



Altwood

Church of England School

ALTWOOD CHURCH OF ENGLAND SCHOOL
(A Company Limited by Guarantee)

GOVERNORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

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ALTWOOD CHURCH OF ENGLAND SCHOOL

(A Company Limited by Guarantee)

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ALTWOOD CHURCH OF ENGLAND SCHOOL
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REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2016

Members

S Baker	(Chair to 17 September 2015, resigned 17 September 2015)
J McLucas	(Chair from 17 September 2015)
D Barrett	(Vice Chair) (resigned 21 April 2016)
R Broad	(Community)
Diocesan Board of Education	
R Miles	(Vice Chair from 16 June 2016)

Trustees / Governors

*Members of the Finance Committee

S Baker*	(Chair to 17 September 2015, resigned 17 September 2015)
D Barrett*	(Vice Chair resigned 21 April 2016)
H Broad	(nee Barnes appointed 19 November 2015)
M Carey-Elms	
B Corcoran*	
N Dimbleby*	(Headteacher and Accounting Officer)
D Howes*	
J Harris	
G Hurst	
J McLucas*	(Chair from 17 September 2015)
R Miles	
E Sawbridge*	

Company Secretary

P Milligan

Senior Management Team

N Dimbleby	(Headteacher)
L Brittain	(Deputy Headteacher)
J Masson	(Assistant Head)
S McCallion	(Assistant Head)
E Turner	(Assistant Head resigned 31 August 2016)
S Witney	(Head of Special Educational Needs and Disability Co-ordinator)

Company Name

Altwood Church of England School

Principal and registered office

Altwood Church of England School, Altwood Road, Maidenhead, Berkshire, SL6 4PU

Company registered number

08107655 (England & Wales)

Independent Auditors

MHA MacIntyre Hudson, Abbey Place, 24 - 28 Easton Street, High Wycombe, Buckinghamshire, HP11 1NT

ALTWOOD CHURCH OF ENGLAND SCHOOL
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REFERENCE AND ADMINISTRATIVE DETAILS (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

Bankers

Lloyds TSB Bank Plc, 45 High Street, Maidenhead, Berkshire, SL6 1JS

Solicitors

Veale Wasbrough Vizards, Orchard Court, Orchard Lane, Bristol, BS1 5WS

ALTWOOD CHURCH OF ENGLAND SCHOOL
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2016

The Governors present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2016. The annual report serves the purposes of both a governors' report and a directors' report under company law.

The trust operates an Academy for pupils aged 11 to 18 located in Maidenhead, Berkshire. It has a student capacity of 900 and had a roll of 784 in the school census on October 2014 and 690 on October 2015 represented by:

Year Group	Total Students 2015/16	Total Students 2014/15
7	107	109
8	97	117
9	113	132
10	125	145
11	136	145
12	57	61
13	55	75
Total	690	784

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

Altwood Church of England School is a company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust.

The Governors of Altwood Church of England School are also the Directors of the charitable company for the purposes of company law, and Trustees for purposes of the Charities Act. For the purpose of this report the term "Governor" is used for all 3 roles as set out in the Academies Financial Handbook (September 2015). The Charitable Company is known as Altwood Church of England School.

Details of the members and Governors who served throughout the year, except as noted, are included in the Reference and Administrative Details on pages 1-2.

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 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' Indemnities

Governors benefit from indemnity insurance to cover the liability of the Governors which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust.

The Academy has entered into the EFA's Risk Protection Arrangement which reimburses the Academy in the event of a loss under the RPA membership rules including employer's liability, public liability and professional indemnity risks.

Method of Recruitment and Appointment or Election of Trustees

The membership of the Governing Body is set out in the Articles of Association. There are a maximum of 17 governors, made up of different categories of Governors with different routes to appointment or election. The table below sets out the number of Governors in each category and how they are appointed or elected.

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

Method of Recruitment and Appointment or Election of Trustees (continued)

Up to 5 Community Governors	These Governors are appointed by the members of the company.
Up to 4 Foundation Governors	These Governors are appointed by Oxford Diocesan Board of Education.
Up to 2 Staff Governors	These Governors are elected by the staff working at the school. At the time of this report there are two vacancies.
3 Parent Governors	These Governors are elected by other parents with children at the school, and can only be considered if they have a child at the school. At the time of this report there are three vacancies.
Headteacher	Ex-officio. The post carries automatic membership of the Governing Body
Up to 2 co-opted Governors	These Governors are appointed by the Governing Body. At the time of this report there is one vacancy.

Whilst it is anticipated that the majority of Governors will be recruited from the local community and from parents both present and past, where specific skills are required the net may be cast more widely. The term of office for any Governor is four years excepting the Headteacher and any Staff Governors if they cease to be employed by the school. Governors may be replaced as and when they reach the end of their term of office. Subject to remaining eligible to be a particular type of Governor, Governors are often re-appointed or re-elected. Staff Governors and Parent Governors are elected. Parent Governors who cease to have a child at the school may remain in office to the end of their term of office but may not then seek re-election.

The Governors carry out a regular audit of the skills that should be available to the Governing Body. Where there are any deficiencies, new Governors will be sought with these skills, either as additional Governors or replacements when existing Governors stand down. Not all the posts in each category will be filled where sufficient skills are considered to be available.

Policies and Procedures Adopted for the Induction and Training of Trustees

The training and induction provided for new Governors will depend on their existing experience. All new Governors are provided with copies of previous minutes, teaching staff list, the school plan, key policies, the Governor Handbook and other documents they will need to undertake their role as Governors. The company subscribes to the Local Authority's Training Programme for School Governors and this includes an extensive induction programme for new Governors. All new Governors of this school are strongly encouraged to take a full part in the programme. A programme of Continuing Professional Development is arranged for the Governors by the Clerk and Governors attend relevant Inset day training at the school. The school subscribes to the Governor Training Programme provided by the Diocese of Oxford Board of Education. The Governing Body also subscribe to the National Governors Association.

Organisational Structure

The Governors are responsible for setting and monitoring the overall strategic direction of the academy trust, for the appointment of the Head, setting general policy, adopting an annual improvement plan and budget, and monitoring financial performance against budget. They make major decisions about the direction of the school, capital expenditure and participate in senior staff appointments. The Governors are also responsible for approving the Finance Manual.

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

Organisational Structure (continued)

The Headteacher, who is also the Accounting Officer, has overall executive responsibility for the school's activities including financial activities and the appointment of all other staff. Much of the responsibility for financial activities has been delegated to the Business Manager who also acts as Company Secretary.

The Senior Leadership Team comprises the Headteacher, the Deputy Head, the Business Manager and Assistant Heads and a Head of Special Educational Needs and Disability Co-ordination. The Senior Leadership Team controls the school at an executive level implementing the policies approved by the Governors and reporting back to them. The Senior Leadership Team meets regularly and is collectively responsible for the day to day operation of the school, in particular organising the teaching staff, facilities and students.

The Governing Body met ten times through the year. All decisions reserved to the Governors are taken by the Governing Body as a whole. The Finance and Sites committee oversee all matters regarding Finance including the budget and oversee decisions made about the school site. By focussing in detail on these areas they are then able to make recommendations to the rest of the Governing Body.

Arrangements for setting pay and remuneration of key management personnel

The Altwood Church of England School Teaching Staff Pay Policy and School Support Staff Pay and Benefits Policy set out the policy for setting pay and remuneration of the Academy's staff including the senior leadership team. The Governor's Performance and Pay Panel oversees the headteachers performance and pay. The panel also reviews the recommendations from the annual performance review of all teachers and gives approval where appropriate.

Altwood Church of England School follows the national teacher and support staff pay increases.

No Governors are paid for their work as governors, there is a clear policy and procedure for governor expense claims (note 11).

Related parties and other connected charities and organisations.

Altwood Church of England School does not currently maintain business relationships with any connected parties or have representation on any other bodies. Although it does not have a controlling interest or ownership interest, Altwood School had strong links with the Friends of Altwood School. This group have, with great regret, had to end their fundraising efforts as a result of the demands on their time. Further details of this relationship is given in note 23.

OBJECTIVES AND ACTIVITIES

Objects and Aims

The vision for Altwood Church of England School is to offer an outstanding education for our students and prepare them for successful, independent lives in the 21st century. The mission of Altwood Church of England School is:

- To be a high achieving academic community,
- To identify and develop the full potential of every member of our community and give them the skills and qualifications they need to achieve their ambition,
- Do this within the context of the culture and values of the Christian faith emphasising the strong moral and spiritual values shared with other faiths.

The overall objective of Altwood Church of England School is to advance, for the public benefit, education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, managing and developing a school offering a broad and balanced curriculum against a backdrop of Christian beliefs and values. The charitable objectives for which the Academy Trust was established are as follows:

Outstanding teaching and learning: Ensuring that the aims of our mission statement are carried out through the delivery of the highest standards of teaching and learning with the embodiment of our Christian ethos, including for those students of all faiths and of no faith.

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

Objects and Aims (continued)

Care for the individual: Each of our students is important; we aim to ensure that each works to the best of their ability, that provision is made for all and that targets are set for each student which follow our motto 'Aspire and Achieve', in doing so each receives the support to which they are entitled.

A fit place to learn: The school premises, facilities and grounds are constantly being appraised and upgraded in order to provide a safe, inspirational environment, conducive to learning and personal development.

Inspirational leadership: The Headteacher and Senior Leadership Team, with the support of the Governing Body, regularly review their areas of responsibility and continue to aspire to inspire our students through our own enthusiasm.

Objectives, Strategies and Activities

The main objectives for the year are detailed in the Improvement Plan which is approved by the Governing Body at the beginning of the school year and then monitored through the year to ensure progress. The objectives are as follows:

1. Ensure students in all year groups, in a broad range of subjects, including English and Maths, achieve consistently good or better progress.
2. Establish a culture where students are positively and fully engaged in their learning and make positive contributions to the life of the school community.
3. To improve the quality and consistency of teaching over time in most subjects, including English and maths so it is at least good and leads to good progress.
4. Ensure provision and outcomes in the sixth form are good or better.
5. Develop and embed rigorous and robust accountability systems.

Public Benefit

The Governors have complied with their duty to have due regard to the guidance on Public Benefit published by the Charity Commission in exercising their powers and duties. The activities undertaken to further the Academy Trust's purpose for the Public Benefit include:

- **Benefits & Beneficiaries**
In accordance with its charitable objectives, the Academy Trust strives to advance the free education of the pupils attending the school. The Academy Trust's primary beneficiaries are therefore the pupils, and benefits to pupils are provided through continuing to maintain a high standard of education throughout the school.
- **Governors' Assessment of Public Benefit**
In order to determine whether or not the charitable company has fulfilled its charitable objectives for public benefit, the Governors gather evidence of the success of Altwood Church of England School's activities.

STRATEGIC REPORT

Achievements and Performance

Our Sixth Form students achieved some very impressive results. 30.1% of all grades awarded were at A* or A. Nearly half (48%) were A*-B and almost three quarters (70.7%) of all entries were between A*-C. All of the students wishing to go to University have gained a place, and the vast majority of students (97%) were successful in gaining a place at their University of choice.

The Year 11 cohort registered a record year for the school. Their GCSE performance of 63.1% 5 grades at A*-C surpassed the school's previous achievements. There were many individuals who made considerable progress and many subjects who delivered fantastic outcomes for our young people.

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

Key Financial Performance Indicators

The following key performance indicators are measured against budget and analysed by the Governors:

	Year ended 31 August 2016	Year ended 31 August 2015
Staffing costs as % of GAG income	90.79%	89.00%
Income per pupil – GAG only	£5,791	£5,223
Staff costs as % of total costs exc RFAF	80.18%	79.16%
Total cost per pupil	£6,558	£5,947
Staff cost per pupil	£5,258	£4,648
Capital expenditure per pupil	£746	£1,123

The movements in these indicators need to be interpreted in the context of the falling school role as set out on page 3.

There are other key performance indicators which are reported on and monitored by Governors:

- Exam results
- Student attendance
- Student numbers
- Staff turnover

Going Concern

After making appropriate enquiries, the Governing Body has a reasonable expectation that Altwood Church of England School has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements.

FINANCIAL REVIEW

The results for the year ended 31 August 2016 show a loss of £16,286, which includes a £85,000 FRS102 pension cost adjustment, before an actuarial loss of £663,000. Governors, through the Finance and Sites Committee, regularly monitor actual income and expenditure against budget and review any variances. Staffing costs represent the most significant area of expenditure, representing 91% of total spend.

The principal source of funding is from the Education Funding Agency (EFA)/Department of Education (DfE) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the EFA/DfE during the year ended 31 August 2016 and the associated expenditure are shown as restricted funds in the statement of financial activities. During the year ended 31 August 2016, total expenditure of £4,328,320 was not covered in full by recurrent grant funding from the EFA/DfE together with other incoming resources, due to the FRS102 pension adjustment of £85,000. The deficit of income over expenditure for the period (excluding restricted fixed asset, unrestricted and before transfers between funds) was £65,022.

The Academy receives grants for investment in fixed assets from EFA and the DfE. In the year to 31 August 2016 the school was awarded a capital grant of £132,607 for Fire, Lighting and Ceiling replacement systems. The school was also awarded £314,000 from the Royal Borough of Windsor & Maidenhead for classroom remodelling and access improvements. In order to ensure best value the school continued to review all contracts and were able to make savings on these.

The Governing Body has adopted the Finance Regulations Manual and associated policies including Risk Management, Anti-Fraud and Corruption, Whistleblowing and Staff Expense Claims.

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

Reserves Policy

The Governors, through the Finance and Sites Committee, review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. In reviewing the level of reserves the Governors have particular regard to the likely levels of future income to be received from the EFA/DfE. The level of reserves will be kept under review by the Governors and they will carry forward when practicable a prudent level of resources designed to meet longer term needs of renewal and any other unforeseen contingencies.

The Governors set budgets and reserve levels based on a 3 year medium term plan that aims to ensure that the Academy can continue to provide excellent education across the period by maintaining sufficient liquid reserves to provide a buffer to enable the Academy to effectively manage reductions in spending across the period if funding is cut, in order to minimise the future impact of these reductions on the education of the students.

At 31 August 2016 the total funds comprised:

Unrestricted		£823,379
Restricted:	Fixed asset funds	£15,463,572
	General Annual Grant (GAG)	£38,029
	Pension reserve	£(1,654,000)
	Other	£95,222
		<u>£14,766,202</u>

Of this, £14 million of reserves arises from the valuation of the schools land and buildings which is unlikely to be realised in the foreseeable future. The pension deficit which has been deducted from the reserves relates to the non-teaching staff pension scheme where, unlike the teachers scheme, separate assets are held to fund future liabilities as discussed in note 21. The deficit can be met in the longer term from any combination of increased employer or employee contributions, increased government funding or changes to scheme benefits. Capital Reserves include £36,452 which is restricted to future capital projects. GAG carried forward is £38,029.

Therefore freely available unrestricted reserves are £823,379. This is money that can be spent on anything which furthers the objectives of the school and has been generated through inherited cash on conversion, lettings income and voluntary donations made by parents to support school life.

The total of £861,408 (surplus GAG and unrestricted reserves) is therefore available to fund future educational needs.

Current uncommitted liquid reserve levels represent only 8 weeks of school expenditure. As such they provide limited reassurance that the school is well positioned to meet material unexpected events. The Governors do not expect that funding levels in the medium term will be sufficient to generate any material level of operating surplus, with which to augment reserves. The Governors will evaluate other possible sources of funding for the Academy and strengthening the position.

There is no committed expenditure.

Investment Policy

The Governors investment powers are set down in the Memorandum and Articles of Association which permit the investment of monies of the school that are not immediately required for its purposes in such investments as may be thought fit subject to any restrictions which may from time to time be imposed or required by law.

The School's current policy is to invest surplus funds in interest bearing accounts with banks approved by the Finance and Sites Committee. Periodically, the management will review interest rates and compare with other investment opportunities.

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

Principal Risks and Uncertainties

The Governors have identified the following major risks to the achievement of its objectives identified by Risk Category;

Reputational

- Poor educational outcomes - mitigated by a focus on monitoring pupil progress and teaching quality.
- Failure to safeguard its pupils – mitigated by ensuring the schools policies are regularly updated, widely understood and fully implemented.
- Poor Discipline and inappropriate pupil behaviour – mitigated by the schools culture, rules and processes.

The Governors see a direct link between the Academy's reputation in its local area and its ability to attract new students in year 7 or sixth form and consequentially on its income and funding.

Performance

- Competition arising from new schools or changed educational provision in Maidenhead – mitigated by participation in relevant consultations and debate.

Financial

- A falling role – mitigated by marketing, building strong relations with the local primary sector and enhancing sixth form retention rates.
- Reduction in central government funding per pupil – mitigated by securing alternative sources of revenue.
- Unfunded increases in teaching or other staff costs – mitigated by flexible resourcing and restructuring
- Major Capital repairs – mitigated where possible by appropriate planning and insurance.
- Pensions – mitigated through the guarantee of central government to honour payments

Personnel

- Shortages of appropriately skilled teaching staff in key subjects – mitigated where possible by flexible resourcing.
- Inadequate teaching standards – mitigated by extensive professional development & monitoring.
- Hiring inappropriate staff – mitigated by safer recruitment policies.

The Governing Body regularly reviews the risks the Academy is subject to and available mitigating strategies. The Governing Body recognizes that risk is part of the environment in which it operates, its aim is to avoid running unacceptable levels of avoidable risks taking account both of their probability of arising and their impact.

PLANS FOR FUTURE PERIODS

The future development of Altwood Church of England School is detailed in the Improvement Plan which was approved by the Governing Body in July 2016. This builds on the 2015-16 Improvement Plan its aims for 2016-17 academic year are:

- Focus the school on meeting the needs of its community to fashion a sustainable future for the school.
- Ensure students in all year groups, in a broad range of subjects, including English and Maths, make or exceed their expected progress.
- To improve the quality and consistency of teaching over time in most subjects, including English and Maths so it is at least good and leads to good progress
- Establish a culture where students are positively and fully engaged in their learning and make positive contributions to the school community
- Ensure provision and outcomes in the sixth form are good or better

These clear objectives have specific and measurable success criteria set out. These are scrutinised and re-evaluated by the Governing Body on a regular basis. The aim is to follow as far as possible the criteria for development in the Ofsted model under 1) Overall effectiveness 2) Effectiveness of leadership and management 3) Quality of teaching, learning and assessment 4) Personal development, behaviour and welfare 5) Outcomes for children and learners and 6) The effectiveness of sixth form provision.

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

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The school does not hold cash or assets as a custodian for any third party.

AUDITOR

In so far as the Governors are aware:

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

MHA MacIntyre Hudson are deemed to be re-appointed under section 487 (2) of the Companies Act 2006.

The Governors' report, incorporating a strategic report, approved by the Governing Body, on 1 December 2016 and signed on their behalf by:

JMcLucas

.....
J McLucas
Chair of the Governing Body

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GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2016

SCOPE OF RESPONSIBILITY

The Governors acknowledge they have overall responsibility for ensuring that Altwood Church of England 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 Headteacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Altwood Church of England School and the Secretary of State for Education. He is also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Governors' Report and in the Statement of Governors' Responsibilities. The Full Governing Body has formally met 10 times during the year. Attendance during the year at meetings of the Full Governing Body was as follows:

Governor	Meetings attended	Out of a possible
N Dimbleby (Headteacher and Accounting Officer)	10	10
J McLucas (Chair from 17 September 2015)	9	10
R Miles (Vice Chair from 16 June 2016)	7	10
D Barrett (Resigned 21 April 2016)	5	6
H Broad (Nee Barnes) (Appointed 19 November 2015)	5	7
M Carey-Elms	6	10
B Corcoran	9	10
J Harris	8	10
D Howes	9	10
G Hurst	6	10
E Sawbridge	10	10

The Governing Body identified skills which were missing and therefore recruited one community and one foundation governor with these skills.

The Full Governing Body has undertaken training in self-evaluation which identified areas where Governors need to be aware of their responsibilities, monitor performance and ensure that plans are in place to maintain and improve standards. In addition, members of the Governing Body have completed an audit of skills which has helped in the recruitment of Governors with skills relevant to the needs identified by the earlier assessment process. Governors work with professional input supplied by the auditors, legal advisors and the schools in house staff talents.

During 2016 the governors conducted an internal review of their impact and effectiveness, utilising several nationally recognised tools to audit skills etc. The outcome of this review is that for 2016-17 the Governing Body meetings will change providing two specialist sub-committees: 1. Education 2. Finance and Sites. Each of these sub-committees will meet 4 times a year. There will also be 4 Full Governing Body meetings. Specialist governors e.g. Safeguarding will continue. The Governing Board's next self evaluation is planned for May 2017.

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GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

GOVERNANCE (continued)

In 2015-16 The Finance and Sites Committee is the sub-committee of the main board of governors. Its purpose is:

- To annually review the school asset management plan and strategic plans for site development and capital projects. To advise on and monitor building and site management, maintenance, repair and refurbishment to ensure the school environment is safe and conducive to quality learning and the effective delivery of the curriculum.
- To contribute to the formulation of the Academy's development plan, through the consideration of financial priorities and proposals, in consultation with the Headteacher, to ensure the stated and agreed aims and objectives of the Academy.
- To monitor and review expenditure on a regular basis and ensure compliance with the overall financial plan for the Academy, and with the financial regulations of the EFA, drawing any matters of concern to the attention of the Governing Body.
- To monitor and review procedures for ensuring the effective implementation and operation of financial procedures, on a regular basis, including the implementation of bank account arrangements and, where appropriate to make recommendations for improvement.

Attendance at meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
N Dimbleby (Headteacher and Accounting Officer)	5	5
E Sawbridge (Chair of Finance and Sites committee)	5	5
D Barrett (resigned 21 April 2016)	3	3
B Corcoran	4	5
D Howes	2	5
J McLucas	4	5

REVIEW OF VALUE FOR MONEY

As Accounting Officer the Headteacher has responsibility for ensuring that the Academy Trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received. The Accounting Officer considers how the trust's use of its resources has provided good value for money during the academic year, and reports to the Governing Body where value for money can be improved, including the use of benchmarking data where available. The Accounting Officer for Altwood Church of England School has delivered improved value for money during the year by:

Improving educational results:

The curriculum offers different pathways for different abilities to allow for extra support: - for example through the school's achievement programme.

Targeted improvement:

Additional staffing in Maths to target students on a one to one basis as well as in small groups.
Use of learning support advisors in Maths and English. They enhance learning in and out of the classroom working with targeted students on specific areas of weakness or areas in need of improvement.
Easter Booster sessions for exam groups during the Easter holiday often for targeted students.

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GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

REVIEW OF VALUE FOR MONEY (continued)

Focus on individual pupils:

Learning advisors track and support underachieving individuals in specific year groups. Collapsing timetable for specific subject days in year 11 and cross curricular activities.

Quantifying improvements:

The trust has a wealth of in depth data covering attendance, behaviour and attainment over time. The school uses SISRA and data is available to evidence the effectiveness of the trusts reward strategies, such as pupil's educational attainment, behaviour and attendance records over time.

Financial Governance and Oversight:

The trust has a comprehensive financial handbook providing all staff with details of the Trusts policy and procedures. There are detailed policies covering every aspect of the trusts financial management including policies on credit cards, governor and staff expense as well as a whistleblowing policy.

The Finance and Sites committee have appointed a responsible officer to conduct twice yearly internal audits and they have also employed an external auditor to provide independent oversight and verification of the trusts accounts. The trust's governing body both directly and via the finance committee provide rigorous challenge to the annual school budget including staff costs and structure.

Better Purchasing:

The trust uses the opportunities provided by the Crescent consortium and other consortium when making purchasing decisions for a variety of goods and services and this helps control costs. The Academy continues to work closely with other local academies to explore opportunities for joint tenders.

Fitness for Purpose:

Services and contracts are regularly reviewed and all major contracts and capital works follow a formal tender process. Refurbishment work was tendered in May 2016.

Benchmarking:

The School regularly reviewed expenditure against other Local Authority and National schools of a similar size using the data available from the Academies Financial Benchmarking website.

Options Appraisal:

The school looks at various options when considering purchases including leasing. To date however we have found that outright purchase meets the needs of the school. All major capital projects are awarded following a rigorous tender process.

Better Income Generation:

The school lets its facilities to local groups and organisations to both generate income and support the local community.

Reviewing Controls and Managing Risks:

The schools business manager produces monthly management accounts showing actual expenditure against budget and provides forecast for the year ahead.

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GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control identifies and prioritises the risks to the achievement of the schools policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Altwood Church of England School for the period 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees,

CAPACITY TO HANDLE RISK

The Governing Body has reviewed the key risks to which the school is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Governing Body is of the view that there is a continuing process for identifying, evaluating and planning for the Academy Trust's significant risks that has been in place for the period 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements.

THE RISK AND CONTROL FRAMEWORK

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Governing Body;
- regular reviews by the Finance and Sites Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- clearly defined purchasing 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, and MHA MacIntyre Hudson Chartered Accountants and Statutory Auditor (MHAM) in its role as RO, which it provides separately from its role as auditor, has agreed to provide advice on financial matters and to perform a range of checks on the Academy Trust's financial systems. Twice yearly, the RO reports to the board of governors, through the Finance and Sites Committee on the operation of the systems of control and on the discharge of the board of governors financial responsibilities.

ALTWOOD CHURCH OF ENGLAND SCHOOL
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

REVIEW OF EFFECTIVENESS

As Accounting Officer the Headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the period ended 31 August 2016 the review has been informed by:

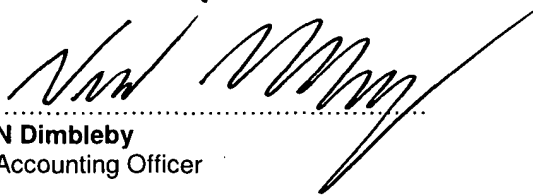
- the work of the Responsible Officer
- the work of the external auditor;
- the financial management process;
- the work of the Senior Leadership team within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the Governing Body on 1 December 2016 and signed on its behalf by:



.....
J McLucas
Chair of Governors



.....
N Dimbleby
Accounting Officer

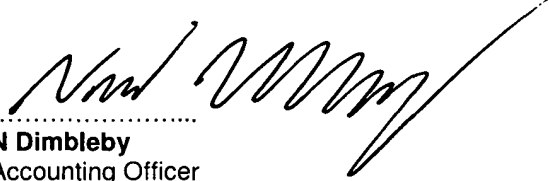
ALTWOOD CHURCH OF ENGLAND SCHOOL
(A Company Limited by Guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE
FOR THE YEAR ENDED 31 AUGUST 2016

As Accounting Officer of Altwood Church of England School I have considered my responsibility to notify the Governing Body and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

I confirm that I and the Academy Trust's Governing Body 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.

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 governors and EFA.



.....
N Dimbleby
Accounting Officer

1 December 2016

ALTWOOD CHURCH OF ENGLAND SCHOOL
(A Company Limited by Guarantee)

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

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

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


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

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

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

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

Approved by order of the members of the board of Governors on 1 December 2016 and signed on its behalf by:


.....
J McLucas
Chair of Governors

ALTWOOD CHURCH OF ENGLAND SCHOOL
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
ALTWOOD CHURCH OF ENGLAND SCHOOL**

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

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

RESPECTIVE RESPONSIBILITIES OF GOVERNORS AND AUDITORS

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

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

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

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

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

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

ALTWOOD CHURCH OF ENGLAND SCHOOL
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
ALTWOOD CHURCH OF ENGLAND SCHOOL**

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

B. Silva

BIANCA SILVA BA ACA DChA (Senior Statutory Auditor)

for and on behalf of

MHA MacIntyre Hudson

Chartered Accountants
Statutory Auditors

Abbey Place
24-28 Easton Street
High Wycombe
Buckinghamshire
HP11 1NT

Date: *12 December 2016*

ALTWOOD CHURCH OF ENGLAND SCHOOL
(A Company Limited by Guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ALTWOOD CHURCH OF ENGLAND SCHOOL AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 10 July 2015 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Altwood Church of England School during the year 1 September 2015 to 31 August 2016 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

RESPECTIVE RESPONSIBILITIES OF ALTWOOD CHURCH OF ENGLAND SCHOOL'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The accounting officer is responsible, under the requirements of Altwood Church of England School's funding agreement with the Secretary of State for Education dated 20 October 2011, and the Academies Financial Handbook extant from 1 September 2015, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

APPROACH

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

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

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

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

ALTWOOD CHURCH OF ENGLAND SCHOOL
(A Company Limited by Guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ALTWOOD CHURCH OF ENGLAND SCHOOL AND THE EDUCATION FUNDING AGENCY (continued)

The work undertaken to draw to our conclusion includes:

- reviewing the minutes of the meetings of the Governing Body and other evidence made available to us, relevant to our consideration of regularity;
- a review of the objectives and activities of the Academy, with reference to the income streams and other information available to us as auditors of the Academy;
- testing of a sample of payroll payments to staff;
- testing of a sample of payments to suppliers and other third parties;
- testing of a sample of grants received and other income streams;
- evaluating the internal control procedures and reporting lines, and testing as appropriate; and
- making appropriate enquiries of the Accounting Officer.

CONCLUSION

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

MHA MacIntyre Hudson

Reporting Accountant

MHA MacIntyre Hudson

Chartered Accountants

Abbey Place
24-28 Easton Street
High Wycombe
Buckinghamshire
HP11 1NT

Date: *12 December 2016*

ALTWOOD CHURCH OF ENGLAND SCHOOL
(A Company Limited by Guarantee)

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

	Note	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
INCOME FROM:						
Donations and capital grants	2	9,776	2,568	480,066	492,410	173,734
Charitable activities	5	217,820	4,259,370	-	4,477,190	4,661,272
Other trading activities	3	71,253	-	-	71,253	72,361
Investments	4	3,759	1,360	-	5,119	3,702
TOTAL INCOME		302,608	4,263,298	480,066	5,045,972	4,911,069
EXPENDITURE ON:						
Charitable activities		196,279	4,328,320	537,659	5,062,258	5,155,685
TOTAL EXPENDITURE	6	196,279	4,328,320	537,659	5,062,258	5,155,685
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS						
Transfers between Funds	17	106,329 (39,419)	(65,022) (12,971)	(57,593) 52,390	(16,286) -	(244,616) -
NET INCOME / (EXPENDITURE) BEFORE OTHER GAINS AND LOSSES						
		66,910	(77,993)	(5,203)	(16,286)	(244,616)
Actuarial gains/(losses) on defined benefit pension schemes	21	-	(663,000)	-	(663,000)	28,000
NET MOVEMENT IN FUNDS		66,910	(740,993)	(5,203)	(679,286)	(216,616)
RECONCILIATION OF FUNDS:						
Total funds brought forward		756,469	(779,756)	15,468,775	15,445,488	15,662,104
TOTAL FUNDS CARRIED FORWARD		823,379	(1,520,749)	15,463,572	14,766,202	15,445,488

The notes on pages 25 to 47 form part of these financial statements.

ALTWOOD CHURCH OF ENGLAND SCHOOL
(A Company Limited by Guarantee)
REGISTERED NUMBER: 08107655

BALANCE SHEET
AS AT 31 AUGUST 2016

	Note	£	2016 £	£	2015 £
FIXED ASSETS					
Tangible assets	14		15,427,120		15,450,228
CURRENT ASSETS					
Debtors	15	200,535		76,470	
Cash at bank and in hand		1,314,486		1,215,110	
		<u>1,515,021</u>		<u>1,291,580</u>	
CREDITORS: amounts falling due within one year	16	(521,939)		(390,320)	
NET CURRENT ASSETS			<u>993,082</u>		<u>901,260</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>16,420,202</u>		<u>16,351,488</u>
Defined benefit pension scheme liability	21		(1,654,000)		(906,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u>14,766,202</u>		<u>15,445,488</u>
FUNDS OF THE ACADEMY					
Restricted funds:					
Restricted funds	17	133,251		126,244	
Restricted fixed asset funds	17	15,463,572		15,468,775	
Restricted funds excluding pension liability		<u>15,596,823</u>		<u>15,595,019</u>	
Pension reserve	17	(1,654,000)		(906,000)	
Total restricted funds			<u>13,942,823</u>		<u>14,689,019</u>
Unrestricted funds	17		<u>823,379</u>		<u>756,469</u>
TOTAL FUNDS			<u>14,766,202</u>		<u>15,445,488</u>

The financial statements were approved by the Governors, and authorised for issue, on 1 December 2016 and are signed on their behalf, by:



J McLucas
 Chair of Governors

The notes on pages 25 to 47 form part of these financial statements.

ALTWOOD CHURCH OF ENGLAND SCHOOL
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2016

	Note	2016 £	2015 £
Cash flows from operating activities			
Net cash provided by operating activities	19	37,291	250,905
Cash flows from investing activities:			
Investment income		5,250	2,712
Purchase of tangible fixed assets		(360,794)	(979,323)
Capital grants from DfE/EFA		414,129	586,292
Capital funding received from sponsors and others		3,500	5,000
Net cash provided by/(used in) investing activities		62,085	(385,319)
Change in cash and cash equivalents in the year		99,376	(134,414)
Cash and cash equivalents brought forward		1,215,110	1,349,524
Cash and cash equivalents carried forward	20	1,314,486	1,215,110

ALTWOOD CHURCH OF ENGLAND SCHOOL
(A Company Limited by Guarantee)

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

1. ACCOUNTING POLICIES

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

1.1 Basis of preparation of financial statements

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

Altwood Church of England School meets the definition of a public benefit entity as defined by FRS 102.

First time adoption of FRS 102

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

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

Reconciliations to previous UK GAAP for the comparative figures are included in note 25.

1.2 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 Governors.

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

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

Investment income, gains and losses are allocated to the appropriate fund.

ALTWOOD CHURCH OF ENGLAND SCHOOL
(A Company Limited by Guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.3 Income

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

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

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

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'.

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

Donations are recognised on a receivable basis where there are no performance related conditions and there is probability of receipt and the amount can be reliably measured.

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

ALTWOOD CHURCH OF ENGLAND SCHOOL
(A Company Limited by Guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.4 Expenditure

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

Termination benefits are recognised when employment is terminated by the Academy before normal retirement dates or whenever the employee accepts voluntary redundancy in exchange for termination benefits.

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Going concern

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

ALTWOOD CHURCH OF ENGLAND SCHOOL
(A Company Limited by Guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.6 Tangible fixed assets and depreciation

All assets costing £3,000 or more are capitalised at cost 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. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities Incorporating Income and Expenditure Account and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities Incorporating Income and Expenditure Account.

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 Incorporating Income and Expenditure Account.

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

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

Freehold property	-	19 to 50 years
Long leasehold property	-	over the life of the lease
Motor vehicles	-	5 years
Fixtures and fittings	-	3-10 years
Computer equipment	-	3 years

1.7 Operating leases

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

1.8 Interest receivable

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

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.

ALTWOOD CHURCH OF ENGLAND SCHOOL
(A Company Limited by Guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.10 Debtors

Trade and other debtors are recognised at the settlement amount. Prepayments are valued at the amount prepaid.

1.11 Cash at bank and in hand

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

1.12 Liabilities

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.

1.13 Provisions

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

1.14 Financial instruments

The Academy Trust only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

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

1. ACCOUNTING POLICIES (continued)

1.15 Pensions

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 21, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

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

1. ACCOUNTING POLICIES (continued)

1.16 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions:

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

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

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Capital Grants	-	-	464,511	464,511	158,058
Donated assets	-	-	12,055	12,055	-
Donations	9,776	2,568	3,500	15,844	15,676
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total donations and capital grants	9,776	2,568	480,066	492,410	173,734
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

In 2015, of the total income from donations and capital grants, £8,176 was to unrestricted funds and £2,500 was to restricted funds and £163,058 was to restricted fixed asset funds.

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3. OTHER TRADING ACTIVITIES

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Sundry lettings and hire of facilities	57,593	-	57,593	60,266
Rental income	13,660	-	13,660	12,062
Catering income	-	-	-	33
	<u>71,253</u>	<u>-</u>	<u>71,253</u>	<u>72,361</u>

In 2015, of the total income from other trading activities, £72,361 was to unrestricted funds and £ NIL was to restricted funds and £ NIL was to restricted fixed asset funds.

4. INVESTMENT INCOME

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Bank interest receivable	3,759	1,360	5,119	3,702

In 2015, of the total investment income, £2,658 was to unrestricted funds and £1,044 was to restricted funds and £ NIL was to restricted fixed asset funds.

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

5. FUNDING FOR ACADEMY TRUST'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
DfE/EFA grants				
General Annual Grant (GAG)	-	4,024,753	4,024,753	4,113,044
Pupil premium	-	124,885	124,885	137,723
Other EFA/DfE grants	-	12,750	12,750	10,000
	-	4,162,388	4,162,388	4,260,767
Other government grants				
Other local authority grants	-	96,982	96,982	113,142
	-	96,982	96,982	113,142
Other funding				
Trip income	46,950	-	46,950	106,049
Other income	170,870	-	170,870	181,314
	217,820	-	217,820	287,363
	217,820	4,259,370	4,477,190	4,661,272

In 2015, of the total income from educational operations, £287,363 was to unrestricted funds, £4,373,889 was to restricted funds and £ NIL was to restricted fixed asset funds.

6. EXPENDITURE

	Staff costs 2016 £	Premises 2016 £	Other costs 2016 £	Total 2016 £	Total 2015 £
Academy's educational operations:					
Direct costs	3,208,046	-	424,542	3,632,588	3,755,412
Support costs	419,683	750,472	259,515	1,429,670	1,400,273
	3,627,729	750,472	684,057	5,062,258	5,155,685

In 2016, of the total expenditure, £196,279 (2015 - £248,733) was to unrestricted funds, £4,328,320 (2015 - £4,426,666) was to restricted funds and £537,659 (2015 - £480,286) was to restricted fixed asset funds.

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

7. CHARITABLE ACTIVITIES

	Total funds 2016 £	Total funds 2015 £
DIRECT COSTS - EDUCATIONAL OPERATIONS		
Teaching and educational support staff costs	3,208,046	3,245,094
Pension finance cost	15,484	19,430
Educational supplies	85,826	101,476
Examination fees	73,756	83,212
Staff development	10,357	10,122
Educational consultancy	29,626	29,383
Other direct costs	163,355	167,343
School trips expenditure	46,138	99,352
	<u>3,632,588</u>	<u>3,755,412</u>
SUPPORT COSTS - EDUCATIONAL OPERATIONS		
Support staff costs	419,683	399,205
Depreciation	537,659	480,286
Pension finance cost	18,516	13,570
Technology costs	50,657	55,902
Recruitment and support	20,402	37,801
Maintenance of premises and equipment	76,334	85,504
Cleaning	103,688	111,166
Rent and rates	26,050	24,034
Energy costs	50,057	53,437
Insurance	27,805	42,301
Security and transport	4,277	5,607
Catering	4,530	2,941
Other support costs	72,570	72,033
Governance costs	17,442	16,486
	<u>1,429,670</u>	<u>1,400,273</u>
	<u><u>5,062,258</u></u>	<u><u>5,155,685</u></u>

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

8. EXPENDITURE - ANALYSIS OF SPECIFIC EXPENSES

Included within expenditure are the following transactions:

	Total	Individual items above £5,000	
	£	Amount	Reason
		£	
Gifts made by the trust	126	-	
Unrecoverable debts	327	-	

9. NET INCOMING RESOURCES/(RESOURCES EXPENDED)

This is stated after charging:

	2016	2015
	£	£
Depreciation of tangible fixed assets:		
- owned by the charity	537,659	480,286
Auditors' remuneration - audit	9,250	9,250
Auditors' remuneration - other services	4,560	3,805
Operating lease rentals	6,576	759

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

10. STAFF COSTS

Staff costs were as follows:

	2016 £	2015 £
Wages and salaries	2,457,801	2,832,810
Social security costs	199,780	211,342
Operating costs of defined benefit pension schemes	411,230	456,420
	<u>3,068,811</u>	<u>3,500,572</u>
Supply teacher costs	506,768	143,727
Staff restructuring costs	52,150	-
	<u><u>3,627,729</u></u>	<u><u>3,644,299</u></u>

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

	2016 No.	2015 No.
Teaching	40	51
Administration and support	61	68
Management	9	7
	<u>110</u>	<u>126</u>

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

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

The employees participated in the Teachers' Pension Scheme. During the period ended 31 August 2016 pension contributions for these staff amounted to £23,733 (2015: £28,856).

The key management personnel of the Academy Trust comprise the Governors 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 £484,229 (2015: £426,171).

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NOTES TO THE FINANCIAL STATEMENTS
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11. GOVERNORS' REMUNERATION AND EXPENSES

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

		2016 £	2015 £
N Dimbleby (Headteacher)	Remuneration	75,000-80,000	75,000-80,000
	Pension contributions paid	10,000-15,000	10,000-15,000

Remuneration disclosures for staff Governors who resigned before 1 September 2015 have not been disclosed in these financial statements.

During the year ended 31 August 2016, expenses related to travel and subsistence for non-Governor activities totalling £920 (2015: £327) was reimbursed to 1 Governor (2015: 2 Governors).

12. GOVERNORS' AND OFFICERS' INSURANCE

The Academy Trust entered into the Department for Education's Risk Protection Arrangement in September 2015. This protects Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 for each and every loss and in the aggregate per Academy whose Academy Trust is a member. The cost for the year ended 31 August 2016 is not separately identifiable.

Prior to September 2015, and in accordance with normal commercial practice, the Academy purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the period ended 31 August 2015 was £728. The cost of this insurance is included in the total insurance cost.

13. PENSION FINANCE COST

	2016 £	2015 £
Interest on pension scheme liabilities	(34,000)	(33,000)

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

14. TANGIBLE FIXED ASSETS

	Freehold property £	Long Leasehold Property £	Motor vehicles £	Fixtures and fittings £
Cost				
At 1 September 2015	15,564,645	148,855	13,867	934,623
Additions	-	-	3,500	52,044
At 31 August 2016	15,564,645	148,855	17,367	986,667
Depreciation				
At 1 September 2015	1,206,700	3,771	7,627	68,409
Charge for the year	404,296	1,191	3,648	86,238
At 31 August 2016	1,610,996	4,962	11,275	154,647
Net book value				
At 31 August 2016	13,953,649	143,893	6,092	832,020
At 31 August 2015	14,357,945	145,084	6,240	866,214
		Computer equipment £	Assets under construction £	Total £
Cost				
At 1 September 2015		133,264	-	16,795,254
Additions		12,400	446,607	514,551
At 31 August 2016		145,664	446,607	17,309,805
Depreciation				
At 1 September 2015		58,519	-	1,345,026
Charge for the year		42,286	-	537,659
At 31 August 2016		100,805	-	1,882,685
Net book value				
At 31 August 2016		44,859	446,607	15,427,120
At 31 August 2015		74,745	-	15,450,228

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NOTES TO THE FINANCIAL STATEMENTS
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15. DEBTORS

	2016 £	2015 £
Trade debtors	13,673	3,560
Other debtors	-	3,330
Prepayments and accrued income	127,225	50,261
VAT recoverable	59,637	19,319
	<u>200,535</u>	<u>76,470</u>

16. CREDITORS: Amounts falling due within one year

	2016 £	2015 £
Trade creditors	85,916	80,745
Other taxation and social security	61,651	54,895
Other creditors	1,940	23,703
Accruals and deferred income	372,432	230,977
	<u>521,939</u>	<u>390,320</u>

	2016 £	2015 £
Deferred income		
Deferred income at 1 September 2015	42,332	43,092
Resources deferred during the year	31,150	42,332
Amounts released from previous years	(42,332)	(43,092)
Deferred income at 31 August 2016	<u>31,150</u>	<u>42,332</u>

At the balance sheet date the Academy Trust was holding funds received in advance for school trips booked for the autumn term 2016 and transport from parents for the autumn term.

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17. STATEMENT OF FUNDS

	Brought forward £	Income £	Resources expended £	Transfers in/out £	Gains/ (losses) £	Carried forward £
Unrestricted funds						
General Funds	756,469	302,608	(196,279)	(39,419)	-	823,379
Restricted funds						
General Annual Grant	37,443	4,024,753	(4,011,196)	(12,971)	-	38,029
Other DfE/EFA grants	57,893	137,635	(129,371)	-	-	66,157
Local authority grants	(1,183)	96,982	(100,364)	-	-	(4,565)
Donations	838	2,568	(2,389)	-	-	1,017
Designated fund	31,253	1,360	-	-	-	32,613
Pension reserve	(906,000)	-	(85,000)	-	(663,000)	(1,654,000)
	<u>(779,756)</u>	<u>4,263,298</u>	<u>(4,328,320)</u>	<u>(12,971)</u>	<u>(663,000)</u>	<u>(1,520,749)</u>
Restricted fixed asset funds						
Inherited Fixed Assets	13,978,862	-	(382,360)	-	-	13,596,502
DfE/EFA capital grants	988,395	476,566	(56,938)	-	-	1,408,023
Capital expenditure from GAG	338,249	-	(79,564)	12,971	-	271,656
Capital expenditure from other income	163,269	3,500	(18,797)	39,419	-	187,391
	<u>15,468,775</u>	<u>480,066</u>	<u>(537,659)</u>	<u>52,390</u>	<u>-</u>	<u>15,463,572</u>
Total restricted funds	<u>14,689,019</u>	<u>4,743,364</u>	<u>(4,865,979)</u>	<u>39,419</u>	<u>(663,000)</u>	<u>13,942,823</u>
Total of funds	<u>15,445,488</u>	<u>5,045,972</u>	<u>(5,062,258)</u>	<u>-</u>	<u>(663,000)</u>	<u>14,766,202</u>

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

The inherited fixed assets fund has been set up to recognise the tangible assets gifted to the Academy upon conversion which represent the school site including the freehold land and buildings and capital grants. Depreciation charged on those inherited assets is allocated to the fund.

The capital grants fund has been created to recognise the restricted grant funding received from all sources towards capital expenditure. Transfers are made to the capital grants fixed asset fund for

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

expenditure incurred that is in respect of tangible fixed assets.

The capital expenditure from GAG fixed assets fund has been set up to recognise the tangible assets purchased by the Academy following conversion that have been funded from the General Annual Grant. This fund has been created by a transfer from the General Annual Grant fund of an amount equivalent to the cost of the tangible assets involved.

The General Annual Grant (GAG) represents the core funding for the educational activities of the school that has been provided to the Academy via the Education Funding Authority by the Department for Education. The GAG fund has been set up because the GAG must be used for the normal running costs of the Academy.

The other DfE/EFA restricted fund represents other funding received from the government which does not form part of GAG but is received in relation to specific purposes.

The local authority restricted fund represents other funding received from the local authority in relation to specific purposes such as SEN funding.

Other restricted funds include donations and miscellaneous educational income which must be used for the purposes agreed.

The designated fund represents funds to be used to recarpet the astro-turf pitch in the future.

Transfers between unrestricted funds and restricted fixed asset funds represent capital additions funded by unrestricted reserves.

The pension reserve has been created to separately identify the pension deficit inherited from the local authority upon conversion to Academy status, and through which all the pension scheme movements are recognised.

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

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Tangible fixed assets	-	-	15,427,120	15,427,120	15,450,228
Current assets	854,629	276,052	384,340	1,515,021	1,291,580
Creditors due within one year	(31,250)	(142,801)	(347,888)	(521,939)	(390,320)
Pension scheme liability	-	(1,654,000)	-	(1,654,000)	(906,000)
	<u>823,379</u>	<u>(1,520,749)</u>	<u>15,463,572</u>	<u>14,766,202</u>	<u>15,445,488</u>

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

	2016 £	2015 £
Net expenditure for the year (as per Statement of financial activities)	(16,286)	(244,616)
Adjustment for:		
Depreciation charges	537,659	480,286
Interest received	(5,119)	(3,702)
(Increase)/decrease in debtors	(61,757)	503,831
Decrease in creditors	(22,140)	(7,602)
Capital grants from DfE and other capital income	(480,066)	(591,292)
Pension adjustments	85,000	114,000
Net cash provided by operating activities	37,291	250,905

20. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2016 £	2015 £
Cash in hand	1,314,486	1,215,110
Total	1,314,486	1,215,110

21. PENSION COMMITMENTS

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

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

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

Teachers' Pension Scheme

Introduction

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

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

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21. PENSION COMMITMENTS (continued)

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the period amounted to £264,474 (2015 - £276,350).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2016 was £156,000 (2015 - £134,000), of which employer's contributions totalled £120,000 (2015 - £98,000) and employees' contributions totalled £36,000 (2015 - £36,000). The agreed contribution rates for future years are 16.6% for employers and range between 5.5% and 12.5% for employees.

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

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NOTES TO THE FINANCIAL STATEMENTS
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21. PENSION COMMITMENTS (continued)

Principal actuarial assumptions:

	2016	2015
Discount rate for scheme liabilities	2.20 %	4.00 %
Rate of increase in salaries	4.10 %	4.50 %
Rate of increase for pensions in payment / inflation	2.30 %	2.70 %
Inflation assumption (CPI)	2.30 %	2.70 %
Inflation (RPI)	3.20 %	3.60 %

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

	2016	2015
Retiring today		
Males	22.9	22.8
Females	26.2	26.1
Retiring in 20 years		
Males	25.2	25.1
Females	28.5	28.4

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

	Fair value at 31 August 2016 £	Fair value at 31 August 2015 £
Equities	463,000	323,000
Bonds	130,000	91,000
Property	123,000	97,000
Gilts	15,000	10,000
Cash	40,000	36,000
Alternative assets / other	182,000	160,000
Total market value of assets	953,000	717,000

The actual return on scheme assets was £97,000 (2015 - £15,000).

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21. PENSION COMMITMENTS (continued)

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

	2016 £	2015 £
Current service cost (net of employee contributions)	(165,000)	(179,000)
Net interest cost	(34,000)	(33,000)
Past service cost	(5,000)	-
Administration expenses	(1,000)	-
Total	<u>(205,000)</u>	<u>(212,000)</u>

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

	2016 £	2015 £
Opening defined benefit obligation	1,623,000	1,397,000
Current service cost	165,000	179,000
Interest cost	65,000	58,000
Contributions by employees	36,000	36,000
Actuarial losses/(gains)	729,000	(38,000)
Past service costs	5,000	-
Benefits paid	(16,000)	(9,000)
Closing defined benefit obligation	<u>2,607,000</u>	<u>1,623,000</u>

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

	2016 £	2015 £
Opening fair value of scheme assets	717,000	577,000
Interest income	31,000	25,000
Actuarial gains and (losses)	66,000	(10,000)
Contributions by employer	120,000	98,000
Contributions by employees	36,000	36,000
Benefits paid	(16,000)	(9,000)
Administration expenses	(1,000)	-
Closing fair value of scheme assets	<u>953,000</u>	<u>717,000</u>

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NOTES TO THE FINANCIAL STATEMENTS
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PENSION COMMITMENTS (continued)

The amount shown in the balance sheet is:

	2016 £	2015 £
Present value of defined benefit obligation	(2,607,000)	(1,623,000)
Fair value of scheme assets	953,000	717,000
	<u>(1,654,000)</u>	<u>(906,000)</u>

22. OPERATING LEASE COMMITMENTS

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

	2016 £	2015 £
Amounts payable:		
Within 1 year	6,175	6,710
Between 1 and 5 years	6,175	12,350
Total	<u>12,350</u>	<u>19,060</u>

23. RELATED PARTY TRANSACTIONS

Owing to the nature of the Academy Trust's operations and the composition of the board of Governors being drawn from local public and private sector organisations, transactions may take place with organisations in which the 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 Academy Trust received donations of £2,568 from Friends of Altwood School, which organised events to raise funds for the Academy. It is not controlled by the Academy. No balances were outstanding at the year end.

24. MEMBERS' LIABILITY

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

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25. FIRST TIME ADOPTION OF FRS 102

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

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

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

RECONCILIATION OF TOTAL FUNDS	Notes	1 September 2014	31 August 2015
		£	£
Total funds under previous UK GAAP		15,233,870	15,445,488
Change in recognition of ACMF grant income	A	428,234	-
Total funds reported under FRS 102		<u>15,662,104</u>	<u>15,445,488</u>

Reconciliation of net (expenditure)	Notes	31 August 2015
		£
Net income previously reported under UK GAAP		196,618
Change in recognition of ACMF grant income	A	(428,234)
Change in recognition of LGPS interest cost	B	(13,000)
Net expenditure in funds reported under FRS 102		<u>(244,616)</u>

Explanation of changes to previously reported funds and net income/expenditure:

- A Under previous UK GAAP the trust recognised grant income on a virtually certain basis. Under FRS 102 grant income must be recognised on a probable basis. Consequently £428,234 of ACMF grant income for washroom refurbishment and sports hall roof repairs has been recognised at the transition date of 1 September 2014. The effect of the change has been to increase total funds at 1 September 2014 by £428,234 and reduce net income of £196,618 for the 12 months to 31 August 2015 to net expenditure of £231,616. Total funds at 31 August 2015 remain unaffected by the change.
- B Under previous UK GAAP the trust recognised an expected return on defined benefit plan assets in income/expense. Under FRS 102 a net interest expense, based on the net defined benefit liability, is recognised in income/expense. There has been no change in the defined benefit liability at either 1 September 2014 or 31 August 2015. The effect of the change has been to reduce the credit to expense by £13,000 and increase the debit in other recognised gains and losses in the SoFA by an equivalent amount.



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