

REGISTERED COMPANY NUMBER: 7850551 (England and Wales)

Report of the Governors and
Financial Statements for the Year Ended 31 August 2016
for
Holmer Church Of England Academy

Thorne Widgery Accountancy Ltd
Chartered Accountants
Statutory Auditors
2 Wyevale Business Park
Kings Acre
Hereford
Herefordshire
HR4 7BS

Holmer Church Of England Academy

Contents of the Financial Statements
for the Year Ended 31 August 2016

	Page
Reference and Administrative Details	1 to 2
Report of the Governors	3 to 10
Governance Statement	11 to 14
Statement on Regularity, Propriety and Compliance	15
Statement of Governors Responsibilities	16
Report of the Independent Auditors	17 to 18
Independent Accountant's Report on Regularity	19 to 20
Statement of Financial Activities	21
Balance Sheet	22
Cash Flow Statement	23
Notes to the Cash Flow Statement	24
Notes to the Financial Statements	25 to 40
Detailed Statement of Financial Activities	41 to 42

Holmer Church Of England Academy

Reference and Administrative Details
for the Year Ended 31 August 2016

MEMBERS

A Banks
Rev S Lee
Mrs R J Maund
C Bramble (resigned 22.9.16)
Cllr P A Andrews

GOVERNORS (TRUSTEES)

C Bramble
Cllr P Andrews
Mrs R Vodden

Miss E Stackhouse
Mrs C Hartland
Mrs S Eckley
A Banks
Mrs J Maund
C Pinches
A Wibmer
Mrs M Hillman
Rev S Lee
Mrs J Brandreth
Mr E Williams

Community
Local Authority
Foundation
Non-teaching
staff
Foundation
Parent (resigned December 2015)
Parent
Head Teacher
Parent
Co-opted
Foundation
Ex Officio
Teacher
Parent (appointed March 2016)

MEMBERS OF FINANCE AND GENERAL PURPOSE COMMITTEE

C Bramble
Cllr P Andrews
Mrs J Maund
C Pinches-

Miss E Stackhouse

Community
Local Authority
Head Teacher
Parent
Non-teaching
Staff

SENIOR MANAGEMENT TEAM

Mrs J Maund
Miss A Begley
Mrs Z Jackson
Miss A Keating
Mrs B Deuchar

ACCOUNTING OFFICER

Mrs J Maund

COMPANY NAME

Holmer Church of England Academy

REGISTERED OFFICE

Holmer Church of England Academy
Holmer Road
Hereford
HR4 9RX

REGISTERED COMPANY NUMBER

7850551 (England and Wales)

SENIOR STATUTORY AUDITOR

Mr Kevin Tong FCCA ACA

AUDITORS

Thorne Widgey Accountancy Ltd
Chartered Accountants
Statutory Auditors
2 Wyevale Business Park
Kings Acre
Hereford
Herefordshire
HR4 7BS

SOLICITORS

Lanyon Bowdler
Broadway House
32 - 35 Broad Street
Hereford
HR4 9AR

BANKERS

Lloyds TSB
6 - 8 High Town
Hereford

Report of the Governors
for the Year Ended 31 August 2016

The governors who are also directors of the academy trust for the purposes of the Companies Act 2006, present their report with the financial statements of the academy trust for the year ended 31 August 2016. The governors have adopted the provisions of 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) (effective 1 January 2015) and the Academies Accounts Direction issued by the Education Funding Agency.

OBJECTIVES AND ACTIVITIES

Objectives and aims

Our aim is to help children realise their full potential by providing:

- The highest quality education within the context of Christian belief
- A happy and attractive environment which enables children to make the most of their opportunities and abilities
- A caring and approachable staff and an ethos of concern for others and responsibility for our own actions
- A broad, balanced, challenging and relevant curriculum which caters for the needs of individual children
- Up-to-date learning materials, technology, teaching and learning experiences

We also aim to help our children develop:

- An understanding of the Christian faith and promote Christian values for all pupils
- Courtesy, good manners and consideration towards others
- Relationships based on mutual respect and self-discipline
- Lively minds, knowledge, understanding and a range of practical and mental skills
- A love of books, pride in the quality of their work
- Appreciation and interest in music, art and drama
- Healthy bodies and physical skills in PE, swimming and games
- Respect for the World in which we live and concern for it and its dwindling resources
- Independence and self-reliance

Objectives, Strategies and Activities

Key priorities for the year are contained in our school Improvement Plan which is available from the school office. Other key areas for development include:

- Completion of upgrade to fire protection and alarm system
- Increase capacity of Senior Leadership Team and development of middle leaders
- Completion of roofing repairs

The School Development Plan identifies development under the four Key Judgement Areas of Leadership and Management, Personal Development, Welfare and Behaviour, Quality of Teaching, Learning and Assessment and Outcomes for children and learners. As well as this priorities for development within the Early Years are identified.

Public benefit

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives. All our charitable activities are undertaken to further our charitable purposes for the public benefit.

Report of the Governors
for the Year Ended 31 August 2016

STRATEGIC REPORT

Achievement and performance

Achievements and performance

The Academy is in its fifth year of performance and has continued to increase in size. Over the last three years the Academy has admitted close to a full complement of 60 pupils. As smaller cohorts leave year 6 the size of the academy has increased with 401 pupils on role in September 2016, an increase from 386 in September 2015.

At the end of foundation stage, in 2016 the Academy's attainment resulted in 78% of pupils attaining a good level of development (an increase from 62% in 2015) and above national figures. The Academy tracked the progress pupils made from their point of entry and the progress was good with a higher percentage of children typical plus on exit than on entry.

Areas	Below entry	Below on exit	Typical + on entry	Typical + on exit	Above on entry	Above on exit
Listening	30	7	70	93	21	34
Understanding	31	10	69	90	9	29
Speaking	31	10	69	90	9	28
Moving and handling	38	5	62	95	0	24
Health self-care	29	3	71	97	0	28
Self confidence	24	9	76	91	5	24
Feelings behaviour	29	9	71	91	1	26
Relationships	22	3	78	97	1	24
Reading	48	12	52	88	9	26
Writing	57	21	43	79	5	5
Numbers	41	9	59	91	9	21
Shape, space, measure	36	10	64	90	7	12
People, communities	34	9	66	91	5	21
The world	24	9	76	91	5	22
Technology	21	7	79	93	0	12
Exploring, media, materials	26	1	74	99	5	14
Being imaginative	31	9	69	91	7	15

The three year performance of the percentage of pupils passing the year 1 national phonics test is consistently above national. In 2016, pupils in Year 1 attained well above national expectation. Nine Year 2 pupils retook the screening test with seven out of the nine passing.

	2014		Year 1 2015		2016	
	School	National	School	National	School	National
All pupils	91	74	87	77	92	81
Boys	88	70	94	73	91	77
Girls	94	78	79	81	93	84

	2014		Year 2 Cumulative 2015		2016	
	School	National	School	National	School	National
All pupils	-	-	98	90	97	91
Boys	-	-	100	88	97	89
Girls	-	-	97	92	97	93

In 2016 the New National Curriculum was assessed for the first time at the end of Key Stage 1 and 2. As such, comparisons cannot be made with the previous year's data as the two are not comparable.

Report of the Governors
for the Year Ended 31 August 2016

STRATEGIC REPORT

Achievement and performance

Achievements and performance

National Curriculum Assessments Key Stage 1 - percentages 2016

% of Pupils working towards the standard or above - WTS+

% of pupils working at the standard or above- AT+

% of pupils working at greater depth of study (GDS)

Writing KS1	WTS+	AT+	GDS	Maths KS1	WTS+	AT+	GDS
2016	95	70	8	2016	97	80	18
National 2016		66	13	National 2016		73	18

Reading KS1	WTS+	AT+	GDS
2016	97	83	10
National 2016		73	18

Reading, Writing and Maths combined % attaining the standard or better

R W M KS1	AT
2016	63
National 2016	60

EXS = expected standard

HNM = has not met the expected standard

Science KS1	AT	EXS
2016	5	95
National 2016	18	82

At Key Stage 1 the percentage of pupils working at the standard of above was above national standards in all areas. The percentage of pupils attaining greater depth of study was below national. As a school greater depth of study was interpreted as scoring 115 or higher. There were no national guidelines when the data was submitted. Subsequently a guide of 110 was given for greater depth. Had this figure been used Holmer data would have been above national in all areas for greater depth.

Key Stage 2 National Curriculum Tests

For each child raw scores were converted into scaled scores in a range 80 -120

Scaled score of 100+ = standard met

Scaled score of 110+ = higher standard met

Writing was teacher assessed with higher standard = greater depth

Average Scaled Score	Reading	Writing	GPAS	Maths
2016	105	/	109	108
National 2016	103	/	104	103

Reading	Achieved Standard	Achieved Higher Standard
2016	74	30
National 2016	66	19

Writing	Achieved Standard	Achieved Higher Standard
2016	85	17
National 2016	74	15

GPAS	Achieved Standard	Achieved Higher Standard
2016	93	46
National 2016	72	23

Report of the Governors
for the Year Ended 31 August 2016

STRATEGIC REPORT

Achievement and performance

Achievements and performance

Mathematics	Achieved Standard	Achieved Higher Standard
2016	93	39
National 2016	70	17

Reading, Writing and Mathematics combined

R W M Combined	Achieved Standard	Achieved Higher Standard
2016	72	11
National 2016	53	5

The performance of Holmer pupils is above the national figures in all areas and is likely to be significantly above national in reading, GPAS and mathematics.

Key Stage 2 Progress Scores

Interpreting progress scores

Progress scores will be centred around 0, with most schools within the range of -5 to +5.

A score of 0 means pupils in this school on average do about as well at KS2 as those with similar prior attainment nationally.

A positive score means pupils in this school on average do better at KS2 as those with similar prior attainment nationally.

A negative score means pupils in this school on average do worse at KS2 as those with similar prior attainment nationally.

Progress Measure	Reading	Writing	GPAS	Maths
2016	+2.6	+1.2	/	+4.9

These progress scores place Holmer in the top 5% of schools nationally for progress in mathematics, the top 25% for reading and the top 40% for writing.

To ensure that achievement continues to remain above national averages in the academy and that all pupils make at least expected progress, with a significant amount of pupils making more than expected progress the Academy will:

- Monitor the progress of pupils each term
- Implement intervention and support for pupils who are not making expected progress focusing on identified areas of development within the academy
- Implement intervention and support for pupils who are attaining below age expected outcomes
- Implement intervention and support for pupils who need to be challenged to attain the highest levels
- Monitor the attainment of all pupils
- Monitor the attainment and progress of significant groups of pupils with the academy
- Monitor and support the needs of pupil premium and disadvantaged pupils.

Key financial performance indicators

These are covered throughout the Governors' Report.

STRATEGIC REPORT

Financial review

Principal risks and uncertainties

The Governors consider that the principal risks and uncertainties facing the Academy are:

- Meeting requisite standards of education for students in core subjects
- Complying with legislative requirements regarding employment law, data protection, discrimination, Companies House and HMRC, child protection, the Charity Commission and the National Curriculum.
- Financial risk - not operating within its budget and running a deficit, changes in funding, inappropriate or insufficient financial controls and systems, fraudulent activity and/or financial commitments made without adequate authorisation.
- Operational risks resulting from inexperienced or inappropriate staff being employed and inaccurate, out of date or inappropriate information.

The key controls used by the Academy include:

- Detailed terms of reference for all committees
- Formal agendas for the Academy board and committees
- Schemes of delegation and formal financial regulations
- Formal written policies
- Clear authorisation and approval levels
- Policies and procedures required by law to protect the vulnerable

Investment and reserves policy and objectives

The governors 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. The Academy's current level of reserves (total funds less the amount held in fixed assets and restricted funds) is £50,864 (2015: £33,720), all of which is free reserves. The level of general restricted reserves is £755,982 (2015: £662,454).

Any excess monies are put on short-term deposits to obtain the best returns possible.

Financial review

The majority of the Academy's income is obtained from the DfE in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2016 and the associated expenditure are shown as restricted funds in the statement of financial activities.

The Academy also receives grants for fixed assets from the DfE in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the Charities Statement of Recommended Practice 2015 (SORP 2015), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the useful life of the assets concerned as defined in the Academy's accounting policies.

During the year ended 31 August 2016, total expenditure of £1,209,368 (2015: £1,169,795) was covered by recurrent grant funding from the DfE together with other incoming resources. The total net resources expended before transfers and revaluations for the year was £108,685 (2015: income £108,389).

At 31 August 2016, the net book value of fixed assets was £2,300,379 (2015: £2,333,577) and movements in tangible fixed assets are shown in the notes to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

Going concern

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

Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

STRATEGIC REPORT

Financial review

Financial and risk management objectives and policies

The School has agreed a Risk Management strategy, a Risk register and a risk management plan. These have been discussed by governors and include the financial risks to the school. The register and plan are constantly reviewed in light of any new information and formally reviewed annually.

Future plans

The Academy will continue to improve the performance of its pupils at all levels and will continue to ensure that pupils have the best start to their education.

Increases in population will be up to the size of 420. This will occur within the next 4 years.

Full details of our plans for the immediate development of the school are in the School Improvement Plan.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

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

The Company was incorporated on the 17 November 2011 and converted from a Local Authority School to an Academy Trust on the 1st December 2011.

The governors act as the trustees for the charitable activities of Holmer Church of England Academy and are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Holmer Church of England Academy.

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

Members' liability

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

Governors' Indemnities

Governors benefit from indemnity insurance purchased at the Academy Trust's expense 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, provided that any such insurance shall not extend to any claim arising from any act or omission which the governors knew to be a breach of trust or breach of duty or which was committed by the governors in reckless disregard to whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the governors in their capacity as directors of the Academy Trust.

The liability insurance is provided by Zurich PLC and provides cover up to £1,000,000 (2015: £1,000,000) on any one claim.

Principal activities

This is defined in the Articles of Association.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Method of Recruitment and Appointment or Election of Governors

This is defined in the Articles of Association. The Members may appoint up to 6 Governors.

The Members may appoint Staff Governors through such process as they may determine, provided that the total number of Governors (including the Principal) who are employees of the Academy Trust does not exceed one-third of the total number of Governors.

The LA may appoint the LA Governor.

The Principal shall be treated for all purposes as being an ex officio governor.

Subject to Article 57, the Parent Governors shall be elected by parents of registered pupils at the Academy. A Parent Governor must be a parent of a pupil at the Academy at the time when he is elected.

The Governors may appoint up to 2 Co-opted Governors. A 'Co-opted Governor' means a person who is appointed to be a Governor by being Co-opted by Governors who have not themselves been so appointed. The Governors may not co-opt an employee of the Academy Trust as a Co-opted Governor if thereby the number of Governors who are employees of the Academy Trust would exceed one-third of the total number of Governors (including the Principal).

Organisational structure

The Academy has a leadership structure which consists of the governors and the Senior Leadership Team. The aim of the leadership structure is to devolve responsibility and encourage involvement in decision making at all levels. The Headteacher is the Accounting Officer.

The governors are responsible for setting general policy, adopting an annual plan and budget, approving the statutory accounts, monitoring the Academy by the use of budgets and other data, and making major decisions about the direction of the Academy, capital expenditure and staff appointments.

The Senior Management Team is the Headteacher, deputy Headteacher and three teaching staff. These leaders direct the Academy at an executive level implementing the policies laid down by the governors and reporting back to them.

Policies and Procedures Adopted for the Induction and Training of Governors

The Academy has a Governor Recruitment and Induction policy.

The training and induction provided for new governors includes a tour of the Academy and a chance to meet staff and pupils. The Governor Support Team at the Local Authority provides external training including financial matters. They provide regular updates on practice, legislation and guidance. All governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as governors.

Arrangements of Setting Pay and Remuneration of Key Management Personnel

The Academy follows the Teachers Performance Related Pay Policy adopted by the Academy in February 2015 which sets out the agreed criteria and parameters for Headteachers pay at the Academy and the Deputy Head and Senior Leaders. The policy follows the agreed policy adopted by Herefordshire Local Authority. All teaching staff are paid within the teacher's pay scales as agreed in the policy. Performance related pay targets are set each year and Teachers Pay progression is determined by the outcome of the Performance Management Meetings.

Related Parties and Other Connected Charities and Organisations

For the period September 2015 to August 2016 two related parties were identified within the Academy. One related party is Mr A Wibmer, a Governor of the Academy, who works to supply ICT support to the Academy. Mr Wibmer provided ICT support to the school pre acadamisation and has been in post since acadamisation and well before being appointed to the Governing Body. Mr Wibmer's declaration of interest is declared at every Governing Body Meeting. Mr E Williams', parent Governor, connection is his sibling is a teacher at the Academy. This interest is declared at every Governing Body meeting. There are currently no other related parties or connections with charities and organisations.

Report of the Governors
for the Year Ended 31 August 2016

STRUCTURE, GOVERNANCE AND MANAGEMENT

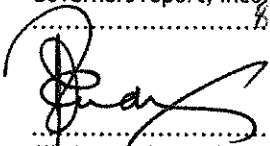
Risk management

The governors have assessed the major risks to which the Academy is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas, and its finances. The governors have implemented a system of assess risks that the school faces, especially in the operational areas (e.g. in relation to teaching, health and safety and school trips) and in relation to the control of finance. They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds) and internal financial controls in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover. The Academy has an effective system of internal financial controls and this is explained in more detail in the Statement of Internal Control.

AUDITORS

The auditors, Thorne Widgery Accountancy Ltd, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Governors report, incorporating a strategic report, was approved by order of the governors, as the company directors, on 21.12.16..... and signed on its behalf by:



.....
Cllr P A Andrews - Governor

Governance Statement
for the Year Ended 31 August 2016

Scope of Responsibility

As governors, we acknowledge we have overall responsibility for ensuring that Holmer Church Of England Academy 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 of loss.

The board of the governors has delegated the day-to-day responsibility to the Principal, 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 Holmer Church Of England Academy and the Secretary of State for Education. They are also responsible for reporting to the board of governors any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Report of the Governors and in the Statement of Governors Responsibilities. The board of governors has formally met 6 times during the year. Attendance during the year at meetings of the board of governors was as follows:

		Meetings Attended	Out of a Possible
Trustee			
Mr C Bramble	Community	2	6
Rev S Lee	Ex Officio	6	6
Mrs M Hillman	Foundation	6	6
Cllr P Andrews	Local Authority	5	6
Mrs R Vodden	Foundation	5	6
Mrs J Brandreth	Teacher	5	6
Miss E Stackhouse	Non-teaching staff	3	6
Mrs C Hartland	Foundation	4	6
Mrs S Eckley	Parent	2	2
Mr A Banks	Parent	3	6
Mrs J Maund	Head Teacher	6	6
Mr A Wibmer	Co-opted	4	6
Mr C Pinches	Parent	5	6
Mr E Williams	Parent	2	3

The Finance and General Purposes Committee is a sub-committee of the main Governing Body. Attendance at meetings in the year was as follows:

		Meetings Attended	Out of a Possible
Trustee			
Mr C Bramble	Chairman	1	3
Miss E Stackhouse	Non-teaching staff	1	3
Cllr P Andrews	Governor	3	3
Mr C Pinches	Parent	3	3
Mrs J Maund	Head Teacher	3	3

The Buildings Committee is a sub-committee of the main Governing Body. Attendance at meetings in the year was as follows:

		Meetings Attended	Out of a Possible
Trustee			
Mr C Bramble	Chairman	1	1
Mr A Banks	Parent	1	1
Cllr P Andrews	Governor	1	1
Rev S Lee	Ex Officio	1	1
Mrs J Maund	Head Teacher	1	1

Governance Statement
for the Year Ended 31 August 2016

Governance Review

The Academy reviews the skills set of the Governors to ensure a board range of knowledge/expertise is represented.

Review of Value for Money

As accounting officer the principal 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 each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where available. The accounting officer for the academy trust has delivered improved value for money during the year by:

Improving educational results

We have ensured that resources are directed towards improving educational opportunities for all our children by:

- Funding support for the provision of daily reading
- Providing the best possible teaching and support staff in all areas
- Targeting support to assist the achievement of all individuals and all groups of pupils
- Tracking and reviewing all pupil progress and ensuring that interventions are smart, effective and resulting in progress.
- Pupil premium spending has resulted in Narrowing the Gap and improved outcomes, this is illustrated by the report on our website
- Collaborating with a soft federation of schools to acquire bespoke cpd for staff
- KS2 attainment was above national in all subjects
- KS2 progress in all subjects was above average and above average for significant groups of pupils
- The progress of pupils in mathematics was in the top 5% of schools nationally
- The average scaled score for pupils in KS2 in reading, in writing & in mathematics was above other pupils nationally
- The proportion of disadvantaged KS2 pupils that achieved age expectation in mathematics was above the national figure for other pupils in mathematics
- The proportion of Year 1 pupils that met the expected standard in phonics was above the national figure
- The proportion of children attaining a good level of development at the end of the EYFS was above national figure.

The effectiveness of these strategies was confirmed by our Raise online data and pupil tracking.

Financial governance and oversight

Our governance and oversight are strong and include regular contact with our accountants and scrutiny of the financial position at 3 meetings of the Finance Committee per year (termly):

- Regular monitoring of accounts takes place by the finance committee
- Spending proposals are costed and compared to ensure best value and then considered by the finance committee
- The budget position is discussed regularly to ensure decisions are made after considering the short and long term view
- Contracts are renegotiated where possible and collaboration with other schools ensure economies of scale and best value.
- Purchasing decisions are always based on requests for discounts and challenging providers to provide a best price.
- Contracts are reviewed and compared with other options before renewal
- School decisions are benchmarked against options available to other schools locally
- Through prudent and cost effective spending the school is in a position to make further spending on buildings improvement
- Some income is acquired by various lettings and holiday clubs.

New initiatives

- Hosting our local ICT curriculum consultant and providing a venue for training will provide increased CPD opportunities for the school
- Offering holiday club facilities through 84% of school holidays will improve our offer to stakeholders
- Increase the capacity of breakfast club so more children can be accommodated

Review of Value for Money

- The school has recognised increasing demand for places and prudently made bids to provide additional accommodation through the CMF and has built two new classrooms and renovated its Victorian buildings as a consequence. Further development has been made increasing learning space through creating a learning library and improving security at main entrance. Additional bids have been secured to update the fire alarm system, replace internal fire doors and repair external roofing.
- Improving the provision of MFL throughout the school to enable all KS2 children to receive quality teaching and learning
- Closer collaboration with the Local Church to provide extracurricular club for younger children

Future objectives

- To increase the capacity within the school of senior leadership team and of middle leaders to enable effective distributed leadership to take place and build internal capacity.
- The school is in a position to use its capital to benefit the pupils and needs to ensure spending meets the needs of current pupils, provides financial security for the future and ensure that levels of staffing can be maintained in the long term.
- Review of Risk Register in the current financial year.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Holmer Church Of England Academy for the period 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The board of governors has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of governors is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the 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 governors.

The Risk and Control Framework

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

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

The Governing Body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the governors have appointed Chris Pinches, a Governor, to carry out a programme of internal checks. The reviewers role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems.

Review of Effectiveness

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

- the work of the reviewer;
- the work of the external auditor;
- the financial management and governance self-assessment process;

Holmer Church Of England Academy

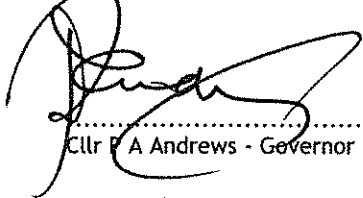
Governance Statement
for the Year Ended 31 August 2016

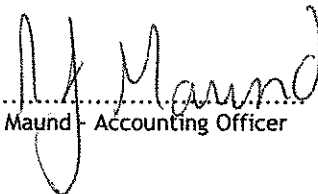
Review of Effectiveness

- the work of the executive managers 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 Finance and General Purposes Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of governors on 8/12/16 and signed on its behalf by:


.....
Cllr P A Andrews - Governor


.....
Mrs R J Maund - Accounting Officer

Holmer Church Of England Academy

Statement on Regularity, Propriety and Compliance
for the Year Ended 31 August 2016

As accounting officer of Holmer Church Of England Academy I have considered my responsibility to notify the academy trust board of governors and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2015.

I confirm that I and the academy trust board of governors are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2015.

I confirm that 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.


.....
Mrs R J Maund - Accounting Officer

Date: 8/12/16

Statement of Governors Responsibilities
for the Year Ended 31 August 2016

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the academy trust will continue in business.

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

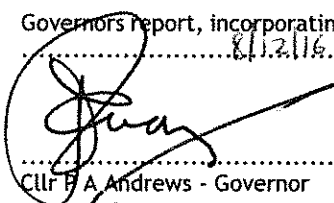
The governors are responsible for ensuring that in its conduct and operation the academy trust applies financial and other controls, which conform to the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the EFA/DfE have been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

In so far as the governors are aware:

- there is no relevant audit information of which the academy trust's auditors are 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 auditors are aware of that information.

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

Governors report, incorporating a strategic report, was approved by order of the governors, as the company directors, on 8/12/16 and signed on its behalf by:


.....
Cllr P. A. Andrews - Governor

Report of the Independent Auditors to the Members of
Holmer Church Of England Academy

We have audited the financial statements of Holmer Church Of England Academy for the year ended 31 August 2016 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Accounts Direction 2015 to 2016 issued by the Education Funding Agency (EFA).

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 the academy trust's members as a body, for our audit work, for this report, or for the opinions 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 charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the 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 Report of the Governors 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 academy trust's affairs as at 31 August 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and Academies Accounts Direction 2015 to 2016.

Opinion on other matter prescribed by the Companies Act 2006

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

Report of the Independent Auditors to the Members of
Holmer Church Of England Academy

Matters on which we are required to report by exception

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

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



Mr Kevin Tong FCCA ACA (Senior Statutory Auditor)
for and on behalf of Thorne Widgery Accountancy Ltd
Chartered Accountants
Statutory Auditors
2 Wyevale Business Park
Kings Acre
Hereford
Herefordshire
HR4 7BS

Date: 8/12/16

Note:

The maintenance and integrity of the Holmer Church Of England Academy website is the responsibility of the trustees; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

Independent Reporting Accountant's Assurance Report on Regularity to
Holmer Church Of England Academy and the Education Funding Agency

In accordance with the terms of our engagement 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 Holmer Church Of England Academy during the period 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 Holmer Church Of England Academy and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Holmer Church Of England Academy 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 Holmer Church Of England Academy and the EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Holmer Church Of England Academy's accounting officer and the reporting accountant

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

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2015 to 2016. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 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.

The work undertaken to draw our conclusions includes:

- detailed testing of a sample of items of income and expenditure to ensure appropriately applied for the purposes intended
- specific testing, on a sample basis, of system controls relevant to the above
- a general review of correspondence with the appropriate authorities regarding Academy governance matters during the year
- a general review and discussion of the Academy's internal procedures for establishing and maintaining systems of control and documentation regarding these matters

This work was integrated with our audit on the financial statements to the extent evidence from the conduct of that audit supports the regularity conclusion.

Without qualifying our opinion, we would like to refer to the related and connected party transactions highlighted in note 20 in the attached accounts.

Independent Reporting Accountant's Assurance Report on Regularity to
Holmer Church Of England Academy and the Education Funding Agency

Conclusion

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



Thorne Widgey Accountancy Ltd
Chartered Accountants
2 Wyevale Business Park
Kings Acre
Hereford
Herefordshire
HR4 7BS

Date: 8/12/16

Holmer Church Of England Academy

Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
for the Year Ended 31 August 2016

	Notes	Unrestricted General fund £	Restricted Fixed Assets £	Restricted General Fund £	31.8.16 Total funds £	31.8.15 Total funds £
INCOME AND ENDOWMENTS FROM						
Donations and capital grants	2	358	101,087	25,882	127,327	39,632
Charitable activities						
Funding for the academy's educational operations	3	-	-	1,422,654	1,422,654	1,451,945
Other trading activities	4	38,014	-	840	38,854	36,622
Investment income	5	596	-	-	596	564
Total		38,968	101,087	1,449,376	1,589,431	1,528,763
EXPENDITURE ON Charitable activities						
Academy's educational operations		21,824	121,444	1,369,848	1,513,116	1,416,374
NET INCOME/(EXPENDITURE)		17,144	(20,357)	79,528	76,315	112,389
Other recognised gains/(losses)						
Actuarial gains/losses on defined benefit schemes		-	-	(185,000)	(185,000)	(4,000)
Net movement in funds		17,144	(20,357)	(105,472)	(108,685)	108,389
RECONCILIATION OF FUNDS						
Total funds brought forward		33,720	2,147,067	482,454	2,663,241	2,554,852
TOTAL FUNDS CARRIED FORWARD		50,864	2,126,710	376,982	2,554,556	2,663,241

The notes form part of these financial statements

Balance Sheet
At 31 August 2016

	Notes	31.8.16 £	31.8.15 £
FIXED ASSETS			
Tangible assets	12	2,300,379	2,333,577
CURRENT ASSETS			
Stocks		-	604
Debtors	13	72,590	73,445
Cash at bank and in hand		<u>715,014</u>	<u>529,202</u>
		787,604	603,251
CREDITORS			
Amounts falling due within one year	14	(154,427)	(93,587)
NET CURRENT ASSETS		<u>633,177</u>	<u>509,664</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		2,933,556	2,843,241
PENSION LIABILITY	18	(379,000)	(180,000)
NET ASSETS		<u>2,554,556</u>	<u>2,663,241</u>
FUNDS	17		
Unrestricted funds:			
Unrestricted General fund		50,864	33,720
Restricted funds:			
General Annual Grant		576,927	488,698
Other Restricted		158,786	152,873
Other DfE/EFA grants		20,269	20,883
Restricted Pension Fund		(379,000)	(180,000)
DfE/YPLA Capital Grants		699,239	702,869
Conversion and Depreciation		<u>1,427,471</u>	<u>1,444,198</u>
		2,503,692	2,629,521
TOTAL FUNDS		<u>2,554,556</u>	<u>2,663,241</u>

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies.

The financial statements were approved and authorised for issue by the Board of Governors on 8/12/16 and were signed on its behalf by:


Cltr P A Andrews -Governor

The notes form part of these financial statements

Holmer Church Of England Academy

Cash Flow Statement
for the Year Ended 31 August 2016

	Notes	31.8.16 £	31.8.15 £
Cash flows from operating activities:			
Cash generated from operations	1	<u>120,021</u>	<u>120,932</u>
Net cash provided by (used in) operating activities		<u>120,021</u>	<u>120,932</u>
 Cash flows from investing activities:			
Purchase of tangible fixed assets		(35,891)	(218,526)
Capital grants from DfE/EFA		101,086	7,926
Interest received		<u>596</u>	<u>564</u>
Net cash provided by (used in) investing activities		<u>65,791</u>	<u>(210,036)</u>
 Change in cash and cash equivalents in the reporting period		<u>185,812</u>	<u>(89,104)</u>
Cash and cash equivalents at the beginning of the reporting period		<u>529,202</u>	<u>618,306</u>
 Cash and cash equivalents at the end of the reporting period		<u>715,014</u>	<u>529,202</u>

The notes form part of these financial statements

Notes to the Cash Flow Statement
for the Year Ended 31 August 2016

1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	31.8.16	31.8.15
	£	£
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	76,315	112,389
Adjustments for:		
Depreciation	69,089	54,783
Capital grants from DfE/EFA	(101,086)	(7,926)
Interest received	(596)	(564)
Decrease/(increase) in stocks	604	(172)
Decrease/(increase) in debtors	855	(19,081)
Increase/(decrease) in creditors	60,840	(31,497)
Difference between pension charge and cash contributions	<u>14,000</u>	<u>13,000</u>
Net cash provided by (used in) operating activities	<u>120,021</u>	<u>120,932</u>

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Academies Accounts Direction 2015 to 2016 issued by the EFA, the Charities Act 2011 and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Holmer Church Of England Academy meets the definition of a public benefit entity under FRS 102.

First time adoption of FRS 102

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

Going concern

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

Income

All income is recognised in the Statement of Financial Activities once the academy trust has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Grants

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

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

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

Sponsorship income

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable (where there are no performance-related conditions), where it is probable that the income will be received and the amount can be measured reliably.

Donations

Donations are recognised on a receivable basis (where there are no performance related conditions), where it is probable that the income will be received and the amount can be measured reliably.

Other income

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

1. ACCOUNTING POLICIES - continued

Donated goods, facilities and services

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

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

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity.

Charitable activities

Costs of charitable activities are 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.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Long leasehold	- 2% on cost
Fixtures and fittings	- 20% on cost
Computer equipment	- 33.3% on cost

Assets acquired at a cost over £1,000 are considered for capitalisation.

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

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

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

Stocks

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

1. ACCOUNTING POLICIES - continued

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.

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 Education funding Agency where the asset acquired or created is held for a specific purpose.

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

Pension costs and other post-retirement benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in the notes to the accounts, the TPS is a multi-employer scheme and the Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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 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 gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest.

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

Notes to the Financial Statements - continued
for the Year Ended 31 August 2016

1. ACCOUNTING POLICIES - continued

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.

Provisions

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

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

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.

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in the notes to the financial statements, 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. DONATIONS AND CAPITAL GRANTS

	Unrestricted funds £	Restricted funds £	31.8.16 Total funds £	31.8.15 Total funds £
Grants	-	101,087	101,087	7,923
School trips etc.	-	21,404	21,404	22,986
Other grants and payments	<u>358</u>	<u>4,481</u>	<u>4,836</u>	<u>8,723</u>
	<u>358</u>	<u>126,972</u>	<u>127,327</u>	<u>39,632</u>

Grants received, included in the above, are as follows:

	31.8.16 £	31.8.15 £
Capital Grant	<u>101,087</u>	<u>7,923</u>
	<u>101,087</u>	<u>7,923</u>

Notes to the Financial Statements - continued
for the Year Ended 31 August 2016

3. FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds £	Restricted funds £	31.8.16 Total funds £	31.8.15 Total funds £
DfE/EFA revenue grant				
General Annual Grant(GAG)	-	1,297,597	1,297,597	1,301,919
Other DfE/EFA Grants	-	110,219	110,219	138,789
	-	1,407,816	1,407,816	1,440,708
Other government grant				
Local Authority Grants	-	14,838	14,838	11,237
	-	1,422,654	1,422,654	1,451,945

4. OTHER TRADING ACTIVITIES

	Unrestricted funds £	Restricted funds £	31.8.16 Total funds £	31.8.15 Total funds £
Room and building hire	8,930	-	8,930	7,210
Catering income	18,427	-	18,427	12,998
Sundry Income	10,657	840	11,497	16,414
	38,014	840	38,854	36,622

5. INVESTMENT INCOME

	Unrestricted funds £	Restricted funds £	31.8.16 Total funds £	31.8.15 Total funds £
Deposit account interest	596	-	596	564

6. EXPENDITURE

	Staff costs £	Non-pay expenditure		31.8.16 Total £	31.8.15 Total £
		Premises £	Other costs £		
Charitable activities					
Academies educational operations					
Direct costs	884,279	15,202	209,606	1,109,087	1,042,932
Allocated support costs	115,498	102,953	185,578	404,029	373,442
	999,777	118,155	395,184	1,513,116	1,416,374

Notes to the Financial Statements - continued
for the Year Ended 31 August 2016

6. EXPENDITURE - continued

Net income/(expenditure) is stated after charging/(crediting):

	31.8.16	31.8.15
	£	£
Auditors' remuneration	6,953	7,013
Depreciation - owned assets	<u>69,089</u>	<u>54,783</u>

7. CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds	Restricted funds	31.8.16 Total funds	31.8.15 Total funds
	£	£	£	£
Direct costs	19,877	1,089,210	1,109,087	1,042,932
Support costs	<u>1,947</u>	<u>402,082</u>	<u>404,029</u>	<u>373,442</u>
	<u>21,824</u>	<u>1,491,292</u>	<u>1,513,116</u>	<u>1,416,374</u>

	31.8.16 Total £	31.8.15 Total £
Analysis of support costs		
Support staff costs	115,498	109,270
Depreciation	53,889	39,581
Premises costs	100,231	48,458
Other support costs	124,736	167,110
Governance costs	<u>9,675</u>	<u>9,023</u>
Total support costs	<u>404,029</u>	<u>373,442</u>

8. GOVERNORS' REMUNERATION AND BENEFITS

One or more governors has been paid remuneration or has received other benefits from an employment with the academy trust.

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

J Brandreth (Staff Governor):

Remuneration	£35,000 - £45,000	(2015: £35,000 - £45,000)
Employers Pension Contribution	£5,000 - £10,000	(2015: £0 - £5,000)

R J Maund (Head Teacher):

Remuneration	£65,000 - £70,000	(2015: £55,000 - £60,000)
Employers Pension Contribution	£10,000 - £15,000	(2015: £5,000 - £10,000)

E Stackhouse (Staff Governor)

Remuneration	£10,000 - £15,000	(2015: £10,000 - £15,000)
Employers Pension Contribution	£0 - £5,000	(2015: £0 - £5,000)

During the year ended 31 August 2016, travel and subsistence expenses totalling £NIL (2015: £NIL) were reimbursed to the governors.

Other related party transactions involving the trustees are set out in the notes to the accounts.

Governors' expenses

There were no governors' expenses paid for the year ended 31 August 2016 nor for the year ended 31 August 2015.

Notes to the Financial Statements - continued
for the Year Ended 31 August 2016

9. STAFF COSTS

	31.8.16	31.8.15
	£	£
Wages and salaries	823,054	829,443
Social security costs	51,305	48,025
Other pension costs	<u>115,139</u>	<u>101,957</u>
	989,498	979,425
Supply teacher costs	<u>10,279</u>	<u>13,480</u>
	<u><u>999,777</u></u>	<u><u>992,905</u></u>

The average number of persons (including senior management team) employed by the academy trust during the year was as follows:

	31.8.16	31.8.15
Teachers	14	15
Administration and support	15	17
Management	<u>1</u>	<u>1</u>
	<u><u>30</u></u>	<u><u>33</u></u>

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

	31.8.16	31.8.15
£60,001 - £70,000	<u>1</u>	<u>-</u>

Key management personnel

The key management personnel of the academy trust comprise 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 £248,000 (2015: £221,000).

10. GOVERNORS' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy has purchased insurance to protect Governors and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £1,000,000 (2015: £1,000,000) on any one claim and the cost for the year ended 31 August 2016 was £410 (2015: £402)

The cost of this insurance is included in the total insurance cost.

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted General fund £	Restricted Fixed Assets £	Restricted General Fund £	Total funds £
INCOME AND ENDOWMENTS FROM				
Donations and capital grants	2,880	7,926	28,826	39,632
Charitable activities				
Funding for the academy's educational operations	-	-	1,451,945	1,451,945
Other trading activities	36,619	-	3	36,622
Investment income	<u>564</u>	<u>-</u>	<u>-</u>	<u>564</u>
Total	40,063	7,926	1,480,774	1,528,763

Notes to the Financial Statements - continued
for the Year Ended 31 August 2016

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted General fund £	Restricted Fixed Assets £	Restricted General Fund £	Total funds £
EXPENDITURE ON				
Charitable activities				
Academy's educational operations	17,563	54,783	1,344,028	1,416,374
NET INCOME/(EXPENDITURE)	22,500	(46,857)	136,746	112,389
Other recognised gains/(losses)				
Actuarial gains/losses on defined benefit schemes	-	-	(4,000)	(4,000)
Net movement in funds	22,500	(46,857)	132,746	108,389
RECONCILIATION OF FUNDS				
Total funds brought forward	11,220	2,193,924	349,708	2,554,852
TOTAL FUNDS CARRIED FORWARD	<u>33,720</u>	<u>2,147,067</u>	<u>482,454</u>	<u>2,663,241</u>

12. TANGIBLE FIXED ASSETS

	Long leasehold £	Improvements to property £	Fixtures and fittings £	Computer equipment £	Totals £
COST					
At 1 September 2015	1,499,684	841,069	48,976	88,292	2,478,021
Additions	-	23,264	1,514	11,113	35,891
At 31 August 2016	<u>1,499,684</u>	<u>864,333</u>	<u>50,490</u>	<u>99,405</u>	<u>2,513,912</u>
DEPRECIATION					
At 1 September 2015	57,008	24,047	23,475	39,914	144,444
Charge for year	<u>15,202</u>	<u>17,158</u>	<u>9,264</u>	<u>27,465</u>	<u>69,089</u>
At 31 August 2016	<u>72,210</u>	<u>41,205</u>	<u>32,739</u>	<u>67,379</u>	<u>213,533</u>
NET BOOK VALUE					
At 31 August 2016	<u>1,427,474</u>	<u>823,128</u>	<u>17,751</u>	<u>32,026</u>	<u>2,300,379</u>
At 31 August 2015	<u>1,442,676</u>	<u>817,022</u>	<u>25,501</u>	<u>48,378</u>	<u>2,333,577</u>

Included in cost or valuation of land and buildings is freehold land of £739,576 (2015 - £739,576)

Notes to the Financial Statements - continued
for the Year Ended 31 August 2016

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.8.16	31.8.15
	£	£
Trade debtors	525	-
VAT	24,134	28,679
Prepayments and accrued income	<u>47,931</u>	<u>44,766</u>
	<u>72,590</u>	<u>73,445</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.8.16	31.8.15
	£	£
Trade creditors	94,057	25,977
Social security and other taxes	30,165	24,363
Other creditors	120	-
Accruals and deferred income	<u>30,085</u>	<u>43,247</u>
	<u>154,427</u>	<u>93,587</u>

DEFERRED INCOME

	2016	2015
	£	£
Resources deferred in the year	<u>29,443</u>	<u>35,816</u>

Income has been deferred based on the period to which it relates

£29,443	(2015:	£35,816)	has been deferred in relation to Universal Infant Free School Meals Revenue Income
---------	--------	----------	---

15. 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.

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted General fund	Restricted Fixed Assets	Restricted General Fund	31.8.16 Total funds	31.8.15 Total funds
	£	£	£	£	£
Fixed assets	-	2,300,379	-	2,300,379	2,333,577
Current assets	53,432	(117,025)	851,197	787,604	603,251
Current liabilities	(2,568)	(56,644)	(95,215)	(154,427)	(93,587)
Pension liability	-	-	(379,000)	(379,000)	(180,000)
	<u>50,864</u>	<u>2,126,710</u>	<u>376,982</u>	<u>2,554,556</u>	<u>2,663,241</u>

Notes to the Financial Statements - continued
for the Year Ended 31 August 2016

17. MOVEMENT IN FUNDS

	At 1.9.15 £	Net movement in funds £	At 31.8.16 £
Unrestricted funds			
Unrestricted General fund	33,720	17,144	50,864
Restricted funds			
General Annual Grant	488,698	88,229	576,927
Other Restricted	152,873	5,913	158,786
Other DfE/EFA grants	20,883	(614)	20,269
Restricted Pension Fund	(180,000)	(199,000)	(379,000)
DfE/YPLA Capital Grants	702,869	(3,630)	699,239
Conversion and Depreciation	<u>1,444,198</u>	<u>(16,727)</u>	<u>1,427,471</u>
	2,629,521	(125,829)	2,503,692
TOTAL FUNDS	<u>2,663,241</u>	<u>(108,685)</u>	<u>2,554,556</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
Unrestricted General fund	38,968	(21,824)	-	17,144
Restricted funds				
General Annual Grant	1,297,597	(1,209,368)	-	88,229
Other Restricted	41,559	(35,646)	-	5,913
Other DfE/EFA grants	110,220	(110,834)	-	(614)
DfE/YPLA Capital Grants	101,087	(104,717)	-	(3,630)
Restricted Pension Fund	-	(14,000)	(185,000)	(199,000)
Conversion and Depreciation	-	<u>(16,727)</u>	-	<u>(16,727)</u>
	1,550,463	(1,491,292)	(185,000)	(125,829)
TOTAL FUNDS	<u>1,589,431</u>	<u>(1,513,116)</u>	<u>(185,000)</u>	<u>(108,685)</u>

18. PENSION AND SIMILAR OBLIGATIONS

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

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

Contributions amounting to £13,882 were payable to the schemes at 31 August 2016 and are included within creditors (2015: £12,765)

18. PENSION AND SIMILAR OBLIGATIONS
- continued

Teachers' pension scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%))
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving 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 employers pension costs paid to TPS in the period amounted to £93,000 (2015: £84,000).

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

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

Notes to the Financial Statements - continued
for the Year Ended 31 August 2016

18. PENSION AND SIMILAR OBLIGATIONS
- continued

Local government pension scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2016 was £24,000 (2015:£23,000), of which employer's contributions totalled £16,000 (2015: £15,000) and employees' contributions totalled £8,000 (2015: £8,000). The agreed contribution rates for future years are 10.8 % for employers and 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.

As the scheme is in deficit, the School has entered into an agreement with the trustees to make additional contributions in addition to normal funding levels.

The rates payable over a six year period will be the Future Service Rate of 10.8% of payroll plus phased lump sum deficit contributions starting at £5,800 for the year to 31 March 2015, increasing by approximately 4% per annum. The rate payable from 1 April 2017 will be further revised following the next valuation of the Pension Fund on 31 March 2016.

The current estimated recovery period is 21 years.

The amounts recognised in the balance sheet are as follows:

	Defined benefit pension plans	
	31.8.16	31.8.15
	£	£
Present value of funded obligations	(559,000)	(303,000)
Fair value of plan assets	<u>180,000</u>	<u>123,000</u>
	<u>(379,000)</u>	<u>(180,000)</u>
Deficit	<u>(379,000)</u>	<u>(180,000)</u>
Liability	<u>(379,000)</u>	<u>(180,000)</u>

The amounts recognised in the statement of financial activities are as follows:

	Defined benefit pension plans	
	31.8.16	31.8.15
	£	£
Current service cost	29,000	27,000
Net interest from net defined benefit asset/liability	6,000	7,000
Administrative expenses	<u>1,000</u>	<u>1,000</u>
	<u>36,000</u>	<u>35,000</u>
Actual return on plan assets	<u>28,000</u>	<u>-</u>

Notes to the Financial Statements - continued
for the Year Ended 31 August 2016

18. PENSION AND SIMILAR OBLIGATIONS
- continued

Changes in the present value of the defined benefit obligation are as follows:

	Defined benefit pension plans	
	31.8.16	31.8.15
	£	£
Defined benefit obligation	(303,000)	(257,000)
Current service cost	(29,000)	(27,000)
Contributions by scheme participants	(8,000)	(8,000)
Interest cost	(12,000)	(11,000)
Actuarial losses/(gains)	(207,000)	-
	<u>(559,000)</u>	<u>(303,000)</u>

Changes in the fair value of scheme assets are as follows:

	Defined benefit pension plans	
	31.8.16	31.8.15
	£	£
Fair value of scheme assets	123,000	94,000
Contributions by employer	22,000	22,000
Contributions by scheme participants	8,000	8,000
Expected return	6,000	4,000
Actuarial gains/(losses)	22,000	(4,000)
Administrative expenses	(1,000)	(1,000)
	<u>180,000</u>	<u>123,000</u>

The amounts recognised in other recognised gains and losses are as follows:

	Defined benefit pension plans	
	31.8.16	31.8.15
	£	£
Actuarial gains/(losses)	(185,000)	(4,000)
	<u>(185,000)</u>	<u>(4,000)</u>

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	Defined benefit pension plans	
	31.8.16	31.8.15
Equities	83.4%	89.3%
Bonds - Other	6.3%	6.1%
Equities	2.3%	1%
Bonds - Government	0%	0.1%
Property	4.5%	0%
Other	3.5%	3.5%

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages)

	31.8.16	31.8.15
Rate of increase in salaries	3.4%	3.7%
Inflation assumption (CPI)	1.9%	2.2%
Rate of increase for pensions in payment/inflation	2%	2.2%
Discount rate	2.2%	4%

Notes to the Financial Statements - continued
for the Year Ended 31 August 2016

18. PENSION AND SIMILAR OBLIGATIONS
- continued

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

	At 31 August 2016	At 31 August 2015
Retiring today		
Males	23.5	23.4
Females	25.9	25.8
Retiring in 20 years		
Males	25.8	25.6
Females	28.2	28.1

The estimated value of employers contributions for the year ended 31 August 2017 is £19,000.

Amounts for the current and previous period are as follows:

	31.8.16 £	31.8.15 £
Defined benefit pension plans		
Defined benefit obligation	(559,000)	(303,000)
Fair value of scheme assets	180,000	123,000
Deficit	(379,000)	(180,000)
Experience adjustments on scheme assets	-	(7,000)

19. CONTINGENT LIABILITIES

There are no significant contingent liabilities that the Governors are aware of.

20. RELATED PARTY DISCLOSURES

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

During the 12 month period to 31 August 2016 payments totalling £5,918 (2015: £13,212) to Marches IT Services Ltd, a company in which A Wibmer is a director and shareholder, for the provision of IT Services. At the year end a balance of £nil (2015: £nil) was due to / from Marches IT Services Ltd.

21. FIRST YEAR ADOPTION

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.

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:

Notes to the Financial Statements - continued
for the Year Ended 31 August 2016

21. FIRST YEAR ADOPTION - continued

Reconciliation of total funds	Notes	1 September 2014 £'000	31 August 2015 £'000
Total funds under previous UK GAAP		2,555	2,663
Change in recognition of LGPS interest cost	A	-	-
Total funds reported under FRS 102		<u>2,555</u>	<u>2,663</u>

Reconciliation of net income / (expenditure)	Notes	31 August 2015 £'000
Net income/(expenditure) previously reported under UK GAAP		115
Change in recognition of LGPS interest cost	A	<u>(3)</u>
Net movement in funds reported under FRS 102		<u>112</u>

A - Change in recognition of LGPS interest cost

Under previous UK GAAP the academy trust recognised an expected return on defined benefit plan assets in 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/debit to income/expense by £3,000 and increase the credit/debit in other recognised gains and losses in the SOFA by an equivalent amount.

Transitional relief

As a result of transition to FRS102, no items of transitional relief were applicable to Holmer Church of England Academy.

Holmer Church Of England Academy

Detailed Statement of Financial Activities
for the Year Ended 31 August 2016

	31.8.16 £	31.8.15 £
INCOME AND ENDOWMENTS		
Donations and capital grants		
Grants	101,090	7,923
School trips etc.	21,401	22,986
Other grants and payments	4,836	8,723
	<u>127,327</u>	<u>39,632</u>
Other trading activities		
Room and building hire	8,930	7,210
Catering income	18,427	12,998
Sundry Income	11,497	16,414
	<u>38,854</u>	<u>36,622</u>
Investment income		
Deposit account interest	596	564
Charitable activities		
Grants	1,422,654	1,451,945
Total incoming resources	<u>1,589,431</u>	<u>1,528,763</u>
EXPENDITURE		
Charitable activities		
Wages	728,079	733,335
Social security	46,315	43,562
Pensions	99,606	93,258
Supply teacher costs	10,279	13,480
Educational supplies	106,426	91,378
Staff development	11,230	8,751
Educational consultancy	77,950	30,966
Long leasehold	15,202	15,202
Expected return on pension scheme assets	14,000	13,000
	<u>1,109,087</u>	<u>1,042,932</u>
Support costs		
Management		
Wages	94,975	96,108
Social security	4,990	4,463
Pensions	15,533	8,699
Recruitment and support	2,441	2,588
Maintenance of premises and equipment	93,232	59,401
Cleaning	22,964	15,656
Rent and rates	6,999	4,974
Insurance	23,010	14,478
Catering	60,185	66,780
Improvements to property	17,159	12,205
Carried forward	341,488	285,352

This page does not form part of the statutory financial statements

Holmer Church Of England Academy

Detailed Statement of Financial Activities
for the Year Ended 31 August 2016

	31.8.16 £	31.8.15 £
Management		
Brought forward	341,488	285,352
Fixtures and fittings	9,265	6,684
Computer equipment	27,465	20,692
Other costs	<u>16,136</u>	<u>51,691</u>
	394,354	364,419
Governance costs		
Legal and professional fees	2,722	2,010
Auditors' remuneration	<u>6,953</u>	<u>7,013</u>
	<u>9,675</u>	<u>9,023</u>
Total resources expended	1,513,116	1,416,374
Net income	<u><u>76,315</u></u>	<u><u>112,389</u></u>

This page does not form part of the statutory financial statements