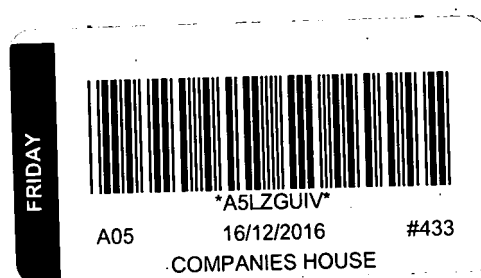


HENBURY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2016



**HENBURY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

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HENBURY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2016

Members

S Attwell
K Barker
D Biddel
C Bradford
T Gillespie
C Reynell
K Snape
G Windows

Trustees

C Reynell, Chair^{1,2,3}
C Bradford, Head Teacher^{1,2,3}
J Anderson^{1,3,4}
S Attewell^{1,4}
K Barker^{1,3,4}
D Biddel^{1,2}
S Chivers (appointed 12 October 2015)⁴
M Cook (resigned 17 September 2016)⁴
T Cook (resigned 1 October 2015)^{1,2,3}
R De Bruin⁴
A Georgiou (appointed 12 October 2015)^{2,4}
T Gillespie^{1,3,4}
P Glover (resigned 31 August 2015)⁴
L Green (resigned 18 October 2016)⁴
M Meehan (appointed 25 May 2016)²
M Partington (resigned 23 March 2016)^{1,2}
M Standing⁴
K Snape^{2,4}
M Wallis²
G Windows⁴

- ¹ Executive Committee
- ² Resources Committee
- ³ Staffing Committee
- ⁴ Student Outcomes Committee

**Company registered
number**

07838126

Company name

Henbury School

**Principal and Registered
office**

Station Road
Henbury
Bristol
BS10 7QH

Senior Leadership Team

C Bradford, Headteacher
N Cerullo, Deputy Head
L Greenwood, Assistant Head
M Hughes, Assistant Head
A Pryde, Assistant Head
M Treby, Assistant Head
S Wilkinson, Finance Director
M Stevenson, Associate Assistant Head (resigned 31 August 2016)

**HENBURY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2016**

Advisers (continued)

Independent auditors	Bishop Fleming LLP Chartered Accountants Statutory Auditors 16 Queen Square Bristol BS1 4NT
Bankers	Lloyds Bank Plc 61 Gloucester Road Bristol BS34 5JH
Solicitors	Veale Wasbrough Vizards LLP Narrow Quay House Bristol BS1 4QA

**HENBURY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2016**

The Trustees 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 purpose of both a Trustees' report, and a Directors' report under company law.

The Trust operates an academy for pupils aged 11 to 16. It has a pupil capacity of 945 and had a roll of 546 in the school census on 31 October 2015. In September 2016 we will be opening a dedicated P16 SEN Centre.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

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

The Trustees of Henbury School are also the directors of the charitable company for the purposes of company law. The charitable company is known as Henbury School.

Details of the Trustees who served throughout the year, except as noted, are included in the Reference and Administrative Details on pages 1 to 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 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 they ceased to be a member.

Trustees' Indemnities

In accordance with normal commercial practice the Academy Trust has arranged insurance cover through the EFA's RPA Scheme to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover on any one claim.

TRUSTEES

Method of Recruitment and Appointment or Election of Trustees

The Academy Trust shall have the following Trustees as set out in its Articles of Association funding agreement:

- up to one Local Authority Trustee who is appointed by Bristol City Council;
- up to five Parent Trustees who are elected by parents of registered pupils at the Academy;
- up to three Staff Trustees appointed by the Board of Trustees;
- up to eight Community Trustees who are appointed by the Board of Trustees; and
- the Headteacher who is treated for all purposes as being an ex officio Trustee.

Trustees are appointed for a four year period, except that this time limit does not apply to the Headteacher. Subject to remaining eligible to be a particular type of Trustee, any Trustee can be reappointed or reelected.

When appointing new Trustees, the Board will give consideration to the skills and experience mix of existing Trustees in order to ensure that the Board has the necessary skills to contribute fully to the Academy Trust's development.

Policies and Procedures Adopted for the Induction and Training of Trustees

The Academy Trust has a Trustee Induction and Training policy available from the Clerk to the Trustees.

**HENBURY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

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

Organisational Structure

The Full Board of Trustees normally meets once each term. The Board of Trustees establishes an overall framework for the governance of the Academy Trust and determines membership, terms of reference and procedures of Committees and other groups. It receives reports including policies from its Committees for ratification. It monitors the activities of the Committees through the minutes of their meetings. The Board of Trustees may from time to time establish Working Groups to perform specific tasks over a limited timescale

There are four committees as follows:

- Executive Committee - this committee comprises the Chair of Trustees, the Headteacher and the chairs and vice chairs of the other committees. It coordinates the activities of the other committees;
- Resources Committee – this committee is responsible for the oversight of school finances, premises and other resources;
- Staffing Committee - this committee considers the terms and conditions of employment of the Academy's staff; and,
- Student Outcomes Committee – this committee is responsible for all matters relating to student achievement, progress and welfare.

All committees meet once a term, except for the Staffing Committee which meets as required.

The following decisions are reserved to the Members:

- any proposals for changes to the status or constitution of the Academy and its committee structure;
- the appointment or removal of the Chairman and/or Vice Chairman;
- the appointment of the Headteacher and Clerk to the Trustees; and
- adoption of the School Improvement Plan and budget.

The Trustees are responsible for setting general policy. Responsibility for day to day management of the Academy is delegated to the Headteacher and Senior Leadership Team (SLT). The SLT consists of the Headteacher, Deputy Headteacher, Associate Headteacher, four Assistant Headteachers, and the Finance Director. The SLT implement the policies laid down by the Trustees and report back to them on performance. The Headteacher is responsible for the appointment of staff, though appointment panels for senior posts always include a Trustee.

The Headteacher is the Accounting Officer.

Arrangements for Setting Pay and Remuneration of Key Management Personnel

When converting from a LA school to an academy all staff were TUPEd on their existing terms and conditions in line with Bristol City Council's Pay and Remuneration Policy. Since then Governors agree a staffing and pay structure for the school, and that any pay changes for teachers or support staff go through the Staffing Committee. Our Pay Policy makes clear how staff progress on their pay scales.

Connected Organisations, including Related Party Relationships

There are no related parties which either control or significantly influence the decisions and operations of Henbury School. There are no sponsors or formal Parent Teacher Associations associated with the Academy Trust.

The Henbury School Trust is a connected party that raises funds on behalf of the Academy Trust.

OBJECTIVES AND ACTIVITIES

Objects and Aims

The principal object and activity of the Charitable Company is the operation of Henbury School to provide free education and care for pupils of different abilities.

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

Objectives, Strategies and Activities

The Academy Trust's priorities are set out in the School Improvement Plan:

- continue to raise attainment and achievement, particularly among under performing and vulnerable groups;
- improve teaching and learning to a level where it is consistently good or better;
- improve attendance and punctuality;
- make the Academy the beacon of the local community;
- ensure that the Academy's development includes partnerships which support school improvement; and,
- improve behaviour and behaviour management techniques and structures, so that disruption to lessons and around school is unusual.

The Trustees have initiated a strategic planning process to review these priorities.

Public Benefit

The Trustees confirm that they have complied with the duty in Section 17(5) of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Academy Trust's aims and objectives and in planning its future activities.

STRATEGIC REPORT

Achievements and Performance

Performance against the targets in the School Improvement plan are set out below. Key issues are:

- Key Stage 4 performance improved substantially compared with 2014/15, but still fell below target. Performance in maths was particularly disappointing, and an improvement plan is being implemented;
- Performance as measured by the new national Performance Indicator for student progress from Key Stage 2 to Key Stage 4 was promising, and well above the national floor target of -0.5;
- The School's new behaviour and disciplinary policies have had a transformational effect, which should have a positive impact on future performance; and,
- The number of students fell, from 625 (31 January 2014) to 541 (31 January 2016), considerably below the School's Planned Admission Number. This has serious implications for the School's capacity to sustain the full range of curriculum and student services. However, numbers have risen to 587 (September 2016), and further increases are expected.

The Academy Trust hosts a 'Resource Base' funded by the local authority, which makes provision for students with a variety of learning difficulties or impairments. At present 41 places are funded, and this number will rise to 45 in the academic year 2016/2017. This reflects the excellence of the Academy Trust's provision for students with special needs.

Concerted action has been taken to improve behaviour management and to implement new disciplinary arrangements, and this has been successful in improving standards of behaviour across the Academy Trust.

HENBURY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

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

Key Performance Indicators

Key performance indicators are considered to be surpluses, reserves and educational performance as shown below:

The Academy Trust made a surplus of £17,101 in the year to 31 August 2016. At the year end, the Academy had unrestricted funds of £154,126, general funds of £202,874 and a restricted fixed asset fund of £131,477.

Key Academic Statistics	2015 Actual	2016 Actual	2016 Excl. Resource Base & Aimed Students
KS4			
5+ A*- C grades inc. English and Maths	43%	42%	46%
2 A*- C grades in Science	44%	48%	48%
English Baccalaureate	8.8%	20%	22%
Progress 8 Measure	NA	-0.17	-0.09
Attainment 8 Measure	NA	4.17	4.45

Going Concern

After making appropriate enquiries, the Board of Trustees 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.

FINANCIAL REVIEW

Financial Review

Most of the Academy Trust's income is obtained from the DfE via the EFA. The level of income is largely driven by student numbers.

The Academy Trust's buildings are maintained by BAM FM under a Private Finance Initiative (PFI) contract. The Academy pays approximately 13% of recurrent grant income for the use of the buildings. The PFI contract runs to 2031.

The Academy Trust has a deficit in the Local Government Pension Scheme in respect of non-teaching staff. The deficit is reported in the Statement of Financial Activities, with details in Note 23 to the financial statements. This liability will be discharged over a period of years by gradual increases in the Academy Trust's contributions to the Avon Pension Fund.

The Academy Trust's Finance Policy was reviewed in 2016, in line with the Academies Financial Handbook. The Policy lays out the framework for financial management, including the responsibilities of the Trustees, the Headteacher, Senior and Middle Leaders, budget holders and other staff, as well as delegations of authority to spend.

The Trustees appointed David Biddel, to oversee internal assurance procedures by receiving reports on internal checks and financial controls. Reviews are undertaken by Bishop Fleming LLP. During the year, the Trustees received 3 reports, these included no matters of significance.

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

Reserves Policy

The Trustees review the reserve levels of the Academy Trust annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees take into consideration the future plans of the Academy Trust, the uncertainty over future income streams and other key risks identified during the risk review.

The Trustees have determined that the appropriate level of reserves (excluding fixed assets and pension reserves) should be approximately £400,000. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected items. At 31 August 2016 the balance is £357,000.

As noted above, the defined benefit pension scheme reserve has a negative balance. The effect of this is that the Academy Trust is paying higher employers' pension contributions over a period of years. The higher employers' pension contributions will be met from the Academy Trust's annual income. Whilst the deficit will not be immediately eliminated, there should be no actual cash flow deficit on the fund, nor any direct impact on the free reserves of the Academy Trust.

Investment Policy

Due to the nature and timing of receipt of funding, the Academy Trust may at times hold cash balances surplus to its short term requirements. The Trustees have authorised the opening of additional short term bank investment accounts to take advantage of higher interest rates. As at 31 August 2016, £505k was held in an interest-earning account. No other form of investment is authorised.

Principal Risks And Uncertainties

The Board of Trustees has reviewed the major 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 principal risks and uncertainties facing the Academy Trust are as follows:

- Financial - the Academy Trust relies on continued Government funding through the EFA. In the last year 97% of the Academy Trust's incoming resources were ultimately Government funded and whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms. In particular, the impact of the Government's proposal for a national 'fair funding formula' for schools is not known at this stage.
- Student numbers - these determine the School's income, so that spending and staffing must be managed to reflect changes in student numbers. Falling student numbers requires positive action to achieve commensurate reductions in spending.
- Failures in governance and/or management - the risk in this area arises from potential failure to effectively manage the Academy Trust's strategic direction, finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks, including the exploration of possible collaborative arrangements with other schools.
- Reputational - the continuing success of the Academy Trust is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest possible educational standards. To mitigate this risk Trustees ensure that student success and achievement are closely monitored and reviewed, and that action is taken to deliver improvements where required.
- Safeguarding and child protection - the Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline.
- Staffing - the success of the Academy Trust is reliant upon the quality of its staff and so the Trustees monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.
- Fraud and mismanagement of funds - The Academy Trust has appointed Bishop Fleming LLP to carry out checks on financial systems and records as required by the Academy Financial Handbook. All finance staff receive training to keep them up to date with financial practice requirements and develop their skills.

**HENBURY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

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

PLANS FOR FUTURE PERIODS

The Academy Trust has adopted a new Strategic Plan for 2016-19, and is undertaking a strategic review to underpin planning for future years. Details are available from the Clerk to the Trustees.

The Academy Trust has carried out a triennial review of the School Improvement Plan, and detailed plans and priorities are set out in the revised plan 2016-2019, which is available from the Clerk to the Trustees.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The Academy Trust and its Trustees do not act as the Custodian Trustees of any other Charity other than the Headteacher who is a trustee of The Henbury School Trust.

AUDITORS

In so far as the Trustees are aware:

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

The auditors, Bishop Fleming LLP, are willing to continue in office and a resolution to appoint them will be proposed at the annual general meeting.

The Trustees' Report, incorporating a Strategic Report, was approved by order of the Board of Trustees, as company directors, on 7.12.2016 and signed on the board's behalf by:



M C Reynell
Chair of Trustees

**HENBURY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As trustees, we acknowledge we have overall responsibility for ensuring that Henbury School has an effective and appropriate system of control, financial and otherwise. However such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The Board of Trustees 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 Henbury School and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 7 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
C Reynell, Chair	7	7
C Bradford, Head Teacher	7	7
J Anderson	6	7
S Attewell	4	7
K Barker	7	7
D Biddel	6	7
S Chivers	4	7
M Cook	7	7
T Cook	0	1
R De Bruin	6	7
A Georgiou	4	7
T Gillespie	7	7
P Glover	0	0
L Green	2	7
M Meehan	1	2
M Partington	2	3
M Standing	5	7
K Snape	4	7
M Wallis	5	7
G Windows	3	7

The Board of Trustees has continued with the same governance structure this year. Further details of the respective responsibilities of these committees are detailed in the Trustees' Report.

HENBURY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

GOVERNANCE STATEMENT (continued)

The Resources Committee is a sub committee of the main Board of Trustees. Details of the purpose of this committee are detailed in the Trustees Report.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
C Reynell, Chair	5	6
C Bradford, Headteacher	6	6
D Biddel	4	6
T Cook (resigned 1 October 2015)	0	0
A Georgiou	2	4
M Meehan	1	1
M Partington (resigned 23 March 2016)	4	4
K Snape	6	6
M Wallis	5	5

REVIEW OF VALUE FOR MONEY

As Accounting Officer, the Headteacher has responsibility for ensuring that the Academy 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 Academy'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 appropriate. The Accounting Officer for the Academy has delivered improved value for money during the year by:

The budget is used directly to support the delivery of the school improvement plan targets. The school improvement plans have seen the following outcomes:

- The Academy being judged by Ofsted as delivering a good standard in all areas
- Improved teaching and learning
- A consistent, sustained rise in rates of attendance

The performance of all staff is reviewed regularly, focusing on Teaching and Learning outcomes, with appropriate interventions taking place. This process has resulted in a reduction in inadequate teaching and an increase in teaching that is good or outstanding. The implementation of new Performance Management arrangements rewards excellence. Staffing analyses are undertaken termly and, where appropriate, action taken to rationalise staffing levels.

All contracts are reviewed annually for best value and reported on to relevant committees.

Regular benchmarking takes place to compare the Academy's expenditure with similar institutions.

As a PFI school we are restricted by contractual obligations. However we regularly challenge quotes when deemed excessive and are successful in these approaches.

GOVERNANCE STATEMENT (continued)

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy 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 Henbury School for the year 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 Trustees has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks, that has been in place for the year 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.

THE RISK AND CONTROL FRAMEWORK

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- regular reviews by the Resources 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 Board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the trustees have appointed:

- David Biddel, a Trustee, as responsible for internal assurance;
- Bishop Fleming LLP, the external auditors, to perform additional checks.

The appointee's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems.

Reviews are undertaken 3 times a year by Bishop Fleming LLP. During the year the Trustees received 3 internal assurance reports. These contained no matters of significance.

Bishop Fleming's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. Three times a year the internal assurance function reports to the Board of Trustees on the operation of the systems of control and on the discharge of the the Board of Trustees' financial responsibility.

GOVERNANCE STATEMENT (continued)

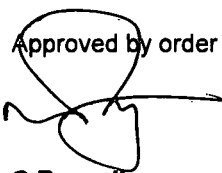
REVIEW OF EFFECTIVENESS

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


- the internal assurance work provided by Bishop Fleming LLP;
- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy 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 Resource Committee and a plan to ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 7 December 2016 and signed on their behalf, by:



**C Reynell
Chair of Trustees**



**C Bradford
Accounting Officer**

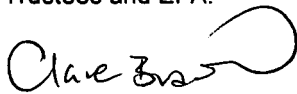
**HENBURY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Henbury School I have considered my responsibility to notify the Academy Trust Board of Trustees 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.

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



**C Bradford
Accounting Officer**

Date: 7/12/16

**HENBURY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2016**

The Trustees (who act as governors of Henbury School and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Strategic Report, the Trustees' 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 Trustees to prepare financial statements for each financial year. Under company law the Trustees 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 Trustees are required to:

- select suitable accounting policies and then apply them consistently
- observe the methods and principles of the Charities SORP
- 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 Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the 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 Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the EFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the Board of Trustees and signed on its behalf by:



M C Reynell
Chair of Trustees

Date: 7/12/16.

**HENBURY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE BOARD OF TRUSTEES
OF HENBURY SCHOOL**

We have audited the financial statements of Henbury School for the year ended 31 August 2016 which comprise the Statement of Financial Activities, 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'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'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 and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees (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's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially consistent 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; 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.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

**HENBURY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE BOARD OF TRUSTEES
OF HENBURY SCHOOL**

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:

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

Bishop Fleming LLP

David Butler FCA, DChA (Senior Statutory Auditor)
for and on behalf of
Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
16 Queen Square
Bristol
BS1 4NT
Date: *15 Decmbr 2016*

**HENBURY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO HENBURY SCHOOL AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 27 August 2013 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 Henbury 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 Henbury School and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Henbury School and 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 Henbury School and EFA, for our work, for this report, or for the conclusion we have formed.

RESPECTIVE RESPONSIBILITIES OF HENBURY SCHOOL'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The Accounting Officer is responsible, under the requirements of Henbury School's funding agreement with the Secretary of State for Education dated 1 June 2012, and the Academies Financial Handbook extant from 1 September 2014, 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 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.

Our work on regularity included a review of the internal controls policies and procedures that have been implemented and an assessment of their design and effectiveness to understand how the academy complied with the framework of authorities. We also reviewed the reports commissioned by the trustees to assess the internal controls throughout the year.

We performed detailed testing based on our assessment of the risk of material irregularity, impropriety and non-compliance. This work was integrated with our audit on the financial statements where appropriate and included analytical review and detailed substantive testing of transactions.

**HENBURY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO HENBURY
SCHOOL AND THE EDUCATION FUNDING AGENCY (continued)**

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.



David Butler FCA, DChA (Reporting Accountant)

Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
16 Queen Square
Bristol
BS1 4NT

Date: 15 December 2016

HENBURY 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	-	86,230	14,010	100,240	180,211
Charitable activities	4	43,910	4,758,446	-	4,802,356	4,963,713
Investments	3	6,091	-	-	6,091	662
TOTAL INCOME		50,001	4,844,676	14,010	4,908,687	5,144,586
EXPENDITURE ON:						
Charitable activities		14,047	4,808,225	69,314	4,891,586	5,103,640
TOTAL EXPENDITURE	5	14,047	4,808,225	69,314	4,891,586	5,103,640
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS						
Transfers between Funds	17	35,954	36,451	(55,304)	17,101	40,946
		-	(21,187)	21,187	-	-
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES						
		35,954	15,264	(34,117)	17,101	40,946
Actuarial losses on defined benefit pension schemes	23	-	(924,000)	-	(924,000)	(95,000)
NET MOVEMENT IN FUNDS		35,954	(908,736)	(34,117)	(906,899)	(54,054)
RECONCILIATION OF FUNDS:						
Total funds brought forward		118,172	(789,390)	165,594	(505,624)	(451,570)
TOTAL FUNDS CARRIED FORWARD		154,126	(1,698,126)	131,477	(1,412,523)	(505,624)

The notes on pages 22 to 41 form part of these financial statements.


The net incoming resources before transfers total, excluding LGPS pension adjustments is £86,101.

HENBURY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER: 07838126

BALANCE SHEET
AS AT 31 AUGUST 2016

	Note	£	2016 £	2015 £
FIXED ASSETS				
Tangible assets	12		131,477	165,594
CURRENT ASSETS				
Stocks	13	15,359		20,581
Debtors	14	251,729		164,572
Cash at bank and in hand		748,825		786,872
		<u>1,015,913</u>		<u>972,025</u>
CREDITORS: amounts falling due within one year	15	(658,913)		(588,571)
NET CURRENT ASSETS			<u>357,000</u>	<u>383,454</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>488,477</u>	<u>549,048</u>
Provisions for Liabilities	16		-	(146,672)
NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES			<u>488,477</u>	<u>402,376</u>
Defined benefit pension scheme liability	23		(1,901,000)	(908,000)
NET LIABILITIES			<u>(1,412,523)</u>	<u>(505,624)</u>
FUNDS OF THE ACADEMY TRUST				
Restricted income funds:				
General funds	17	202,874		118,610
Fixed asset funds	17	131,477		165,594
Restricted income funds excluding pension liability		<u>334,351</u>		<u>284,204</u>
Pension reserve		(1,901,000)		(908,000)
Total restricted income funds			<u>(1,566,649)</u>	<u>(623,796)</u>
Unrestricted income funds	17		154,126	118,172
TOTAL DEFICIT			<u>(1,412,523)</u>	<u>(505,624)</u>

The financial statements were approved by the Trustees, and authorised for issue, on 31/12/2016 and are signed on their behalf, by:


M C Reynell
Chair of Trustees

The notes on pages 22 to 41 form part of these financial statements.

HENBURY 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 used in operating activities	19	<u>(8,941)</u>	<u>(81,483)</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		<u>(35,197)</u>	<u>(27,972)</u>
Net cash used in investing activities		<u>(35,197)</u>	<u>(27,972)</u>
Interest received		<u>6,091</u>	<u>662</u>
Net cash provided by financing activities		<u>6,091</u>	<u>662</u>
Change in cash and cash equivalents in the year		<u>(38,047)</u>	<u>(108,793)</u>
Cash and cash equivalents brought forward		<u>786,872</u>	<u>895,665</u>
Cash and cash equivalents carried forward		<u><u>748,825</u></u>	<u><u>786,872</u></u>

HENBURY 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), judgments 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 issue by EFA, the Charities Act 2011 and the Companies Act 2006.

In accordance with the Academies Accounts Direction 2015 to 2016 capital grants are now recognised in Income from Donations and Capital Grants instead of Charitable Activities. Capital grants recognised in 2015 have been reclassified.

First time adoption of FRS 102

These financial statements are the first financial statements of Henbury 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 Henbury School for the year ended 31 August 2015 were prepared in accordance with previous Generally Accepted Accounting Practice ('UK GAAP') and SORP 2005.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the Trustees have amended certain accounting policies to comply with FRS 102 and SORP 2015. The Trustees have also taken advantage of certain exemptions from the requirements of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'.

Reconciliations to previous UK GAAP for the comparative figures are included in note 27.

1.2 GOING CONCERN

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

HENBURY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

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

1. ACCOUNTING POLICIES (continued)

1.3 FUND ACCOUNTING

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by funders 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 for Education.

Transfers are made between restricted funds and restricted fixed asset funds where restricted funds are used to purchase fixed assets.

1.4 INCOME

All income is recognised once the Academy 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 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 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.

Donations are recognised on a receivable basis where there is certainty of receipt and the amount can be reliably measured.

Other income 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.

Certain types of income are shown in the Statement of Financial Activities net of expenditure as follows:

Donations containing amounts for school trips where the school is acting as agent.

1.5 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.

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.

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 more than £1,000 are capitalised.

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 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. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

The land and buildings occupied by the school are subject to a PFI arrangement and maintained and controlled by the PFI company. The Academy Trust does not hold any ownership over these assets and therefore they are not held as fixed assets in these financial statements.

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:

Motor vehicles	-	4 years straight line
Musical instruments	-	10 years straight line
Computer equipment	-	5 years straight line

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

1.7 STOCKS

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost is based on the cost of purchases on a first in first out basis.

1.8 DEBTORS

Trade and other debtors with no stated interest rate and due within one year are recorded at the amount of the cash or other consideration expected to be received. Prepayments are valued at the amount paid.

1.9 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 and cash on deposit that has a notice period of less than 30 days.

1.10 LIABILITIES AND PROVISIONS

Liabilities and provisions 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 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 are measured at the best estimate of the amounts required to settle the obligation.

HENBURY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

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

1. ACCOUNTING POLICIES (continued)

1.11 TAXATION

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

1.12 PENSIONS

Retirement benefits to employees of the Academy 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.

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

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

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

1.13 OPERATING LEASES

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

1.14 FINANCIAL INSTRUMENTS

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Financial instruments includes cash at bank, trade debtors, accrued income from financial instruments (comprising dividends and interest due from investments), trade creditors and accrued expenditure.

HENBURY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

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

1. ACCOUNTING POLICIES (continued)

1.15 CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGMENT

Estimates and judgments 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 obtains use of fixed assets as a lessee. The classification of such leases as operating or finance lease requires the Academy Trust to determine, based on an evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the Balance Sheet.

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 note 23, 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 £
Donations	-	86,230	-	86,230	127,681
Capital Grants	-	-	14,010	14,010	14,530
Donated services- IT support	-	-	-	-	38,000
	<u>-</u>	<u>86,230</u>	<u>14,010</u>	<u>100,240</u>	<u>180,211</u>

In 2015, of the total income from donations, £1,907 was unrestricted funds and £178,304 was restricted funds

HENBURY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

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

3. INVESTMENT INCOME

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Bank interest	6,091	-	6,091	662

In 2015, all investment income was unrestricted.

4. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
DfE/EFA grants				
General Annual Grant	-	3,936,498	3,936,498	4,217,478
Other DfE/EFA grants	-	274,520	274,520	376,132
	-	4,211,018	4,211,018	4,593,610
Other government grants				
High Needs	-	310,393	310,393	295,155
Redeployment Income	-	-	-	40,000
Falling Rolls Funding	-	200,000	200,000	-
Other Local Authority Income	-	12,817	12,817	-
	-	523,210	523,210	335,155
Other funding				
Other	26,026	24,218	50,244	12,439
Uniform	12,319	-	12,319	13,697
Transport	5,565	-	5,565	8,812
	43,910	24,218	68,128	34,948
	43,910	4,758,446	4,802,356	4,963,713

In 2015, of the total income from charitable activities, £34,948 was unrestricted funds and £4,928,765 was restricted funds.

HENBURY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

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

5. EXPENDITURE

	Staff costs	Premises	Other costs	Total	Total
	2016	2016	2016	2016	2015
	£	£	£	£	£
Education:					
Direct costs	2,893,433	-	391,555	3,284,988	3,468,973
Support costs	517,318	695,679	393,601	1,606,598	1,634,667
	<u>3,410,751</u>	<u>695,679</u>	<u>785,156</u>	<u>4,891,586</u>	<u>5,103,640</u>

In 2016, of the total expenditure, £14,047 (2015: £21,659) was unrestricted funds and £4,877,539 (2015: £5,082,071) was restricted funds.

6. DIRECT COSTS

	Total	Total
	2016	2015
	£	£
Pension finance (income)/costs	(23,000)	30,000
Educational supplies	165,929	127,467
Examination fees	47,026	52,416
Staff development	25,361	18,432
Trips expenditure	90,888	107,480
Supply teachers	42,235	58,948
Music services	16,037	12,326
Wages and salaries	2,304,551	2,488,472
National insurance	197,794	185,974
Pension cost	348,853	334,554
Depreciation	69,314	52,904
	<u>3,284,988</u>	<u>3,468,973</u>

HENBURY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

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

7. SUPPORT COSTS

	Total 2016 £	Total 2015 £
Pension finance costs	59,000	-
PFI Charges	637,053	685,553
Other costs	1,918	2,506
Recruitment and support	5,370	8,338
Maintenance of premises and equipment	181	718
Uniform expenditure	9,144	9,626
Rent and rates	34,220	34,222
Insurance	23,858	17,015
Security and transport	4,903	11,943
Catering	8,654	14,849
Technology costs	201,496	281,261
Office overheads	33,906	30,895
Legal and professional	48,174	51,661
Bank charges	-	38
Subscription costs	12,209	34,087
Governance	14,194	22,412
Wages and salaries	399,371	349,084
National insurance	29,171	20,590
Pension cost	83,776	59,869
	<u>1,606,598</u>	<u>1,634,667</u>

8. NET INCOMING RESOURCES/(RESOURCES EXPENDED)

This is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets:		
- owned by the charity	69,314	52,904
Auditors' remuneration	7,950	7,750
Auditors' remuneration - non-audit	3,490	6,385
Operating lease rentals	<u>130,045</u>	<u>181,312</u>

HENBURY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

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

9. STAFF COSTS

Staff costs were as follows:

	2016 £	2015 £
Wages and salaries	2,703,922	2,837,556
Social security costs	226,965	206,564
Operating costs of defined benefit pension schemes	432,629	394,423
	<u>3,363,516</u>	<u>3,438,543</u>
Supply teacher costs	42,235	58,948
Compensation payments	5,000	33,000
Staff restructuring costs	-	22,400
	<u>3,410,751</u>	<u>3,552,891</u>

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

	2016 No.	2015 No.
Teachers	45	46
Teaching support	43	41
Administration	10	10
Management	8	8
	<u>106</u>	<u>105</u>

Average headcount expressed as a full time equivalent:

	2016 No.	2015 No.
Teachers	39	40
Teaching support	32	32
Administration	10	10
Management	8	8
	<u>89</u>	<u>90</u>

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

	2016 No.	2015 No.
In the band £80,001 - £90,000	1	1

The above employee participated in the Teachers' Pension Scheme. During the year ended 31 August 2016 employer pension contributions amounted to £14,664 (2015: £12,422).

Included within compensation payments are non-contractual severance payments totalling £5,000 for one member of staff (2015: £4,853).

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 £504,936 (2015: £503,738).

HENBURY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

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

9. STAFF COSTS (continued)

As staff trustees are not remunerated in respect of their role as a trustee, where staff trustees do not form part of the key management personnel other than in their role as trustee, their remuneration as set out in note 10 has not been included in the total benefits received by key management personnel above.

10. TRUSTEES' REMUNERATION AND EXPENSES

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Academy Trust. The Head Teacher and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Head Teacher and other staff members under their contracts of employment, and not in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows: D Baxter: Remuneration £NIL (2015: £40,000-£45,000), Employer's pension contributions £NIL (2015: £5,000-£10,000). C Bradford: Remuneration £85,000-£90,000 (2015: £85,000-£90,000), Employer's pension contributions £10,000-£15,000 (2015: £10,000-£15,000). S Flew: Remuneration £NIL (2015: £15,000-£20,000), Employer's pension contributions £NIL (2015: £0-£5,000). H George: Remuneration £NIL (2015: £25,000-£30,000), Employer's pension contributions £NIL (2015: £0-£5,000). M Wallis: Remuneration £20,000-£25,000 (2015: £20,000-£25,000), Employer's pension contributions £0-£5,000 (2015: £0-£5,000). R De Bruin: Remuneration £20,000-£25,000 (2015: £20,000-£25,000), Employer's pension contributions £0-£5,000 (2015: £0-£5,000). M Standing: Remuneration £45,000-£50,000 (2015: £40,000-£45,000), Employer's pension contributions £5,000-£10,000 (2015: £5,000-£10,000).

Other related party transactions involving the trustees are set out in note 25.

During the year retirement benefits were accruing to 4 Trustees (2015: 7) in respect of defined benefit pension schemes.

During the year, no Trustees received any benefits in kind (2015: £NIL).

During the year ended 31 August 2016, expenses totalling £361 (2015: £115) were reimbursed to 2 Trustees (2015: 1).

11. TRUSTEES' AND OFFICERS' INSURANCE

The Academy Trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides unlimited cover. It is not possible to quantify the Trustees and officers indemnity element from the overall cost of the RPA scheme.

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FOR THE YEAR ENDED 31 AUGUST 2016

12. TANGIBLE FIXED ASSETS

	Motor vehicles £	Musical instruments £	Computer equipment £	Total £
COST				
At 1 September 2015	55,339	10,000	256,058	321,397
Additions	-	-	35,197	35,197
Disposals	-	-	(25,354)	(25,354)
At 31 August 2016	55,339	10,000	265,901	331,240
DEPRECIATION				
At 1 September 2015	33,936	4,550	117,317	155,803
Charge for the year	13,835	1,000	54,479	69,314
On disposals	-	-	(25,354)	(25,354)
At 31 August 2016	47,771	5,550	146,442	199,763
NET BOOK VALUE				
At 31 August 2016	7,568	4,450	119,459	131,477
At 31 August 2015	21,403	5,450	138,741	165,594

13. STOCKS

	2016 £	2015 £
Uniforms and classroom supplies	15,359	20,581

14. DEBTORS

	2016 £	2015 £
Trade debtors	2,576	3,973
VAT recoverable	44,388	23,230
Prepayments and accrued income	204,765	137,369
	251,729	164,572

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15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016 £	2015 £
Trade creditors	198,689	38,711
Other taxation and social security	64,724	58,604
Other creditors	100,292	107,668
Accruals and deferred income	295,208	383,588
	<u>658,913</u>	<u>588,571</u>

	2016 £	2015 £
DEFERRED INCOME		
Deferred income at 1 September	30,418	63,250
Resources deferred during the year	73,401	30,418
Amounts released from previous years	(30,418)	(63,250)
Deferred income at 31 August	<u>73,401</u>	<u>30,418</u>

Deferred income at 31 August 2016 relates to rates contributions received from the EFA relating to 2016/17 and income for school trips which are due to take place during the next academic year.

16. PROVISIONS

	Onerous lease provisions £
At 1 September 2015	146,672
Amounts used	(146,672)
At 31 August 2016	<u>-</u>

ONEROUS LEASE PROVISIONS

The provision at 31 August 2015 related to onerous payments for leasing of computer equipment which is not available for use. This liability has been settled in full in 2015-16 at the above value.

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17. STATEMENT OF FUNDS

	Brought forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
UNRESTRICTED FUNDS						
General funds	118,172	50,001	(14,047)	-	-	154,126
RESTRICTED FUNDS						
General Annual Grant (GAG)	88,697	3,878,018	(3,742,654)	(21,187)	-	202,874
High needs income	-	310,393	(310,393)	-	-	-
Pupil premium	-	274,520	(274,520)	-	-	-
Other DfE/EFA income	29,913	58,480	(88,393)	-	-	-
Falling rolls funding	-	200,000	(200,000)	-	-	-
Other restricted income	-	123,265	(123,265)	-	-	-
Pension reserve	(908,000)	-	(69,000)	-	(924,000)	(1,901,000)
	(789,390)	4,844,676	(4,808,225)	(21,187)	(924,000)	(1,698,126)
RESTRICTED FIXED ASSET FUNDS						
Fixed assets brought forward	26,351	-	-	-	-	26,351
Fixed assets purchased from GAG and DFC	91,864	14,010	(46,857)	21,187	-	80,204
Donated assets	47,379	-	(22,457)	-	-	24,922
	165,594	14,010	(69,314)	21,187	-	131,477
Total restricted funds	(623,796)	4,858,686	(4,877,539)	-	(924,000)	(1,566,649)
Total of funds	(505,624)	4,908,687	(4,891,586)	-	(924,000)	(1,412,523)

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

17. STATEMENT OF FUNDS (continued)

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

RESTRICTED FUNDS

The General Annual Grant (GAG) represents funding received from the EFA during the period in order to fund the continuing activities of the school including education and support costs. During the year £21,187 (2015: £27,972) was transferred to the restricted fixed asset fund to represent fixed assets purchased from GAG.

High needs funding is received from the local authority to cater for pupils with learning difficulties and other disabilities.

Pupil premium funding represents amounts received from the EFA and the Local Authority to cater for disadvantaged pupils.

Devolved formula capital was received from the EFA in the year to be spent on maintaining the school facilities.

Other DfE/EFA income represents various additional funding received in the period relating to the provision of a Summer School, a Year 7 Catch-Up grant and rates and insurance contributions.

Falling rolls funding represents income received from the local authority to help fund academy operations following the short fall in funding due to reduced student numbers.

Other restricted income represents various other income streams for providing student placements, school trips and reimbursement of various other costs.

The pension reserve represents the Academy's share of the assets and liabilities in the Local Government Pension Scheme. As with most pension schemes this is currently in deficit due to an excess of scheme liabilities over scheme assets which was inherited on conversion to an Academy. The Academy is following the recommendations of the actuary to reduce the deficit by making additional contributions over a number of years.

OTHER INFORMATION

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

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NOTES TO THE FINANCIAL STATEMENTS
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18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	As restated Total funds 2015 £
Tangible fixed assets	-	-	131,477	131,477	165,594
Current assets	154,126	861,786	-	1,015,912	972,026
Creditors due within one year	-	(658,912)	-	(658,912)	(588,571)
Provision for liabilities and charges	-	(1,901,000)	-	(1,901,000)	(1,054,672)
	<u>154,126</u>	<u>(1,698,126)</u>	<u>131,477</u>	<u>(1,412,523)</u>	<u>(505,624)</u>

Provisions for liabilities and charges at 31 August 2016 include a pension scheme liability of £1,901,000 (2015: £908,000) and an onerous lease provision of £NIL (2015: £146,672).

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

	2016 £	2015 £
Net income for the year (as per Statement of Financial Activities)	17,101	40,946
Adjustment for:		
Depreciation of tangible fixed assets	69,314	52,904
Interest received	(6,091)	(662)
Decrease/(increase) in stocks	5,222	(6,304)
(Increase)/decrease in debtors	(87,157)	2,306
Increase/(decrease) in creditors	70,342	(130,345)
Decrease in provisions	(146,672)	(93,328)
Defined benefit pension scheme cost less contributions payable	33,000	23,000
Defined benefit pension scheme finance cost	36,000	30,000
Net cash used in operating activities	<u>(8,941)</u>	<u>(81,483)</u>

20. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2016 £	2015 £
Cash in hand	748,825	786,872
Total	<u>748,825</u>	<u>786,872</u>

21. 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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22. GENERAL INFORMATION

Henbury School is a company limited by guarantee, incorporated in England and Wales. The registered office is Henbury School, Station Road, Henbury, Bristol, BS10 7QH.

23. PENSION COMMITMENTS

The Academy'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 Bristol County Council. Both are 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.

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
- 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%.

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23. PENSION COMMITMENTS (continued)

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 £270,413 (2015: £249,101).

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 £167,000 (2015: £169,000), of which employer's contributions totalled £127,000 (2015: £129,000) and employees' contributions totalled £40,000 (2015: £40,000). The agreed contribution rates for future years are 12.7% for employers and 5.5% 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.

Principal actuarial assumptions at the Balance Sheet date (expressed as weighted averages):

	2016	2015
Discount rate for scheme liabilities	2.10 %	4.00 %
Expected return on scheme assets at 31 August	- %	5.28 %
Rate of increase in salaries	3.30 %	3.80 %
Rate of increase for pensions in payment / inflation	1.90 %	2.30 %
Inflation assumption (CPI)	1.80 %	2.30 %

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	23.5 years	23.4 years
Females	26.0 years	25.9 years
Retiring in 20 years		
Males	25.9 years	25.8 years
Females	28.9 years	28.8 years

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23. PENSION COMMITMENTS (continued)

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

	Fair value at 31 August 2016 £	Fair value at 31 August 2015 £
Equities	1,008,000	911,000
Government bonds	244,000	147,000
Other bonds	192,000	185,000
Property	194,000	133,000
Cash	(10,000)	36,000
Other	370,000	226,000
Total market value of assets	1,998,000	1,638,000

The amounts recognised in the Statement of Financial Activities are as follows:

	2016 £	2015 £
Current service cost (net of employee contributions)	(160,000)	(152,000)
Net interest cost	(36,000)	(30,000)
Total	(196,000)	(182,000)
Actual return on scheme assets	257,000	24,000

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

	2016 £	2015 £
Opening defined benefit obligation	2,546,000	2,269,000
Current service cost	160,000	152,000
Interest cost	101,000	90,000
Contributions by employees	40,000	40,000
Actuarial losses	1,113,000	57,000
Benefits paid	(61,000)	(62,000)
Closing defined benefit obligation	3,899,000	2,546,000

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23. PENSION COMMITMENTS (continued)

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

	2016 £	2015 £
Opening fair value of scheme assets	1,638,000	1,509,000
Interest income	68,000	63,000
Actuarial gains and (losses)	189,000	(38,000)
Contributions by employer	127,000	129,000
Contributions by employees	40,000	40,000
Benefits paid	(61,000)	(62,000)
Administration expenses	(3,000)	(3,000)
Closing fair value of scheme assets	<u>1,998,000</u>	<u>1,638,000</u>

24. 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	27,512	130,045
Between 1 and 5 years	-	27,512
Total	<u>27,512</u>	<u>157,557</u>

25. RELATED PARTY TRANSACTIONS

Owing to the nature of the Academy's operations and the composition of the board of trustees being drawn from local public and private sector organisation, it is likely that transactions will take place with organisations in which a member of the board of trustees may have 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.

During the year Harry Bradford, a family member of a trustee, received £6,925 (2015: £6,800) in respect of website consultancy services. The transactions were conducted on an arm's length basis. No other transactions have occurred during the year.

M Georgiou, wife of A Georgiou, a Trustee, is employed at the School. M Georgiou's appointment was made in open competition and A Georgiou was not involved in the decision making process. M Georgiou is paid within the normal pay scales for her role and receives no special treatment as a result of her relationship with a Trustee.

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NOTES TO THE FINANCIAL STATEMENTS
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26. FINANCIAL INSTRUMENTS

	2016 £	2015 £
Financial assets measured at amortised cost	<u>864,720</u>	<u>853,596</u>
Financial liabilities measured at amortised cost	<u>(520,787)</u>	<u>(496,549)</u>

Financial assets measured at amortised cost comprise cash at bank and in hand, trade debtors, other debtors and accrued income.

Financial liabilities measured at amortised cost comprise trade creditors, other creditors and accruals.

27. 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.

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		(451,569)	(505,623)
Total funds reported under FRS 102		<u>(451,569)</u>	<u>(505,623)</u>

Reconciliation of net income / (expenditure)	Notes	31 August 2015 £
Net income previously reported under UK GAAP		66,946
Interest cost on FRS17 pension liability	1	(26,000)
Net income before other gains and losses reported under FRS 102		<u>40,946</u>

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

- 1 Under previous UK GAAP the trust recognised an expected return on defined benefit plan assets in expense. Under FRS102 net interest, based on the net defined benefit liability, is recognised in expense. There has been no change to the defined benefit liability at either 1 September 2014 or 31 August 2015. The effect of the change has been to increase the debit to expense by £26,000 and reduce the debit in other recognised gains and losses in the SoFA by an equivalent amount.