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT AND AUDITED ACCOUNTS**

**FOR THE YEAR ENDED 31 AUGUST 2017**

**COPY FOR SUBMISSION TO THE**  
**REGISTRAR OF COMPANIES**

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# **HINCHINGBROOKE SCHOOL**

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# HINCHINGBROOKE SCHOOL

## REFERENCE AND ADMINISTRATIVE DETAILS

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### Trustees

Mr P Fenney  
Mr A Rankine  
Mr M Joyner (Resigned 16 February 2017)  
Mr M Ager (Resigned 12 October 2016)  
Mrs M Bartimus (Resigned 13 July 2017)  
Mrs M Chisholm  
Mr J Brown  
Mr A Goulding  
Mrs M Benjafield (Resigned 4 October 2016)  
Mr B Curtis  
Mr A Hobley  
Mr M Ryder  
Ms K Silcock (Resigned 13 July 2017)  
Mr M Coles (Appointed 5 December 2016)  
Mr S Fidler (Appointed 25 November 2016)  
Mr P Askew (Appointed 6 December 2016)

### Members

Mr P Fenney (until 31 August 2017)  
Mrs M Chisholm  
Mr M Joyner (until 31 August 2017)  
Mr B Curtis (from 31 August 2017)  
Mr A Rankine (from 31 August 2017)

### Senior management team

- Principal
- Director of Operations
- Business Manager
- Vice Principal (Global Citizenship)
- Vice Principal (Enterprise and Enquiry)
- Vice Principal (Performance and Creativity)
- Assistant Principal (Director of Student Services)
- Assistant Principal (Director of Sixth Form)
- Assistant Principal (Professional Tutor)
- Assistant Principal (Director of QA and ME)
- Assistant Principal (Director of Student Progress)

Mr A Goulding  
Dr D Riddick (Resigned 31 August 2017)  
Mr D McMillan (Appointed 9 October 2017)  
Mr L Walker (Resigned 17 April 2017)  
Miss A Nightingale  
Mr S Cooke  
Mr T Heath  
Mr C Fordham  
Ms L Cunningham  
Mr M Pinder  
Mr T Grey

### Accounting Officer

Mr A Goulding

### Company secretary

Ms S Morgan

### Company registration number

07732319 (England and Wales)

### Registered office

Brampton Road  
Huntingdon  
Cambridgeshire  
PE29 3BN

# HINCHINGBROOKE SCHOOL

## REFERENCE AND ADMINISTRATIVE DETAILS

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### Independent auditor

Rawlinsons Chartered Accountants  
Ruthlyn House  
90 Lincoln Road  
Peterborough  
Cambridgeshire  
PE1 2SP

### Bankers

Lloyds Bank Plc  
99 High Street  
Huntingdon  
Cambridgeshire  
PE29 3DU

# **HINCHINGBROOKE SCHOOL**

## **TRUSTEES' REPORT**

***FOR THE YEAR ENDED 31 AUGUST 2017***

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The Governors present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31st August 2017.

The Academy Trust operates an academy for pupils aged 11 to 18 serving a catchment area in Huntingdonshire. Excluding the Sixth Form, the Academy has a pupil capacity of 1,500 and had a roll of 1,487 in the school census on January 2017. There were a further 414 students in the Sixth Form, making a total roll of 1,901.

### **Structure, Governance and Management**

#### Constitution

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

The company was incorporated on 8<sup>th</sup> August 2011. On 1<sup>st</sup> September 2011 Hinchingsbrooke School converted from a community school to academy trust status under the Academies Act 2010 and all the operations, and assets and liabilities were transferred to Hinchingsbrooke School Academy Trust from the Governors of Hinchingsbrooke School.

The Governors of the Academy Trust act as trustees for charitable activities of Hinchingsbrooke School and are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Hinchingsbrooke School.

#### Members' liability

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

#### Trustees Indemnity

In accordance with normal commercial practice the Academy Trust has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business.

#### Principal activities

The Academy Trust's principal activity is to advance, for the public benefit, education in the area served by the school, by establishing, maintaining, managing and developing a school offering a broad and balanced curriculum to its pupils.

The Academy Trust operates under a Funding Agreement issued by the Department for Education on 1<sup>st</sup> September 2011 and commenced operations on 1<sup>st</sup> September 2011.

#### Method of recruitment and appointment or election of Governors

The Governing Body has places for four Foundation Governors, between two and five elected Parent Governors, up to three elected Staff Governors and unlimited Co-opted Governors based on their skills and experience. Governors are elected to serve for a four year period; the Principal is Governor ex-officio.

#### Policies and procedures adopted for the induction and training of Governors

New Governors attend an induction meeting with the Chairman and Principal and the offer of a visit to the school. New Governors attend full governing body meetings and subsequently populate committees, often according to interests and personal expertise. All Governors are encouraged to attend the County Council's induction training and further training as appropriate. The Governing Body holds an in-house training workshop for Governors once a term. The Training Governor disseminates training information throughout the year and conducts an annual audit of Governor training which is reviewed by the Governing Body.

# HINCHINGBROOKE SCHOOL

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2017**

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### Organisational structure

The leadership structure of the Academy consists of the Governors, Senior Leadership Team and a number of middle leaders with responsibility for specific areas of the academy's operation. The aim of the management structure is to devolve responsibility and encourage decision making at all levels.

The Governors are responsible for the strategic development of the Academy, adopting an annual School Development Plan and budget, monitoring the Academy by the use of budgets and management accounts and making major decisions about the direction of the Academy, capital expenditure and senior staff appointments.

To ensure an efficient and effective committee structure with the Academy's School Development Plan at its core, there are Governor committees responsible for Strategy, Finance and Premises, Curriculum and Standards, Development and Welfare.

The Senior Leadership Team are the Principal (Chief Executive), two Vice Principals, five Assistant Principals and a Business Manager. These leaders direct the Academy at an executive level implementing the policies adopted by the Governors and reporting back to them. The Principal undertakes the key leadership role overseeing educational, pastoral and administrative functions in consultation with the Senior Leadership Team. The Senior Managers are responsible for the authorisation of spending within agreed budgets and the appointment of staff, though appointment panels for posts in the Senior Leadership Team always contain a Governor. Some spending control is devolved to members of the Senior Leadership Team, with limits above which the Principal must countersign.

Heads of Department are responsible for the day to day operation of curriculum subject areas and accordingly organise their teaching staff, capitation resources, facilities and students.

### Arrangements for setting pay and remuneration of key management personnel

The pay scales for Leadership positions are determined in line with the current School Teacher' Pay and Conditions (STPC) document Part 2. Hinchingsbrooke School is in Group 8 for determining the Individual Salary Ranges.

The individual salary ranges for Assistant Principals is L14 – L18

The individual salary range for Vice Principals is L23 – L27

The individual salary range for Leading Practitioners is L12 – L15

The Governing Body may decide to pay additional payments to the Principal in accordance with paragraph 10 of the STPC Document 2017. Where a decision is made to increase the Principal's salary beyond the maximum of the appropriate Pay Group it will not exceed 25 per cent of the previous salary being paid on the current point on the Pay Group, except in wholly exceptional circumstances, which will be approved by the Governing Body.

### Connected organisations, including related party relationships

As part of its operation the Academy liaises with organisations such as the local Authority, partner schools in the Discovery Teaching School Alliance, partner primary schools and other local secondary schools, ASCL, Department for Education as well as with other education providers and trainers such as, further education institutions, teacher training colleges and universities. These links are maintained in the interests of supporting good practice and information sharing and consolidate well established, mutually supportive associations. The Academy has signed an agreement with St Ivo School to form a partnership with The Ivo School with the aim of raising standards.

The Foundation of Hinchingsbrooke School owns the school premises and possesses endowments, the income from which can be used for the benefit of pupils and young people from Huntingdon who are under 25, in financial need and have had at least two years' education in a Huntingdon secondary level school or college. The present governing body has places for five Foundation Governors. The Academy Trust occupies the premises on an 125 year lease from the Foundation.

Cambridgeshire County Council owns the playing fields that the school occupies on a 125 year lease.

# **HINCHINGBROOKE SCHOOL**

## **TRUSTEES' REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 AUGUST 2017***

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### **Objectives and Activities**

#### Objects and aims

The Academy's objectives are encompassed in its mission statement to inspire excellence and fulfil potential.

We aim for all students to be nurtured as uniquely talented individuals, finding fulfilment through their learning and the development of their intellectual, creative, physical and emotional capabilities.

We aim for our students to develop the moral integrity to become responsible global citizens, so that they may take their place in society with confidence. We are confident that anyone associated with the Hinchingsbrooke learning community, student or adult, will leave the richer for their experience.

#### ***Our values***

We aim to instil values in our students such as compassion, tolerance and a sense of justice. We are committed to building a learning community based on

- Mutual respect
- Moral integrity
- Freedom of expression
- Tolerance and
- An appreciation of religious and cultural diversity

#### ***Our staff***

We are committed to

- Developing the quality of teaching and learning
- Supporting innovation and enterprise
- Promoting the well-being of all staff

#### ***Our partnerships***

We are committed to

- Building a strong and effective partnership with parents
- Forging links with other educational providers to enrich opportunities for our students and to support others in their educational endeavours
- Working with local businesses to provide work related learning and to develop pathways to employment
- Encouraging our students to make a contribution to the local and wider communities

#### ***Our future***

We are committed to

- Valuing our heritage whilst remaining forward-looking
- Being at the forefront of educational change
- Making the best use of technology to support learning
- Providing an all-round education of the whole child
- Building our reputation as a centre of excellence.

#### Objectives, Strategies and Activities

Our core purpose is to provide effective and sustainable education so that we can nurture all of our students according to our mission and maximise their academic outcomes, their personal development and their capacity to be independent, autonomous and life-long learners.

# HINCHINGBROOKE SCHOOL

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2017**

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### LEARNING, TEACHING AND OUTCOMES

To achieve at least:

**All students:** 5 - 9 English and Maths - 50%; EBacc - 12%; Progress8 0.5; Attainment8 B -

and in order to **narrow the gaps:**

**Disadvantaged students:** 5 - 9 English and Maths – 35%; EBacc – No entries; Progress 8 0.5; Attainment 8 C +

**A Level:** 18% A\*/A; 45% A\*-B; 85% A\*-C; 33 APS; +VA scores of at least 0.15 for A level; ALPS T score of grade 3 or better

- 1 Quality of Teaching – to promote reflective practice and the sharing of practice through PiXL classrooms
- 2 Independent learning - to develop strategies for independent learning across all key stages
- 3 Post-16 – to secure improvements in the quality of sixth form teaching
- 4 To promote reflective practice using the One Hub & Blue Sky
- 5 To allow teachers and support staff to access CPD pertinent to their needs
- 6 To review the use of TAs

### STUDENT SUPPORT, GUIDANCE AND WELFARE

- 1 To improve the consistency of tutoring and develop their role as academic mentors
- 2 To compensate for the demise of external agency support
- 3 To use Pivotal Education to revisit the management of behaviour with staff
- 4 To promote community values through PiXL EDGE
- 5 To consider electronic homework diaries and reporting
- 6 To continue to use external support from the PTI, TSA and other such organisations

### STRATEGY, LEADERSHIP AND GOVERNANCE

- 1 To submit an application to form a MAT and to undertake the necessary consultation
- 2 To secure the necessary savings and additional income to provide increased financial security.
- 3 To develop the new Faculty Structure and new support structure to focus on improvement, efficiency and quality assurance.

***Inspiring excellence and fulfilling potential*** within our learning community requires a high level of cohesion and co-operation to achieve the consistency required. Achieving the above objectives will improve provision, secure high quality learning, and improve outcomes; thus providing better life chances for our students, and progress towards outstanding inspection outcomes for the school.

#### Public Benefit

The Governors have paid due regard to the guidance issued by the Charity Commission in deciding what activities the academy should undertake.

#### Achievements and Performance

In August 2011, Hinchingsbrooke became an academy, taking responsibility for shaping its own future in the context of the new freedoms to make educational choices. There are many areas in which Hinchingsbrooke has achieved excellence and the school plays a leading role in the local community of secondary schools. We have a national reputation for innovation through our specialism in sport; our English department has taken the lead in helping to raise achievement in other schools; Design Technology has triumphed in national competitions; Drama and the performing Arts stage incredibly professional productions and our English, Geography, History and Mathematics staff have achieved the Prince's Teaching Institute award for their commitment to inspirational teaching.



# HINCHINGBROOKE SCHOOL

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2017**

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In April 2016 Ofsted rated the academy as "Good" in all areas.

"Pupils are well prepared to be the next generation of adults in modern Britain."

"The quality of teaching has improved since the last inspection and is consistently good and often outstanding."

"The most-able pupils achieve well, particularly in English and mathematics .....the school's work to promote pupils' independence and resilience prepares the most able pupils particularly well for the next phase of their education."

The school enjoys a number of quite outstanding facilities. A thriving Arts curriculum has the use of a professional standard theatre which is also a focal point for the local community. Music and Drama have good specialist facilities. Sports facilities are extensive and include a new floodlit all-weather pitch, swimming pool, sports hall, fitness suite, dance studio and large playing fields and pavilion. A new £2.4 million Sports Hall, funded by ACMF bid, was completed in May 2016. The original Sports Hall was subject to a £0.5 million renovation as a state of the art dining facility, fully funded by Chartwells.

Being adjacent to Hinchingsbrooke Park allows for sailing and orienteering in another stunning setting. There is an extensive menu of extra-curricular clubs and activities available to all students and the wider community. There is a comprehensive website and a fast developing intranet which supports teaching and learning. The schools aims to make learning technologically empowered and plans for further investment in this important area being made.

### Examination performance

#### OVERALL FIGURES KS4

WIGs	Target	Prediction	Actual
<b>ALL</b>			
9-5 in Eng and Ma	60	46.6	44.6
EBACC	20	36.5	24
Progress 8	0.5	0.05	0.15
Attainment 8 grade	B-	4.85	4.85
<b>DISADVANTAGED</b>			
A*-C Eng Ma disadv	40	35.6	42.2
EBACC	6	11.1	11.1
Progress 8	0.5	-0.334	-0.394
Attainment 8 grade	C-	3.49	3.42

# HINCHINGBROOKE SCHOOL

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2017**

Progress and attainment in Core and EBacc subjects

	Progress 8 score 2017	Progress 8 score 2016	Progress 8 score 2015
ALL	0.15	0.26	0.12
Maths	0.18	0.3	0.02
English	0.06	0.54	0.36
EBacc	0.45	0.3	0.19
Open	-0.10	0.03	-0.05
		Attainment 8 score 2016	Attainment 8 score 2015
Ave A8 score per pupil		53.44	51.7
Maths	4.72	10.61	10.24
English	5.11	11.81	11.54
EBacc	4.69	14.91	13.88
Open	4.91	16.12	16.04

Progress and attainment by Prior Attainment

	Progress 8 score 2017	Progress 8 score 2016	Progress 8 score 2015
Low PA	0.02	0.21	-0.02
Middle PA	0.27	0.28	0.16
High PA	0.14	0.27	0.1
	Attainment 8 score 2017	Attainment 8 score 2016	Attainment 8 score 2015
Low PA	3.1	33.26	29.28
Middle PA	4.9	50.96	49.88
High PA	6.3	66.72	64.2

# HINCHINGBROOKE SCHOOL

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2017**

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	2014	2015	2016	2017
Prior Attainment of cohort (KS2 APS)	28.3	28.0	27.5	28.2
Basics (%A*-C E and M) (all students)	59	66	73	69.9
Basics (disadv)	34	30	48.8	42.2
5ACEM all	56	64	67	67.2
5ACEM disadv	28	23	44	40
5ACEM gap (dis/non-dis)	31	45	25.9	32.1
VA Best 8 (all)	993.9	1005.3	1020	
VA Best 8 disadv	958.8	940.9	983	
VA Best 8 gap (dis/non-dis)	39.5	72.6	44.02	
Progress 8 all	-	0.12	0.26	0.15
Progress 8 disadv	-	-0.83	-0.37	-0.39
Exp Progress En (all)	62	82	87.5	
(disadv)	38	60	73.7	
Exp Progress Ma (all)	67	71	75.9	
(disadv)	41	37	54.3	
2+ A*-C Science	45	62	63.6	69.1
2+ A*-C Sc (disadv)	20	32	46.9	39.5
% grades at A/A*	22.5	21.9	26.9	
% grades at A/A* (disadv)	5.3	8.3	16.5	

# HINCHINGBROOKE SCHOOL

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2017**

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### 5ACEM by band – 5 year trend

%achieving 5ACEM	Low	Middle	High
2012	3	41	87
2013	0	57	97
2014	3	42	96
2015	3	59	96
2016	12	62	96
2017	6.9	58.1	95

### Provisional EBacc VA scores (3 year trend)

	English	Maths	Science	Langs	Hums
2014	999.3	999.8	997.1	1003.1	1001.7
2015	1003.0	1000.2	998.9	999.2	1002.0
2016 (provisional)	1005.1	1002.2	1000.5	999.4	1003.3
2017	No longer a measure				

### Overall achievement

#### KEY STAGE FOUR

As the main measures have changed this year with the reformed English and Maths GCSEs it is impossible to look at trends or draw any comparisons. Overall the Progress 8 figure is pleasing and according to the Performance tables we are 'Above Average' and in FFT we are described as 'Significantly Above Average'. Attainment 8, is just below 5 which is described as a strong pass in new GCSE terms and again is pleasing. Middle attainers and girls did better than their counterparts overall, although boys outperformed girls in terms of progress in Maths, and Lower attainers excelled in English in terms of progress.

The gap between the disadvantaged and the non-disadvantaged has opened up a little further, perhaps due to the fact that interventions we have run for Disadvantaged in the past all students now have access to. Boys struggled to make progress in English and SEN support students in addition to FSM are areas we need to track more effectively in the future to ensure better performances for these groups.

#### KEY STAGE 5

Results overall in Key Stage 5 were disappointing compared to 2016 figures, with the A\*-B dropping to 36%. This was largely due to two factors: the cohort was markedly less able, with significantly lower ALPS targets (the ALPS target for the year group was in fact 36%), but also due to out keeping students on two year courses, where previously we had made achieving three D grades in Year 12 a condition of progression to Year 13, and this we had a much larger group of low ability students. The ALPS grade of 6 show our value added is not good.

# **HINCHINGBROOKE SCHOOL**

## **TRUSTEES' REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 AUGUST 2017***

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The key actions to improve outcomes at KS5 in the coming year are centred around creating an ethos of higher academic standards, continuing to develop independent learning approaches, continuing to embed PiXL strategies and focusing on the progression and aspiration of students on non-university pathways. KS5 is now a major whole school focus, with a Sixth Form review being undertaken, and the new role of Head of Faculty creating much improved communication between departments and the Sixth Form team.

### Key Performance Indicators

At January 2017 census the number on roll was 1,901 up from 1,876 in 2015/16.

Restricted general income was £142,128 lower than 2015/16 due to lower GAG and Local Authority funding.

Restricted general expenditure was £420,059 more than that in 2015/16, this resulted in an in year deficit of £708,244 (2016 : £146,057 deficit). This however includes adjustments for pension scheme obligations. GAG reserves remain in deficit by £79,903. Despite an increase in 6<sup>th</sup> form numbers in 2016/17 that will have a positive impact on 2017/18 budget, future modelling looks like we will drop in deficit unless pay rises are funded.

### Financial Review

For a long time Cambridgeshire has received less funding for education than lots of other authorities and, in the last few years, despite the windfall extra Fair Funding, is currently the 137<sup>th</sup> lowest funded out of 151 authorities. Hinchingsbrooke School is the second lowest funded secondary school in Cambridgeshire. This has been addressed in part by the initial Fairer Funding increase to GAG, however this offset by increased labour costs due to changes in salary uplifts, Tax, NI and pension contributions all of which have been un-funded.

The majority of the school's funding was provided by the Education and Skills Funding Agency (ESFA).

The school's total incoming revenue resources for the period 1 September 2016 to 31 August 2017 amounted to £10,970,819 (2016 : £10,710,664). The school's total incoming capital resources for the period 1 September 2016 to 31 August 2017 amounted to £274,152 (2016 : £209,988).

The school held revenue fund balances of £345,952 excluding pension deficit and capital fund balances of £18,513,394 at 31 August 2017.

### Employee involvement

Consultation with employees or their representatives has continued at all levels, with the aim of ensuring that their views are taken into account when decisions are made that are likely to affect their interests and that all employees are aware of the financial and economic performance of their business units and of the company as a whole.

### Disabled employees

Applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the company continues and the appropriate training is arranged. It is the policy of the company that the training, career development and promotion of a disabled person should, as far as possible, be identical to that of a person who does not suffer from a disability.

### Disabled students

Lifts, ramps and disabled toilets are installed across the academy and door widths are adequate to enable wheelchair access to the main areas of the academy and now includes access to the House for Sixth Form study.

# HINCHINGBROOKE SCHOOL

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2017

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#### Going Concern

The full Governing Body approves the budget each year and is mindful of the need to balance expenditure against income to ensure the Academy Trust remains a 'going concern'. The Governing Body also receives and approves the Annual Accounts and the External Auditors Management Report.

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

#### Investment and Reserves Policy

The Academy Trust ensures that all surplus cash balances are invested in interest bearing accounts to maximise interest earning potential. Indeed the selection of the Academy's banking provider was put out to tender with investment opportunities being one of the key selection criteria.

It is the intention of the Governors to aim to hold reserves between 2% and 5% of annual recurring expenditure, and this is being worked towards. No unrestricted reserves are carried forward as unrestricted surplus in the year is used to reduce the General Annual Grant deficit brought forward. The General Annual Grant deficit has been reduced in the year from £80,676 to £79,903. Remaining restricted general funds carried forward are £31,208. The school has undergone a restructuring in the summer of 2017 and is projecting a surplus carry forward at the end of 2017/18. The aim is to return to a reserve of between 2% and 5% as soon as possible.

HBK Leisure funds are designated to a sinking fund to replace the all-weather football pitch in accordance with the agreements with the Football Foundation and further funds are being set a side for maintenance of the swimming pool.

School Funds are designated for the activity to which they relate e.g. Educational Visits etc.

The Academy is confident that it will meet the required pension contributions from its projected income without significantly impacting on its planned level of charitable activity. It continues to calculate its 'free' or general unrestricted reserves without setting aside designated reserves to cover the pension liability.

#### Risk management

The Governors have responsibility to assess the strategic risks to which the Academy is exposed and has commissioned a systematic analysis of all risks to produce a risk management register.

The Governors have implementing a number of systems to assess risks that the Academy faces, especially in the strategic risks areas and in relation to the control of finance. They have introduced systems, including operational procedures and internal financial controls in order to minimise risk. The Academy has an effective system of internal financial controls and this is explained in more detail in this report.

The principal risk to the Academy is the uncertainty of future funding.

A Risk Register is maintained and reviewed on an Annual basis by the Finance Committee.

#### **Plans for Future Periods**

Our core purpose is to provide effective and sustainable education so that we can nurture all of our students according to our mission and maximise their academic outcomes, their personal development and their capacity to be independent, autonomous and life-long learners.

# HINCHINGBROOKE SCHOOL

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2017**

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### LEARNING, TEACHING AND OUTCOMES

To achieve at least: **All students:** A\* C English and Maths - 75%; EBacc - 32%; Progress8 0.6; Attainment8 C+

**Disadvantaged students:** A\*-C English and Maths – 65%; EBacc - 20% Progress8 0.6; Attainment8 C+

**A Level:** 50% A\*-B; 78% A\* -C; 223 (APS/entry); +VA scores of at least 0.1 for A level; ALPS T score of grade 4 or better.

To improve the quality of teaching, in particular to **improve differentiation** and formative assessment. ***Progress over time must be evident in student work through appropriate marking and assessment.***

This will be checked through our QA processes – drop-in observations, learning walks, line management meetings, student feedback – and be a focus for performance management and staff development.

Directorates and departments will be engaged in checking that:

- Differentiated approaches and materials are evident in all classrooms and for all groups
- All teachers are following the Assessment policy; marking in the correct way and with appropriate regularity
- Teacher feedback is moving learning forward, trackers and stickers on books with levels are in evidence in every department
- Electronic materials for students to access on-line are being developed
- Subject World and Doodle is being rolled out and used to engage students in their own learning and progress
- Good use is being made of the new directorate TAs as paraprofessionals

### PROVISION / ETHOS & CULTURE

- To develop greater consistency in the use of tutor time and in tutoring in general
- To prepare tutors to be academic mentors in preparation for the introduction of academic review days
- To begin to roll out a whole school restorative justice approach
- To develop parent forums further and develop partnerships and links with the other communities

### LEADERSHIP AND MANAGEMENT

- To prepare for the large scale changes to GCSEs and A levels, the demise of levels and the new accountability measures
- To improve consistency within all teams and between teams
- To embed the new working practices in SEND and Learning Support
- To prepare for parents having on-line access to their own child's data

***Inspiring excellence and fulfilling potential*** within our learning community requires a high level of cohesion and co-operation to achieve the consistency required. Achieving the above objectives will improve provision, secure high quality learning, and improve outcomes; thus providing better life chances for our students, and progress towards outstanding inspection outcomes for the school.

# HINCHINGBROOKE SCHOOL

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2017**

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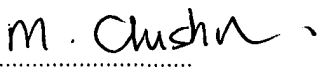
### Auditor

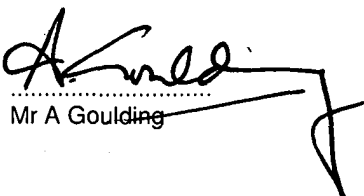
In so far as the trustees are aware:

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

A resolution proposing that Rawlinsons Chartered Accountants be reappointed as auditor of the charitable company will be put to the members.

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 30/11/17 and signed on its behalf by:

  
.....  
Mrs M Chisholm

  
.....  
Mr A Goulding



# HINCHINGBROOKE SCHOOL

## GOVERNANCE STATEMENT

**FOR THE YEAR ENDED 31 AUGUST 2017**

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### Scope of responsibility

As Governors, we acknowledge we have overall responsibility for ensuring that Hinchingsbrooke 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 has delegated the day-to-day responsibility to the Principal, Mr A Goulding, 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 Hinchingsbrooke School and the Secretary of State for Education. They are also responsible for reporting to the governing body any material weaknesses or breakdowns in internal control.

### Governance

The 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 5 times during the year. Attendance during the year at meetings of the governing body was as follows:

Full Governors	Attended	Possible
Mr P Askew	2	3
Mrs M Bartimus	4	5
Mr J Brown	3	5
Mrs M Chisholm	5	5
Mr M Coles	3	3
Mr B Curtis	4	4
Mr P Fenney	4	5
Mr S Fidler	3	3
Mr M Joyner	2	2
Mr A Goulding	5	5
Mr A Hobley	3	5
Mr A Rankine	5	5
Mr M Ryder	3	5
Mrs K Silcock	4	5

Changes to the Governing Body are as follows:

Name	Status	Date
Mr P Askew	Starter	06/12/2016
Mrs M Bartimus	Leaver	21/07/2017
Mr J Brown	Starter	22/09/2016
Mr M Coles	Starter	15/12/2016
Mr S Fidler	Starter	25/11/2016
Mr M Joyner	Leaver	13/02/2017
Mrs K Silcock	Leaver	13/07/2017

# HINCHINGBROOKE SCHOOL

## GOVERNANCE STATEMENT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2017**

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The finance and premises committee is a sub-committee of the main Governing Body. Its purpose is to provide guidance and assistance to the full Governing Body in all matters relating to budgeting and finance. Attendance at meetings in the year was as follows:

<b>Finance &amp; Premises</b>	<b>Attended</b>	<b>Possible</b>
Mrs M Chisholm	4	5
Mr M Coles	3	3
Mr P Fenney	2	5
Mr S Fidler	3	4
Mr A Goulding	5	5
Mr M Joyner	2	2
Mr A Rankine	5	5
Ms K Silcock	5	5

I accept that as Accounting Officer of Hinchingsbrooke School I am responsible and accountable for ensuring that the academy trust delivers good value in the use of public resources. I am aware of the guide to academy value for money statements published by the Education and Skills Funding Agency and understand that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

I set out below how I have ensured that the academy trust's use of its resources has provided good value for money during the academic year.

**The Academy Trust is committed to:-**

### **1. Robust governance and oversight of Academy Trust finances**

The Academy benefits from the provision by CEFM of a suitably qualified Responsible Officer (RO). The RO reviews key financial policies, systems and procedures, including the use of tenders and presents reports on compliance to the Finance and Premises Committee.

The Academy benefits from the provision by Rawlinsons Chartered Accountants of Annual Accounts Return, Budget Submission and External Audit.

The Chair of the Finance and Premises Committee meets regularly with the Director of Operations and Finance Manager to review the management accounts. The Finance and Premises Committee receive budget monitoring reports at least termly.

The full Governing Body approves the budget each year and is mindful of the need to balance expenditure against income to ensure the Academy Trust remains a 'going concern'. The Governing Body also receives and approves the Annual Accounts and the External Auditors Management Report.

# **HINCHINGBROOKE SCHOOL**

## **GOVERNANCE STATEMENT (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2017**

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### **2. Ensuring the operation of the Trust demonstrates good value for money and efficient and effective use of resources**

The Academy regularly benchmarks financial performance against other academy trusts to demonstrate that the Trust provides good value for money. Such benchmarking is provided annually by Rawlinsons Chartered Accountants.

Tender exercises are regularly undertaken to ensure that high value contracts are assessed against the marketplace on a regular basis to ensure that long term contracts (3 to 5 years) remain competitive. The Finance and Premises Committee review the contracts schedule annually.

For purchases above £2,000 but below the tender limit 3 quotes are required.

### **3. Maximising income generation**

The Academy explores every opportunity to generate income through hire of Academy facilities for community sports and commercial hire of the Performing Arts Centre and Hinchingsbrooke House.

### **4. Reviewing controls and managing risks.**

Monthly budget monitoring reports are produced and reviewed by the Chair of the Finance and Premises Committee and the Director of Operations and the Principal and any necessary remedial action taken to address any significant variances that may have an impact on the budget out-turn.

The Academy Trust ensures that all surplus cash balances are invested in interest bearing accounts to maximise interest earning potential. Indeed the selection of the Academy's banking provider was put out to tender with investment opportunities being one of the key selection criteria.

The Academy Trust maintains a risk register that they review annually. The register is also reviewed by the RO. There are currently no major risks that have not had adequate control measures applied.

### **5. Reviewing operations to maximise use of resources.**

The Academy Senior Leadership Group, led by the Principal and Director of Operations, review expenditure within each budget heading annually and make adjustments based on the effectiveness of strategies introduced in previous years, curriculum offer and any new strategies identified in the Academy Strategic Development Plan.

### **7. Use of renewable energy, improving energy efficiency and positive impact on the environment.**

The Academy has entered into an Energy Performance Contract that will see dramatic reductions in energy usage, significant reductions in CO<sub>2</sub> emissions. This long term project over time will generate significant savings in the operational running costs of the school.

#### **The purpose of the system on internal control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

# HINCHINGBROOKE SCHOOL

## GOVERNANCE STATEMENT (CONTINUED)

*FOR THE YEAR ENDED 31 AUGUST 2017*

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The system of internal control has been in place in Hinchingsbrooke 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 Academy Trust 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 a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the year ending 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 Academy Trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

- 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;
- 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 the Centre for Education and Finance Management (CEFM) to perform the duties of a Responsible Officer ('RO'). The RO's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. On a quarterly basis, the RO reports to the Governing Body on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities.

During the year four RO reports were produced and no details of any material control issues were identified.

### Review of effectiveness

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

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

# HINCHINGBROOKE SCHOOL

## GOVERNANCE STATEMENT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2017**

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The accounting officer has been advised of the implications of the result of their review of the system of internal control by the finance committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Governing Body on 30 November 2017 and signed on its behalf by:



Mrs M Chisholm

Chair



Mr A Goulding

# HINCHINGBROOKE SCHOOL

## STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2017

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As accounting officer of Hinchingsbrooke School I have considered my responsibility to notify the academy trust board of trustees 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 academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2016.

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



Mr A Goulding  
Accounting Officer

30/11/2017

# HINCHINGBROOKE SCHOOL

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

**FOR THE YEAR ENDED 31 AUGUST 2017**

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The trustees (who also act as governors for Hinchingsbrooke School and are also the directors of Hinchingsbrooke School for the purposes of company law) are responsible for preparing the Trustees' Report and the accounts in accordance with the Annual Accounts Direction 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 trustees to prepare accounts for each financial year. Under company law the trustees must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period.

In preparing these accounts, the trustees 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 judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the board of trustees on 30/11/2017 and signed on its behalf by:



Mrs M Chisholm

# **HINCHINGBROOKE SCHOOL**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HINCHINGBROOKE SCHOOL**

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### **Opinion**

We have audited the accounts of Hinchingsbrooke School for the year ended 31 August 2017 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the notes to the accounts, including a summary of significant accounting policies. 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), the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2017 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and the 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 accounts' section of our report. We are independent of the academy trust in accordance with the ethical requirements that are relevant to our audit of the accounts 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 trustees' use of the going concern basis of accounting in the preparation of the accounts is not appropriate; or
- the trustees have not disclosed in the accounts any identified material uncertainties that may cast significant doubt about the academy trust'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 accounts are authorised for issue.

### **Other information**

The other information comprises the information included in the annual report, other than the accounts and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the accounts 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 accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts 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 accounts 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.



# HINCHINGBROOKE SCHOOL

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HINCHINGBROOKE SCHOOL (CONTINUED)

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

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

- the information given in the Trustees' Report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the Trustees' Report including the incorporated strategic report have 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 academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report, including the incorporated strategic report.

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 accounts are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### Responsibilities of trustees

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

In preparing the accounts, the trustees are responsible for assessing the academy trust'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 trustees either intend to liquidate the charitable company, or have no realistic alternative but to do so.

# HINCHINGBROOKE SCHOOL

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HINCHINGBROOKE SCHOOL (CONTINUED)

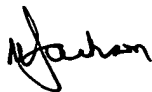
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### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the accounts 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 accounts.

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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



**Mr Mark Jackson FCA DChA (Senior Statutory Auditor)**  
for and on behalf of Rawlinsons Chartered Accountants

**30.11.2017**

**Chartered Accountants**  
**Statutory Auditor**

Ruthlyn House  
90 Lincoln Road  
Peterborough  
Cambridgeshire  
PE1 2SP

# **HINCHINGBROOKE SCHOOL**

## **INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO HINCHINGBROOKE SCHOOL AND THE EDUCATION AND SKILLS FUNDING AGENCY**

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In accordance with the terms of our engagement letter dated 18 September 2017 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 Hinchingsbrooke School during the period 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 Hinchingsbrooke School and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Hinchingsbrooke School and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Hinchingsbrooke School and ESFA, for our work, for this report, or for the conclusion we have formed.

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

The accounting officer is responsible, under the requirements of Hinchingsbrooke School's funding agreement with the Secretary of State for Education dated 1 September 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 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 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.

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

The work undertaken to draw to our conclusion includes:

- a review of the activities of the academy, by reference to sources of income and other information available to us;
- sample testing of expenditure, including payroll;
- a review of minutes of governors' meetings

# HINCHINGBROOKE SCHOOL

## INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO HINCHINGBROOKE SCHOOL AND THE EDUCATION AND SKILLS FUNDING AGENCY (CONTINUED)

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### Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 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.



Mr Mark Jackson FCA DChA  
**Reporting Accountant**  
Rawlinsons Chartered Accountants  
Ruthlyn House  
90 Lincoln Road  
Peterborough  
Cambridgeshire  
PE1 2SP

Dated: 30.11.2017

# HINCHINGBROOKE SCHOOL

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2017

	Notes	Unrestricted Funds £	Restricted funds: General	Fixed asset £	Total 2017 £	Total 2016 £
<b>Income and endowments from:</b>						
Donations and capital grants	2	-	-	274,152	274,152	209,988
Charitable activities:						
- Funding for educational operations	3	580,674	9,465,541	-	10,046,215	10,035,433
- Funding for sports and leisure activities		340,810	-	-	340,810	288,385
Other trading activities	4	583,133	-	-	583,133	372,089
Investments	5	661	-	-	661	14,757
<b>Total income and endowments</b>		<u>1,505,278</u>	<u>9,465,541</u>	<u>274,152</u>	<u>11,244,971</u>	<u>10,920,652</u>
<b>Expenditure on:</b>						
Charitable activities:						
- Educational operations	7	1,004,110	10,173,785	609,966	11,787,861	10,827,241
- Sports and leisure activities		223,810	-	-	223,810	268,771
<b>Total expenditure</b>	6	<u>1,227,920</u>	<u>10,173,785</u>	<u>609,966</u>	<u>12,011,671</u>	<u>11,096,012</u>
<b>Net income/(expenditure)</b>		277,358	(708,244)	(335,814)	(766,700)	(175,360)
Transfers between funds		(158,887)	133,805	25,082	-	-
<b>Other recognised gains and losses</b>						
Actuarial gains/(losses) on defined benefit pension schemes	19	-	2,166,000	-	2,166,000	(1,570,000)
<b>Net movement in funds</b>		<u>118,471</u>	<u>1,591,561</u>	<u>(310,732)</u>	<u>1,399,300</u>	<u>(1,745,360)</u>
<b>Reconciliation of funds</b>						
Total funds brought forward		276,176	(3,272,256)	18,824,126	15,828,046	17,573,406
Total funds carried forward		<u>394,647</u>	<u>(1,680,695)</u>	<u>18,513,394</u>	<u>17,227,346</u>	<u>15,828,046</u>

# HINCHINGBROOKE SCHOOL

## STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2017

Comparative year information Year ended 31 August 2016	Notes	Unrestricted	Restricted funds:		Total
		Funds	General	Fixed asset	2016
		£	£	£	£
<b>Income and endowments from:</b>					
Donations and capital grants	2	-	-	209,988	209,988
Charitable activities:					
- Funding for educational operations	3	427,764	9,607,669	-	10,035,433
- Funding for sports and leisure activities		288,385	-	-	288,385
Other trading activities	4	372,089	-	-	372,089
Investments	5	14,757	-	-	14,757
<b>Total income and endowments</b>		<b>1,102,995</b>	<b>9,607,669</b>	<b>209,988</b>	<b>10,920,652</b>
<b>Expenditure on:</b>					
Charitable activities:					
- Educational operations	7	687,292	9,753,726	386,223	10,827,241
- Sports and leisure activities		268,771	-	-	268,771
<b>Total expenditure</b>	<b>6</b>	<b>956,063</b>	<b>9,753,726</b>	<b>386,223</b>	<b>11,096,012</b>
<b>Net income/(expenditure)</b>		<b>146,932</b>	<b>(146,057)</b>	<b>(176,235)</b>	<b>(175,360)</b>
Transfers between funds		(131,003)	77,649	53,354	-
<b>Other recognised gains and losses</b>					
Actuarial losses on defined benefit pension schemes	19	-	(1,570,000)	-	(1,570,000)
<b>Net movement in funds</b>		<b>15,929</b>	<b>(1,638,408)</b>	<b>(122,881)</b>	<b>(1,745,360)</b>
<b>Reconciliation of funds</b>					
Total funds brought forward		260,247	(1,633,848)	18,947,007	17,573,406
Total funds carried forward		276,176	(3,272,256)	18,824,126	15,828,046


# HINCHINGBROOKE SCHOOL

## BALANCE SHEET

AS AT 31 AUGUST 2017

	Notes	2017 £	£	2016 £	£
<b>Fixed assets</b>					
Tangible assets	12		18,418,953		18,746,733
<b>Current assets</b>					
Debtors	14	308,755		356,954	
Cash at bank and in hand		768,825		705,286	
		<u>1,077,580</u>		<u>1,062,240</u>	
<b>Current liabilities</b>					
Creditors: amounts falling due within one year	15	(637,187)		(551,927)	
<b>Net current assets</b>			<u>440,393</u>		<u>510,313</u>
<b>Net assets excluding pension liability</b>			<u>18,859,346</u>		<u>19,257,046</u>
Defined benefit pension liability	19		(1,632,000)		(3,429,000)
<b>Net assets</b>			<u><u>17,227,346</u></u>		<u><u>15,828,046</u></u>
<b>Funds of the academy trust:</b>					
<b>Restricted funds</b>	17				
- Fixed asset funds			18,513,394		18,824,126
- Restricted income funds			(48,695)		156,744
- Pension reserve			(1,632,000)		(3,429,000)
<b>Total restricted funds</b>			<u>16,832,699</u>		<u>15,551,870</u>
<b>Unrestricted income funds</b>	17		<u>394,647</u>		<u>276,176</u>
<b>Total funds</b>			<u><u>17,227,346</u></u>		<u><u>15,828,046</u></u>

The accounts set out on pages 27 to 51 were approved by the board of trustees and authorised for issue on 30/11/2017 and are signed on its behalf by:



Mrs M Chisholm

Company Number 07732319

# HINCHINGBROOKE SCHOOL

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2017

	Notes	2017 £	£	2016 £	£
<b>Cash flows from operating activities</b>					
Net cash provided by (used in) operating activities	20		(112,510)		49,482
<b>Cash flows from investing activities</b>					
Dividends, interest and rents from investments		661		14,757	
Capital grants from DfE and ESFA		203,050		37,441	
Capital funding from sponsors and others		71,102		172,547	
Payments to acquire tangible fixed assets		(87,557)		(1,813,789)	
			187,256		(1,589,044)
<b>Cash flows from financing activities</b>					
Repayment of other loan		(11,207)		(22,414)	
			(11,207)		(22,414)
<b>Change in cash and cash equivalents in the reporting period</b>					
			63,539		(1,561,976)
Cash and cash equivalents at 1 September 2016			705,286		2,267,262
<b>Cash and cash equivalents at 31 August 2017</b>			<b>768,825</b>		<b>705,286</b>



# HINCHINGBROOKE SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 AUGUST 2017

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#### 1 Accounting policies

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

##### 1.1 Basis of preparation

The accounts of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

##### 1.2 Going concern

The trustees assess whether the use of going concern is appropriate, ie whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company to continue as a going concern. The trustees have made this assessment in respect of a period of at least one year from the date of authorisation for issue of the accounts and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern. In arriving at this conclusion the trustees acknowledge that there is a deficit on their GAG funding, but that forecasts for 2017-18 indicate that this will be corrected within 12 months. Thus they continue to adopt the going concern basis of accounting in preparing the accounts.

##### 1.3 Income

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

###### Grants receivable

Grants are included in the statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of 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.

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

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

###### Sponsorship income

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

# HINCHINGBROOKE SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2017

---

#### 1 Accounting policies

(Continued)

##### Donations

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

##### Other income

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

##### Donated goods, facilities and services

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

##### Donated fixed assets

Donated fixed assets are measured at fair value unless it is impractical to measure this reliably, in which case the cost of the item to the donor is 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.

#### 1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

##### Expenditure on raising funds

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

##### Charitable activities

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

##### Governance costs

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

# HINCHINGBROOKE SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

---

### 1 Accounting policies

(Continued)

#### 1.5 Tangible fixed assets and depreciation

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

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

Furniture and equipment transferred into the academy from the previous local authority school has not been valued and introduced into these accounts.

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

Leasehold property	2% straight-line
Fixtures, fittings & equipment	10 years straight-line
Plant & machinery	3 years straight-line

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

The land and buildings from which the academy operate are leased from the local authority and from The Foundation of Hinchingsbrooke School. A valuation was undertaken on the property by a professional valuer at 31 August 2012, commissioned by the ESFA, using a depreciated replacement cost basis. Depreciation is charged in accordance with the accounting policies set out above.

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.

#### 1.6 Liabilities

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

#### 1.7 Leasing and hire purchase commitments

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

#### 1.8 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.

# HINCHINGBROOKE SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2017

---

#### 1 Accounting policies

(Continued)

##### Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

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.

#### 1.9 Taxation

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

#### 1.10 Pensions benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 19, 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 are recognised in the period to which they relate.

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

#### 1.11 Fund accounting

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

# HINCHINGBROOKE SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

### 1 Accounting policies

(Continued)

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

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

#### 1.12 Critical accounting estimates and areas of judgement

Accounting 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.

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 19, 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.

### 2 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
Capital grants	-	229,152	229,152	37,441
Other donations	-	45,000	45,000	172,547
	-	274,152	274,152	209,988

# HINCHINGBROOKE SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

### 3 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
<b>DfE / ESFA grants</b>				
General annual grant (GAG)	-	8,594,506	8,594,506	8,646,705
Other DfE / ESFA grants	-	253,891	253,891	245,955
	-	8,848,397	8,848,397	8,892,660
<b>Other government grants</b>				
Local authority grants	-	371,569	371,569	380,970
<b>Other funds</b>				
Other incoming resources	580,674	245,575	826,249	761,803
<b>Total funding</b>	580,674	9,465,541	10,046,215	10,035,433

### 4 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
Lettings	7,750	-	7,750	1,354
Catering income	575,383	-	575,383	370,735
	583,133	-	583,133	372,089

### 5 Investment income

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
Interest received	661	-	661	14,757

# HINCHINGBROOKE SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

### 6 Expenditure

	Staff costs £	Premises & equipment £	Other costs £	Total 2017 £	Total 2016 £
Academy's educational operations					
- Direct costs	6,456,240	-	1,010,331	7,466,571	7,387,268
- Allocated support costs	2,001,469	1,342,331	977,490	4,321,290	3,439,973
Sports and leisure activities					
- Direct costs	143,822	-	79,988	223,810	268,771
	<u>8,601,531</u>	<u>1,342,331</u>	<u>2,067,809</u>	<u>12,011,671</u>	<u>11,096,012</u>

Net income/(expenditure) for the year includes:

	2017 £	2016 £
Fees payable to auditor for:		
- Audit	11,750	11,500
- Other services	3,351	1,257
Operating lease rentals	25,514	29,871
Depreciation of tangible fixed assets	415,337	386,223
Net interest on defined benefit pension liability	75,000	66,000

### 7 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
Direct costs - educational operations	423,711	7,042,860	7,466,571	7,387,268
Direct costs - sports and leisure activities	223,810	-	223,810	268,771
Support costs - educational operations	580,399	3,740,891	4,321,290	3,439,973
	<u>1,227,920</u>	<u>10,783,751</u>	<u>12,011,671</u>	<u>11,096,012</u>

# HINCHINGBROOKE SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

### 7 Charitable activities

(Continued)

Analysis of costs	Sports and leisure facilities	Educational operations	Total 2017	Total 2016
	£	£	£	£
<b>Direct costs</b>				
Teaching and educational support staff costs	143,822	6,429,006	6,572,828	6,544,883
Staff development	-	27,234	27,234	38,033
Technology costs	-	21,455	21,455	52,078
Educational supplies and services	-	386,501	386,501	430,862
Examination fees	-	178,265	178,265	191,958
Other direct costs	79,988	424,110	504,098	398,225
	<u>223,810</u>	<u>7,466,571</u>	<u>7,690,381</u>	<u>7,656,039</u>
<b>Support costs</b>				
Support staff costs	-	2,001,469	2,001,469	1,523,254
Depreciation and amortisation	-	415,337	415,337	386,223
Technology costs	-	26,592	26,592	25,699
Recruitment and support	-	69,884	69,884	67,345
Maintenance of premises and equipment	-	379,160	379,160	147,201
Occupancy costs	-	547,834	547,834	602,440
Catering	-	596,468	596,468	418,365
Interest and finance costs	-	75,000	75,000	66,000
Other supplies and services	-	194,445	194,445	186,944
Governance costs	-	15,101	15,101	16,502
	<u>-</u>	<u>4,321,290</u>	<u>4,321,290</u>	<u>3,439,973</u>

### 8 Governance costs

	Total 2017	Total 2016
	£	£
<b>All from restricted funds:</b>		
<b>Amounts included in support costs</b>		
Legal and professional fees	-	3,745
Auditor's remuneration		
- Audit of financial statements	11,750	11,500
- Other audit costs	3,351	1,257
	<u>15,101</u>	<u>16,502</u>



# HINCHINGBROOKE SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

### 9 Staff costs

	2017 £	2016 £
Wages and salaries	6,265,768	5,975,437
Social security costs	607,698	504,269
Operating costs of defined benefit pension schemes	1,360,455	1,107,476
Staff costs	8,233,921	7,587,182
Supply staff costs	191,371	401,098
Staff restructuring costs	149,005	11,800
Staff development and other staff costs	27,234	106,090
Total staff expenditure	8,601,531	8,106,170

### Staff numbers

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

	2017 Number	2016 Number
Teachers	120	117
Administration and support	88	83
Management	10	10
	218	210

### Higher paid staff

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

	2017 Number	2016 Number
£60,001 - £70,000	1	2
£70,001 - £80,000	2	3
£80,001 - £90,000	1	-
£110,001 - £120,000	1	1

### Non statutory/non-contractual staff severance payments

Included within staff restructuring costs are non-statutory/non-contractual severance payments totalling £72,900 (2016 : £11,800). Payments of £25,000, £19,000, £3,000, £13,500 and £12,400 were made during the year.

### Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management 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 £799,683 (2016 : £811,103).

# HINCHINGBROOKE SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

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### 10 Trustees' remuneration and expenses

One or more trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment, and not in respect of their services as trustees. Other trustees did not receive any payments, other than expenses, from the academy trust in respect of their role as trustees.

The value of trustees' remuneration and other benefits during the period they were a trustee was as follows:

Mr A Goulding (principal and governor):

Remuneration £115,000 - £120,000 (2016: £110,000 - £115,000)

Employer's pension contributions £15,000 - £20,000 (2016: £15,000 - £20,000)

Mr J Parker (staff governor):

Remuneration £nil (2016: £20,000 - £25,000)

Employer's pension contributions £nil (2016: £nil)

Ms M Benjafield (staff governor):

Remuneration £0 - £5,000 (2016: £10,000 - £15,000)

Employer's pension contributions £0 - £5,000 (2016: £0 - £5,000)

Mr A Hobley (staff governor):

Remuneration £40,000 - £45,000 (2016: £35,000 - £40,000)

Employer's pension contributions £5,000 - £10,000 (2016: £5,000 - £10,000)

Mr S Fidler (staff governor):

Remuneration £25,000 - £30,000 (2016: £nil)

Employer's pension contributions £5,000 - £10,000 (2016: £nil)

During the year, travel and subsistence payments totalling £nil (2016: £nil) were reimbursed or paid directly to trustees.

Other related party transactions involving the trustees are set out within the related parties note.

### 11 Trustees and officers insurance

In accordance with normal commercial practice, the academy trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2017 is included within insurance costs.

# HINCHINGBROOKE SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

### 12 Tangible fixed assets

	Leasehold property	Fixtures, fittings & equipment	Plant & machinery	Total
	£	£	£	£
<b>Cost</b>				
At 1 September 2016	19,963,386	504,065	43,250	20,510,701
Additions	22,911	35,747	28,899	87,557
At 31 August 2017	19,986,297	539,812	72,149	20,598,258
<b>Depreciation</b>				
At 1 September 2016	1,424,410	300,844	38,714	1,763,968
Charge for the year	336,827	67,989	10,521	415,337
At 31 August 2017	1,761,237	368,833	49,235	2,179,305
<b>Net book value</b>				
At 31 August 2017	18,225,060	170,979	22,914	18,418,953
At 31 August 2016	18,538,976	203,221	4,536	18,746,733

### 13 Financial instruments

	2017 £	2016 £
<b>Carrying amount of financial assets</b>		
Trade debtors	56,141	45,748
VAT recoverable	72,507	67,757
	<b>128,648</b>	<b>113,505</b>
<b>Carrying amount of financial liabilities</b>		
Trade creditors	52,980	78,492
Other taxation and social security	155,357	149,053
Other creditors	130,330	127,989
Accruals	167,099	110,036
	<b>505,766</b>	<b>465,570</b>

### 14 Debtors

	2017 £	2016 £
Trade debtors	56,141	45,748
VAT recoverable	72,507	67,757
Prepayments and accrued income	180,107	243,449
	<b>308,755</b>	<b>356,954</b>

# HINCHINGBROOKE SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2017**

<b>15</b>	<b>Creditors: amounts falling due within one year</b>	<b>2017</b>	<b>2016</b>
		<b>£</b>	<b>£</b>
	Other loans	-	11,207
	Trade creditors	52,980	78,492
	Other taxation and social security	155,357	149,053
	Other creditors	130,330	127,989
	Accruals and deferred income	298,520	185,186
		<u>637,187</u>	<u>551,927</u>
<b>16</b>	<b>Deferred income</b>	<b>2017</b>	<b>2016</b>
		<b>£</b>	<b>£</b>
	Deferred income is included within:		
	Creditors due within one year	<u>131,421</u>	<u>75,150</u>
	Deferred income at 1 September 2016	75,150	80,098
	Released from previous years	(75,150)	(80,098)
	Amounts deferred in the year	<u>131,421</u>	<u>75,150</u>
	<b>Deferred income at 31 August 2017</b>	<u><b>131,421</b></u>	<u><b>75,150</b></u>

Deferred income relates to amounts received in advance for the 2017/18 school year for school trips and funding.

# HINCHINGBROOKE SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

### 17 Funds

	Balance at 1 September 2016 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2017 £
<b>Restricted general funds</b>					
General Annual Grant	(80,676)	8,594,506	(8,727,538)	133,805	(79,903)
Other DfE / ESFA grants	-	253,891	(253,891)	-	-
Other government grants	-	371,569	(371,569)	-	-
Other restricted funds	237,420	245,575	(451,787)	-	31,208
	<u>156,744</u>	<u>9,465,541</u>	<u>(9,804,785)</u>	<u>133,805</u>	<u>(48,695)</u>
Funds excluding pensions	(3,429,000)	-	(369,000)	2,166,000	(1,632,000)
	<u>(3,272,256)</u>	<u>9,465,541</u>	<u>(10,173,785)</u>	<u>2,299,805</u>	<u>(1,680,695)</u>
<b>Restricted fixed asset funds</b>					
DfE / ESFA capital grants	75,869	203,050	(165,227)	(34,018)	79,674
Capital expenditure from GAG	18,746,732	-	(415,337)	87,557	18,418,952
Other Government capital grants	-	26,102	-	(26,102)	-
Foundation capital grants	1,525	45,000	(29,402)	(2,355)	14,768
	<u>18,824,126</u>	<u>274,152</u>	<u>(609,966)</u>	<u>25,082</u>	<u>18,513,394</u>
<b>Total restricted funds</b>	<u>15,551,870</u>	<u>9,739,693</u>	<u>(10,783,751)</u>	<u>2,324,887</u>	<u>16,832,699</u>
<b>Unrestricted funds</b>					
General funds	64,175	1,164,468	(1,004,110)	(91,387)	133,146
Sports and leisure activities	212,001	340,810	(223,810)	(67,500)	261,501
	<u>276,176</u>	<u>1,505,278</u>	<u>(1,227,920)</u>	<u>(158,887)</u>	<u>394,647</u>
<b>Total funds</b>	<u>15,828,046</u>	<u>11,244,971</u>	<u>(12,011,671)</u>	<u>2,166,000</u>	<u>17,227,346</u>
<b>General unrestricted funds include the following designated funds:</b>					
School fund	64,175	431,460	(423,711)	-	71,924
Balance of general funds	-	733,008	(580,399)	(91,387)	61,222
	<u>64,175</u>	<u>1,164,468</u>	<u>(1,004,110)</u>	<u>(91,387)</u>	<u>133,146</u>

# HINCHINGBROOKE SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2017

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#### 17 Funds

(Continued)

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

The restricted grant income in the year all relates to the provision of education for the pupils of the academy.

GAG funding has been in line with GAG expenditure this year, though a transfer of £91,387 has been made from unrestricted funds of the academy to reduce the deficit brought forward from prior years. £25,082 of GAG funding was used to acquire tangible fixed assets in the year and this is shown as a transfer.

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2017.

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

The fixed asset fund represents the net book value of fixed assets purchased. Additions of £87,557 have been made in the year, £25,082 from revenue funds and the balance from various capital funds. These are shown as transfers between the relevant funds.

The Foundation capital grant includes a grant for the car park. This grant has been recognised in full in the year, on the basis that, although it was termed an advance, the governors believe that it will be recovered by a reduction in future grants, and not repayable.

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

The school fund balances are designated by the governors for use in a variety of different areas.

The Hinchingsbrooke Leisure astro turf fund represents a fund for the replacement of the astro turf. This was a requirement under the original grant funding of the astro turf in 2007, which included a 21 year clawback clause in the event that this fund was not set up. The governors have also set aside a sum for repairs to the swimming pool which they anticipate will be required in the near future.

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.

# HINCHINGBROOKE SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

### 17 Funds

(Continued)

#### Movements in funds - previous year

	Balance at 1 September 2015 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2016 £
<b>Restricted general funds</b>					
General Annual Grant	(222,589)	8,646,705	(8,582,441)	77,649	(80,676)
Other DfE / ESFA grants	-	245,955	(245,955)	-	-
Other government grants	-	380,970	(380,970)	-	-
Other restricted funds	278,741	334,039	(375,360)	-	237,420
	<u>56,152</u>	<u>9,607,669</u>	<u>(9,584,726)</u>	<u>77,649</u>	<u>156,744</u>
Funds excluding pensions					
Pension reserve	(1,690,000)	-	(169,000)	(1,570,000)	(3,429,000)
	<u>(1,633,848)</u>	<u>9,607,669</u>	<u>(9,753,726)</u>	<u>(1,492,351)</u>	<u>(3,272,256)</u>
<b>Restricted fixed asset funds</b>					
DfE / ESFA capital grants	1,604,712	37,441	(263)	(1,566,021)	75,869
Capital expenditure from GAG	17,318,903	-	(385,960)	1,813,789	18,746,732
Foundation capital grants	23,392	172,547	-	(194,414)	1,525
	<u>18,947,007</u>	<u>209,988</u>	<u>(386,223)</u>	<u>53,354</u>	<u>18,824,126</u>
<b>Total restricted funds</b>	<u>17,313,159</u>	<u>9,817,657</u>	<u>(10,139,949)</u>	<u>(1,438,997)</u>	<u>15,551,870</u>
<b>Unrestricted funds</b>					
General funds	56,132	814,610	(687,292)	(119,275)	64,175
Sports and leisure activities	204,115	288,385	(268,771)	(11,728)	212,001
	<u>260,247</u>	<u>1,102,995</u>	<u>(956,063)</u>	<u>(131,003)</u>	<u>276,176</u>
<b>Total funds</b>	<u>17,573,406</u>	<u>10,920,652</u>	<u>(11,096,012)</u>	<u>(1,570,000)</u>	<u>15,828,046</u>

# HINCHINGBROOKE SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2017

#### 18 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total 2017 £
<b>Fund balances at 31 August 2017 are represented by:</b>				
Tangible fixed assets	-	-	18,418,953	18,418,953
Current assets	480,569	502,570	94,441	1,077,580
Creditors falling due within one year	(85,922)	(551,265)	-	(637,187)
Defined benefit pension liability	-	(1,632,000)	-	(1,632,000)
	<u>394,647</u>	<u>(1,680,695)</u>	<u>18,513,394</u>	<u>17,227,346</u>
<b>Fund balances at 31 August 2016 are represented by:</b>				
Tangible fixed assets	-	-	18,746,733	18,746,733
Current assets	461,362	523,485	77,393	1,062,240
Creditors falling due within one year	(185,186)	(366,741)	-	(551,927)
Defined benefit pension liability	-	(3,429,000)	-	(3,429,000)
	<u>276,176</u>	<u>(3,272,256)</u>	<u>18,824,126</u>	<u>15,828,046</u>

#### 19 Pensions and similar obligations

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and that of the LGPS related to the period ended 31 March 2016.

Contributions amounting to £130,268 (2016: £127,981) were payable to the schemes at 31 August 2017 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.



# HINCHINGBROOKE SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2017

#### 19 Pensions and similar obligations

(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 2014 the valuation and subsequent consultation were:

- employer contribution rates set at 16.48% of pensionable pay, including a 0.08% employer administration charge (currently 14.1%)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS 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 pension costs paid to the TPS in the period amounted to £720,331 (2016: £671,167).

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

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

##### Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 21% for employers and 5.5 to 12.5% for employees. The estimated value of employer contributions for the forthcoming year is £319,000.

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.

Total contributions made	2017 £	2016 £
Employer's contributions	347,000	330,000
Employees' contributions	98,000	92,000
Total contributions	445,000	422,000

# HINCHINGBROOKE SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

### 19 Pensions and similar obligations

(Continued)

Principal actuarial assumptions	2017 %	2016 %
Rate of increases in salaries	2.7	4.1
Rate of increase for pensions in payment	2.4	2.1
Discount rate	2.5	2.1

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

	2017 Years	2016 Years
Retiring today		
- Males	22.4	22.5
- Females	24.4	24.5
Retiring in 20 years		
- Males	24.0	24.4
- Females	26.3	26.9

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

	2017 £	2016 £
0.5% decrease in Real Discount Rate	967,000	1,213,000
0.5% increase in the Salary Increase Rate	149,000	491,000
0.5% increase in the Pension Increase Rate	803,000	676,000

### The academy trust's share of the assets in the scheme

	2017 Fair value £	2016 Fair value £
Equities	4,391,000	3,863,000
Bonds	741,000	773,000
Cash	171,000	154,000
Property	399,000	361,000
Total market value of assets	5,702,000	5,151,000
Actual return on scheme assets - gain/(loss)	145,000	809,000

# HINCHINGBROOKE SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

### 19 Pensions and similar obligations

(Continued)

Amounts recognised in the statement of financial activities	2017 £	2016 £
Current service cost	641,000	433,000
Interest income	(112,000)	(157,000)
Interest cost	187,000	223,000
Total operating charge	716,000	499,000
Changes in the present value of defined benefit obligations	2017 £	2016 £
Obligations at 1 September 2016	8,580,000	5,628,000
Current service cost	641,000	433,000
Interest cost	187,000	223,000
Employee contributions	98,000	92,000
Actuarial (gain)/loss	(2,133,000)	2,222,000
Benefits paid	(39,000)	(18,000)
At 31 August 2017	7,334,000	8,580,000
Changes in the fair value of the academy trust's share of scheme assets	2017 £	2016 £
Assets at 1 September 2016	5,151,000	3,938,000
Interest income	112,000	157,000
Actuarial gain	33,000	652,000
Employer contributions	347,000	330,000
Employee contributions	98,000	92,000
Benefits paid	(39,000)	(18,000)
At 31 August 2017	5,702,000	5,151,000

# HINCHINGBROOKE SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2017

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

	2017 £	2016 £
Net expenditure for the reporting period	(766,700)	(175,360)
Adjusted for:		
Capital grants from DfE/ESFA and other capital income	(274,152)	(209,988)
Investment income receivable	(661)	(14,757)
Defined benefit pension costs less contributions payable	294,000	103,000
Defined benefit pension net finance cost	75,000	66,000
Depreciation of tangible fixed assets	415,337	385,959
Decrease/(increase) in debtors	48,199	(66,378)
Increase/(decrease) in creditors	96,467	(38,994)
<b>Net cash used in operating activities</b>	<b>(112,510)</b>	<b>49,482</b>

#### 21 Commitments under operating leases

At 31 August 2017 the total future minimum lease payments under non-cancellable operating leases were as follows:

	2017 £	2016 £
Amounts due within one year	28,741	25,514
Amounts due in two and five years	96,322	18,513
	<u>125,063</u>	<u>44,027</u>

#### 22 Related party transactions

Owing to the nature of the academy trust's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the academy trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy trust's financial regulations and normal procurement procedures. The following related party transaction took place in the period of account.

During the year the school received £110,686 (2016: £72,150) from The Hinchingsbrooke Foundation. There are trustees in common to both organisations. The school also occupies property owned by The Hinchingsbrooke Foundation on a rent free basis.

Mr B Curtis, a governor of the academy, is a non-executive director of Education Personnel Management Limited. During the year £26,018 (2016 : £26,466) was paid to Education Personnel Management Limited though the contract was in place prior to Mr B Curtis becoming a governor.

Some of the governors have children who are pupils at the academy, consequently there will be transactions between those governors and the academy in respect of their children's education. These are on the same basis as other pupils at the academy.

# HINCHINGBROOKE SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

*FOR THE YEAR ENDED 31 AUGUST 2017*

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### **23 Members' liability**

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

No individual has a controlling interest in the charitable company.