

**West Herts Community
Free School Trust**

**Annual Report and Financial
Statements**

31 August 2015

Company Limited by Guarantee
Registration Number
08324782 (England and Wales)

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Reference and administrative information

Members

Graham Cunningham
John Harris
Jo Kavakeb
Kate Ma
Andrew Nightingale
Ross Renton
Debbie Warwick
Gill Worgan

Directors

Gillian Jones (Chief Executive Officer)
Clare Beckham
Martin Glick
Dr Emma Greening
John Harris
Andrew Nightingale
David Gelernter (Chair of Governors ARCFS)
James Percy (Chair of Governors LCFS)
Tina Naseem (Chair of Governors JCFS)

JCFS = Jupiter Community Free School
LCFS = Lanchester Community Free School
ARCFS = Ascot Road Community Free School

Senior Leadership Team:

Chief Executive Officer

Gillian Jones (from 01/10/2014)

Executive Principals

Ascot Road Community Free School
Lanchester Community Free School
Jupiter Community Free School

Helen Lockham
Helen Lockham
Dr Sue Attard

Trust Business Manager

Cheryl Kent (from 03/11/14 to 04/08/15)
Seni Odunsi (interim from 08/09/14 to 20/11/14)
Claire Edwards (support to Interim TBM)

Accounting Officer

Gillian Jones

Reference and administrative information

Registered address

West Herts Community Free School Trust
c/o Lanchester Community Free School
Hempstead Road
Watford
WD17 3HD

Company registration number

08324782 (England and Wales)

Auditor

Buzzacott LLP
130 Wood Street
London
EC2V 6DL

Bankers

Lloyds Bank
1 Bircherley Street
Hertford
Hertfordshire
SG14 1BU

Directors' report Year to 31 August 2015

The directors of West Herts Community Free School Trust ('the Academy Trust') present their statutory report together with the financial statements of the Academy Trust for the year to 31 August 2015.

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

The financial statements have been prepared in accordance with the accounting policies set out on pages 28 to 31 of the attached financial statements and comply with the Academy Trust's Memorandum and Articles of Association, applicable laws and the requirements of the Statement of Recommended Practice "Accounting and Reporting by Charities" issued in March 2005 ('SORP 2005').

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

West Herts Community Free School Trust is a company limited by guarantee and an exempt charity. The primary governing documents of the Academy Trust are its memorandum and articles of association.

The directors act as the trustees of West Herts Community Free School Trust for the purposes of charity law.

Details of the directors who served during the period of this report are included on page 4.

Members' liability

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

Method of recruitment and appointment or election of directors

The articles of association provide for the appointment or election of at least three directors, comprising the following:

- ◆ up to 15 directors may be appointed by the members of the Academy Trust;
- ◆ the members of the Academy Trust may appoint any number of staff directors, provided that the total number of staff directors (including the Chief Executive Officer) does not exceed one third of the total number of directors;
- ◆ the Chairman of each Local Governing Body for as long as they remain in office;
- ◆ the Chief Executive Officer;

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Method of recruitment and appointment or election of directors (continued)

- ◆ a minimum of two parent directors unless there are Local Governing Bodies which include at least two parent members; and
- ◆ any additional directors appointed by the Secretary of State.

Directors

The following directors served throughout the year and up to the date of approval of this report except as shown.

Director	Appointed	Resigned
Gillian Jones (Chief Executive Officer)		
Clare Beckham		
Martin Glick	9 November 2015	
Dr Emma Greening		
Catherine Gunn		4 November 2015
John Harris		
Tina Naseem	1 October 2015	
Andrew Nightingale		
Catherine Tallis		4 September 2015
David Gelernter	1 September 2014	
James Percy	1 September 2014	
Rodney Tucker	1 September 2014	1 October 2015

Policies and procedures adopted for the induction and training of directors

We expect all directors to undertake training as appropriate to their work at the Academy Trust. All directors have access to the Herts Governance Services and are inducted to the Trust appropriately for their role and experience. In addition, a development session has been held to review the work of the Academy Trust and as well as its members and directors, including the chairs of resources from the Local Governing Bodies.

Directors' Indemnities

The schools, directors and Academy Trust buy into and are covered by the DfE Risk Protection Arrangement (RPA) (<https://www.gov.uk/guidance/academies-risk-protection-arrangement-rpa>). The cost is £25 per pupil for each year. The cover provided is as follows:

- ◆ Public Liability: unlimited for any one claim; and
- ◆ Governor and Trustee Liability: unlimited.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Organisational structure

The Academy Trust is governed by a board of directors constituted under a Memorandum of Association and Articles of Association.—The board is responsible for ensuring that high standards of governance are maintained. It exercises its powers and functions with a view to fulfilling a largely strategic leadership role in the running of the Academy Trust, addressing such matters as:

- ◆ Policy development and strategic direction;
- ◆ Ensuring compliance with legal requirements;
- ◆ Ensuring sound management and administration;
- ◆ Establishing and maintaining effective internal controls;
- ◆ Management of all resources;
- ◆ Monitoring of the schools' performance; and
- ◆ Assessing and managing risk.

From 1 September 2014 (following the opening of the three schools for the first cohort of pupils), the board of directors has delegated a number of functions to a Local Governing Body ("LGB") at each school. Each LGB is responsible for monitoring key aspects of each school's performance such as progress and attainment of pupils, quality of teaching and behaviour and safety of pupils.

Committees are informed by the Senior Leadership Team at each school. The Senior Leadership Team is responsible for the school, its staff, its pupils and the education they receive.

Gillian Jones was appointed Chief Executive Officer on 1 October 2014 and was the Academy Trust's Accounting Officer during the reporting period and up to the date of approval of the annual report and financial statements.

Connected Organisations

The following are connected organisations within the meaning of the latest Accounts Direction issued by the Education Funding Agency:

- ◆ **Hatfield Community Free School Trust**

Andrew Nightingale (member and director of the Academy Trust) and Gillian Jones (director of the Academy Trust) are also directors of Hatfield Community Free School Trust.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Connected Organisations (continued)

◆ Clayton Jones Consultancy Ltd

Gillian Jones (director of the Academy Trust) is the sole director of Clayton Jones Consultancy Ltd. The company provided Project Director services to the Academy Trust during the year ended 31 August 2014 and also for the first month only of the 2014/15 financial year. Following this she became a part-time (0.2 FTE) employee of the Trust.

◆ University of Hertfordshire

Ross Renton is a member of the Academy Trust representing University of Hertfordshire and the Dean of Students at University of Hertfordshire. Dr Emma Greening is a director of the Academy Trust and the Head of Outreach and Widening Participation at University of Hertfordshire. She will become the member representing The University of Hertfordshire to replace Ross Renton now that he has moved to a different university. The university provided seconded staff to the Academy Trust during the reporting period.

Further details of the transactions between the Academy Trust and the above organisations is provided in note 25 to the financial statements.

OBJECTIVES AND ACTIVITIES

The Academy Trust's objects and aims

The Academy Trust's object as set out in its governing document is the advancement of education in the United Kingdom for the public benefit by establishing, maintaining, carrying on, managing and developing schools offering a broad and balanced curriculum.

Objectives, strategies and activities

- ◆ **Ensuring that the Trust vision was translated into action in the schools.** This was achieved through the leadership of the principals, staff and governor training, the construction of the curriculum and the values and ethos of the schools translated in the classroom.
- ◆ **Ensuring that each school recruit a full year group for the reception classes in September 2015.** This was achieved through marketing activities, press releases, word of mouth from parents and building positive reputations in the local communities.
- ◆ **Ensuring the completion of the new buildings for JCFS and ARCFS and the smooth transfer of pupils, staff and resources.** This was achieved through continued project management for sites and buildings, effective planning by the schools' senior staff and the support of Hertfordshire County Council (HCC) and the Education Funding Agency (EFA).

OBJECTIVES AND ACTIVITIES (continued)

Objectives, strategies and activities (continued)

- ♦ **Ensuring a high quality education for the children in the schools.** This was achieved through a combination of effective leadership, good support for school improvement and the appointment of good staff.
- ♦ **Ensuring good outcomes for children through high quality learning.** This was achieved through the provision of high quality education for the children.

Public Benefit

In setting the Academy Trust's objectives and planning its activities, the directors have given careful consideration to the Charity Commission's general guidance on public benefit. The directors have complied with their duty to have due regard to this guidance, in exercising their powers or duties.

STRATEGIC REPORT

Achievements and performance

Key performance indicators

1. All three schools opened successfully in September 2014 – LCFS in its permanent location and ARCFS and JCFS in good quality temporary accommodation.
2. ARCFS and JCFS moved to their permanent accommodation in the summer term 2015.
3. All three schools were financially viable during the accounting year and have recruited 60 children for their 2015 intake (with waiting lists in place).
4. Children in each school exceeded local and national expected outcomes at the end of the early years foundation stage.

STRATEGIC REPORT (continued)

Going concern

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

FINANCIAL REVIEW

Financial report for the period

The Academy Trust's total incoming resources for the year ended 31 August 2015 amounted to £12,790,998 (13 month period to 31 August 2014 - £558,000). Total resources expended for the same period were £1,592,229 (13 month period to 31 August 2014 - £440,141). Therefore net income was £11,198,769 (2014 - £117,859).

The Academy Trust had fund balances of £11,319,628 at 31 August 2015 (2014 - £117,859).

The results for the period are shown on page 25.

Reserves policy

The policy of the Academy Trust is to carry forward a prudent level of resources designed to meet the long-term cyclical needs of renewal and any other unforeseen contingencies. The directors regularly review the reserves of the Academy Trust and consider them to be sufficient for the Academy Trust's requirements and not excessive. However due to widely anticipated cuts in future funding, the situation will be kept under review.

The pension reserve (which is in deficit by £19,000) relates to the Academy Trust's share of the net position under the Local Government Pension Scheme (LGPS) as calculated for accounting purposes. The Academy Trust will not be liable for a lump sum and the increased pension contribution will be met from the Trust's budgeted annual income. In addition, 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.

Investment policy

The directors are working towards developing an investment policy which would enable the Academy Trust to make better use of surplus funds, whilst maintaining adequate account balances to meet cash flow fluctuations.

STRATEGIC REPORT (continued)

Principal risks and uncertainties

The Academy Trust's principal risks have been identified and there is a risk register in place to mitigate these risks. The risks fall into the following classifications; compliance, financial, operational, and strategic and reputational.

The main risks and actions taken to mitigate these are set out below:

Main risks	Mitigating actions
Low pupil numbers leading to inadequate funding	<ul style="list-style-type: none">• Active marketing and promotion at key events.• Using parents to communicate the message about good schools.• Judicious use of press releases and article.• Information on school and trust websites.
Lack of adequate staffing impacting negatively on the operation of the school/s	<ul style="list-style-type: none">• Active marketing, promotion and recruitment.• Earmarked budget for recruitment.• Good training and development programmes for staff.• Staff valued and fully engaged with the visions of the trust and schools.
Poor pupil or inspection outcomes	<ul style="list-style-type: none">• Good curriculum and teaching securely in place• Development plans identify resource and staff requirements to bring about maximum progress• Monitoring and tracking of each class, year and vulnerable group to identify where measures are needed to ensure that all children make expected progress

Future activities and plans

The Academy Trust's overall objective going forward remains unchanged – that is to advance education within the UK for the public benefit by establishing, maintaining, carrying on, managing and developing schools offering a broad and balanced curriculum.

In September 2015, each of the three schools operated by the Academy Trust welcomed an additional two forms of pupils at reception level. The schools will continue to grow by accepting a further two forms at reception level each year until all year groups are filled.

The Academy Trust will continue to work towards maintaining and improving on the excellent level of attainment achieved in its first year of operation.

Directors' report Year to 31 August 2015

AUDITOR

Insofar as the directors are aware:

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

Directors' report, incorporating a strategic report, approved by order of the board of directors on [15.12.15] and signed on its behalf by:



Director

M GLICK

Scope of responsibility

As directors, we acknowledge we have overall responsibility for ensuring that the West Herts Community Free School Trust ('the Academy Trust') 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 directors have delegated the day-to-day responsibility to the Chief Executive Officer, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between the Academy Trust and the Secretary of State for Education. The Chief Executive Officer is also responsible for reporting to the board of directors any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the directors' report and in the statement of directors' responsibilities. The board of directors has formally met 4 times during the year. Attendance during the year at meetings of the board of directors was as follows:

Director	Meetings attended	Out of a possible
Gillian Jones (Chief Executive Officer)	4	4
Clare Beckham	4	4
Dr Emma Greening	3	4
Catherine Gunn	2	4
John Harris	3	4
Andrew Nightingale	4	4
Catherine Tallis	0	4
David Gelernter	2	4
James Percy	2	4
Rodney Tucker	2	4

Governance statement 31 August 2015

Governance (continued)

Each of the three schools has a Local Governing Body (LGB) which is responsible for maintaining key aspects of each school's performance such as progress and attainment of pupils, quality of teaching, and etc. Attendance by governors at the LGB meetings during the year was as follows:

Local Governor	Meetings attended	Out of a possible
Jupiter CFS		
Galia Segal	3	3
Martin Glick	2	3
Tim Ffrench-Lynch	2	3
Rodney Tucker	3	3
Susan Attard	3	3
Rachel Pegrum	3	3
Tina Naseem	3	3
Kirsten Bonnick	2	3
Ascot Road CFS		
Lucy Sudbery	2	6
Khilan Shah	2	2
Ann Pyatt	2	4
Carlene Rafferty	4	6
David Gelernter	6	6
Alexandra Hawkins	3	6
Simon Collins	6	6
Helen Lockham	6	6
Gayitri Shah	4	6
Sarah Meager	3	6
Nisha Peshawaria	2	6
Susan Poole	3	6
Lanchester CFS		
James Percy	6	6
Stephanie Gou	5	6
Sue Hill	5	6
Binita Mehta	5	6
Natalie Moss	6	6
Deborah Warwick	3	6
Helen Lockham	6	6
Natalie Cole	5	6
Pulvi Popat	4	4
Yvonne Holdsworth	3	3
Oona Dyer	1	1
Gill Jones	4	4

Governance statement 31 August 2015

Governance (continued)

Each school also has its own Resources Committee. Its purpose is to act on behalf of and report to the full LGBs and in turn the board of directors and make decisions on its behalf in order to ensure the effective and efficient use of financial and physical resources and services that underpin achievement and standards. Attendance at meetings in the year was as follows:

Committee member	Meetings attended	Out of a possible
Jupiter CFS		
Rodney Tucker	1	3
Tina Naseem	3	3
Martin Glick	2	3
Tim Ffrench-Lynch	3	3
Ascot Road CFS		
Simon Collins	4	4
Carlene Rafferty	4	4
David Gelernter	4	4
Alexandra Hawkins	0	4
Gayitri Shah	2	2
Khilan Shah	1	1
Sarah Meager	1	4
Lanchester CFS		
James Percy	3	4
Stephanie Gou	3	4
Binita Mehta	2	4
Helen Lockham	4	4
Pulvi Popat	2	2

The Audit Committee is also a sub-committee of the main board of directors. Its purpose is to receive the reports of the external auditors and to consider the findings of any internal control check visits undertaken by the Academy Trust internally. Attendance at meetings in the year was as follows:

Committee member	Meetings attended	Out of a possible
Andy Nightingale	2	2
David Gelernter	2	2
Rodney Tucker	2	2
Stephanie Gou	1	2

Governance (continued)

Each school has its own Outcomes Committee. Its purpose is to act on behalf of and report to the full LGBs to oversee standards and to focus on progress and outcomes for the children. A particular issue dealt with during the year was low attendance at Ascot Road Community Free School Trust. Attendance at meetings in the year was as follows:

Committee member	Meetings attended	Out of a possible
Jupiter CFS		
Rodney Tucker	1	3
Galia Segal	1	3
Rachel Pegrum	2	3
Kirsten Bonnick	3	3
Ascot Road CFS		
David Gelernter	4	4
Ann Pyatt	3	4
Nisha Peshawaria	2	4
Sarah Meager	3	3
Simon Collins	4	4
Lanchester CFS		
James Percy	2	3
Sue Hill	2	3
Natalie Moss	2	3
Natalie Cole	1	3
Oona Dyer	1	1
Yvonne Holdsworth	1	2

Governance review

WHCFST held a development day for members, directors and the chairs of the resources committees from the three schools, to review its progress during its first year with of operation. The event was led by the chair of the Academy Trust and the activities focused on the following areas: successes and challenges; roles, responsibilities and accountabilities; the impact of Ofsted; direction for the future. A number of actions were agreed at the end of the event including:

- ◆ improving communications;
- ◆ learning from other multi-academy trusts;
- ◆ reviewing shared services;
- ◆ drawing up a policy review plan;
- ◆ increasing the involvement of directors in the work of the schools; and
- ◆ revising the matrix which sets out the respective roles, responsibilities and accountabilities of members, directors and governors.

Governance (continued)

Governance review (continued)

It was also agreed that a similar event should be held in the summer of 2016.

A full review of processes, procedures and governance has also been commissioned by the chair of the trust and will report in March 2016.

Review of value for money

As Accounting Officer the Chief Executive Officer 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 Academy Trust's use of its resources has provided good value for money during the academic year, and reports to the board of directors where value for money can be improved, including the use on benchmarking data where available. The Accounting Officer for the Academy Trust has delivered and improved value for money during the year by:

Improving Educational Results

- ◆ The pupil results in all three schools are above Hertfordshire and national averages.
- ◆ Where improvements were needed in teaching and learning, and leadership and management, support was commissioned from a 'sister' school to the trust which is also a national support school.
- ◆ Where attendance was low in one of the schools effective targeted action was taken to bring about improvement

Financial Governance and oversight

The Academy Trust's governance arrangements include regular monitoring by the Board of Directors, the Audit committee and the Local Governing Bodies of each Academy. Regular management reports are produced and reviewed at individual school and Trust level and distributed to relevant bodies. The Academies have business managers in post who report directly to the Local Governing board and Board of Directors at termly meetings. During the year internal audit work was carried out by responsible officers to ensure that procedures were being followed. The Trust Accountants are Buzzacott LLP who monitor each Academy and the Trust as part of the audit of The Annual Accounts

Better purchasing

Steps were taken to ensure value for money include:

- ◆ Alternative purchasing options considered before a decision is made on which supplier provides best value.
- ◆ Implementing a tender process for significant purchases and/or contracts.
- ◆ Achieving economies of scale by purchasing centrally for all the schools.

Review of value for money (continued)

Maximising income generation

There is an external nursery based at each of our schools adding income through leasing arrangements to the funds available for the schools.

Reviewing controls and managing risks

A strategic review of risk was carried out in the year to highlight areas that need to be managed with appropriate mitigation put in place. The register will be reviewed regularly and adapted as needed.

An Investment policy has been agreed and during the next financial year cash and bank balances will be invested where possible.

Future Objectives

The Academy Trust recognises the need to continue ensuring value for money. Economies of scale can be achieved by procuring products and services across the schools, developing staff and sharing knowledge, skill and expertise across the Academy Trust. Whilst a lot has been achieved in the first full year of operation there is more to be done over the coming periods to enhance value for money.

In the trust and two of the schools there has been a change in business manager. The arrangements for induction and the work plans for these staff have a sharp emphasis on ensuring better value for money.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Academy Trust's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place at the Academy Trust for the year ended 31 August 2015 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The board of directors 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 directors is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year ended 31 August 2015 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of directors.

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 board of directors;
- ◆ regular reviews by the Resources Committee, 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 directors has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However the directors have instructed internal governors to periodically carry out a programme of internal checks.

The reviewers role includes giving advice on financial matters and performing a range of checks on the schools financial systems. On a regular basis, the reviewers report to the Audit Committee on the operation of the systems of control and on the discharge of the board of directors' financial responsibilities.

The programme of work was executed as planned and no material weaknesses were identified.

Review of effectiveness

As Accounting Officer, the Chief Executive Officer 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 governors carrying out the internal control check reviews;
- ◆ the work of the external auditor;
- ◆ the financial management and governance self-assessment process;
- ◆ the work of the Senior Management Team within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

Governance statement 31 August 2015

Review of effectiveness (continued)

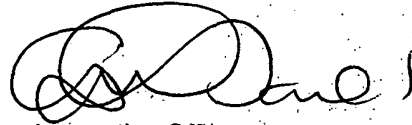
The Accounting Officer has been advised of the implications of the review of the system of internal control and a plan to ensure continuous improvement of the system is in place.

Approved by order of the board of directors on [15.12.15] and signed on their behalf by:



Director

M GLICK



Accounting Officer


G JONES

Statement on regularity, propriety and compliance 31 August 2015

As Accounting Officer of West Herts Community Free School Trust ('the Academy Trust'), I have considered my responsibility to notify the Academy Trust's board of directors and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

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

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



Accounting Officer

G JONES

Date: 15.12.15

Statement of directors' responsibilities 31 August 2015

The directors (who act as trustees' of the West Herts Community Free School Trust ('the Academy Trust') and are also the directors of the Academy Trust for the purposes of company law) are responsible for preparing the directors' 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 directors to prepare financial statements for each financial year. Under company law, the directors 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 its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the directors are required to:


- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in the Charities' Statement of Recommended Practice (the Charities' SORP);
- ◆ make judgments and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- ◆ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Academy will continue in operation.

The directors 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 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 directors are responsible for ensuring that in its conduct and operation the Academy 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 directors are responsible for the maintenance and integrity of the charity 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.

Approved by order of the members of the board of directors on [15.12.15] and signed on its behalf by:


Director
M GLICK

Independent auditor's report on the financial statements to the Members of West Herts Community Free School Trust

We have audited the financial statements of West Herts Community Free School Trust ("the Academy Trust") for the year ended 31 August 2015 which comprise the statement of financial activities, the balance sheet, the cash flow statement, the principal accounting policies 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 Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

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

The directors act as trustees for the charitable activities of West Herts Community Free School Trust and are also the directors of the Academy Trust for the purpose of company law.

As explained more fully in the statement of directors' responsibilities set out in the directors' report, including the strategic report, the directors 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 (APB'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 directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the directors' report, including the strategic report, to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Independent auditor's reports 31 August 2015

Opinion

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 2015 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- ◆ the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- ◆ the financial statements have been prepared in accordance with the Companies Act 2006; and
- ◆ the financial statements have been prepared in accordance with the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

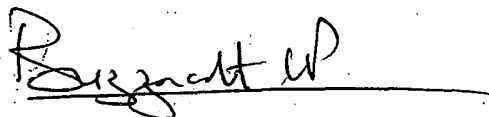
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the directors' report, including the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

- ◆ adequate accounting records have not been kept or 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 directors' remuneration specified by law are not made; or
- ◆ we have not received all the information and explanations we require for our audit.



Avnish Savjani, Senior Statutory Auditor
for and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

18 December 2015

Independent reporting accountant's assurance report on regularity to West Herts Community Free School Trust and the Education Funding Agency

In accordance with the terms of our engagement letter dated 23 September 2014 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by West Herts Community Free School Trust ('the Academy Trust') during the period from 1 September 2014 to 31 August 2015 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 West Herts Community Free School Trust and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the West Herts Community Free School Trust 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 the West Herts Community Free School Trust and the EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of West Herts Community Free School Trust's accounting officer and the reporting auditor

The Accounting Officer is responsible, under the requirements of West Herts Community Free School Trust's funding agreement with the Secretary of State for Education dated 1 August 2013 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 2014 to 2015. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period from 1 September 2014 to 31 August 2015 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 2014 to 2015 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.

Approach (continued)

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

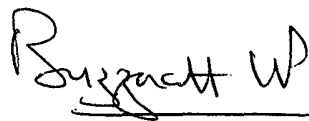
Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the Academy Trust's income and expenditure.

The work undertaken to draw to our conclusion includes:

- ◆ An assessment of the risk of material irregularity and impropriety across all of the Academy Trust's activities;
- ◆ Further testing and review of the areas identified through the risk assessment including enquiry, identification of control processes and examination of supporting evidence across all areas identified as well as additional verification work where considered necessary; and
- ◆ Consideration of evidence obtained through the work detailed above and the work completed as part of our financial statements audit in order to support the regularity conclusion.

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period from 1 September 2014 to 31 August 2015 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Buzzacott LLP
Chartered Accountants
130 Wood Street
London
EC2V 6DL

18 December 2015

Statement of financial activities (including income and expenditure account and statement of total recognised gains and losses) Year to 31 August 2015

		Restricted funds			Year to 31 August 2015 Total funds £	13 month period to 31 August 2014 Total funds £
	Notes	Unrestricted general fund £	General fund £	Fixed assets fund £		
Incoming resources						
Incoming resources from generated funds						
Voluntary income	1	2,850	1,735	10,795,139	10,799,724	—
Activities for generating funds	2	54,716	8,004	—	62,720	—
Investment income	3	70	—	—	70	—
Incoming resources from charitable activities						
Funding for the Academy Trust's educational operations and development	4	—	1,326,160	602,324	1,928,484	558,000
Total incoming resources		57,636	1,335,899	11,397,463	12,790,998	558,000
Resources expended						
Cost of generating funds						
Cost of generating voluntary income		12,104	—	—	12,104	—
Charitable activities						
Academy Trust's educational operations	6	—	1,275,970	285,701	1,561,671	—
Academy Trust's development costs	7	—	—	—	—	430,891
Governance costs	8	—	18,454	—	18,454	9,250
Total resources expended	5	12,104	1,294,424	285,701	1,592,229	440,141
Net income for the year		45,532	41,475	11,111,762	11,198,769	117,859
Gross transfers between funds	16	(15,533)	—	15,533	—	—
		29,999	41,475	11,127,295	11,198,769	117,859
Other recognised gains and losses						
Actuarial gains on defined benefit pension scheme	24	—	3,000	—	3,000	—
Net movement in funds		29,999	44,475	11,127,295	11,201,769	117,859
Reconciliation of funds						
Total fund balances brought forward at 1 September 2014		—	117,859	—	117,859	—
Total fund balances carried forward at 31 August 2015		29,999	162,334	11,127,295	11,319,628	117,859

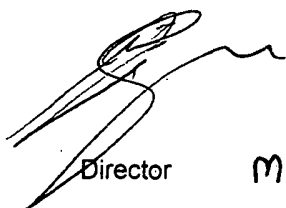
All of the Academy Trust's activities derived from continuing operations during the above two financial periods.

A Statement of Total Recognised Gains and Losses is not required as all gains and losses are included in the Statement of Financial Activities.

Balance sheet 31 August 2015

	Notes	2015 £	2015 £	2014 £	2014 £
Fixed assets					
Tangible fixed assets	13		11,127,295		—
Current assets					
Debtors	14	355,877		36,935	
Cash at bank and in hand		218,162		266,221	
		<u>574,039</u>		<u>303,156</u>	
Creditors: amounts falling due within one year	15	(362,706)		(185,297)	
Net current assets			<u>211,333</u>		<u>117,859</u>
Total assets less current liabilities			<u>11,338,628</u>		<u>117,859</u>
Pension scheme liability	24		(19,000)		—
Net assets including pension scheme liability			<u>11,319,628</u>		<u>117,859</u>
Funds of the Academy Trust					
Restricted income funds					
Fixed assets fund	16		11,127,295		—
General fund	16		181,334		117,859
Pension reserve	16		(19,000)		—
Total restricted funds			<u>11,289,629</u>		<u>117,859</u>
Unrestricted funds					
General fund	16		29,999		—
Total funds			<u>11,319,628</u>		<u>117,859</u>

The financial statements on page 25 to 46 were approved by the directors, and authorised for issue on [15.12.15] 2015 and are signed on their behalf by:



Director M GLICK

West Herts Community Free School Trust
Company Limited by Guarantee
Registration Number: 08324782 (England and Wales)

Cash flow statement Year to 31 August 2015

	Notes	Year to 31 August 2015 £	Period to 31 August 2014 £
Net cash inflow from operating activities	19	174,262	266,221
Returns on investment and servicing of finance	20	70	—
Capital expenditure	21	(222,391)	—
(Decrease) increase in cash in the period	22	(48,059)	266,221
Reconciliation of net cash flow to movement in net funds:			
Net funds at 1 September 2014	22	266,221	—
Net funds at 31 August 2015	22	218,162	266,221

Principal accounting policies 31 August 2015

Basis of preparation

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice: Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction 2014 to 2015 issued by the EFA and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

Going concern

The directors assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy Trust to continue as a going concern. The directors make this assessment in respect of a period of one year from the date of approval of the financial statements.

Incoming resources

All incoming resources are recognised when the Academy Trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

◆ Grants receivable

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the year 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 year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund. Capital grants are recognised when receivable 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 assets fund.

◆ Donations

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

◆ Other income

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

Incoming resources (continued)

◆ ***Donated services and gifts in kind***

The value of donated services and gifts in kind provided to the Academy Trust are recognised at an appropriate value in the period in which they are receivable as incoming resources, where the benefit to the Academy Trust can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with Academy Trust's policies.

Resources expended

All expenditure is recognised in the year in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

◆ ***Costs of generating funds***

These are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

◆ ***Charitable activities***

These are costs incurred on the Academy Trust's educational operations.

◆ ***Governance costs***

These include the costs attributable to the Academy Trust's compliance with constitutional and statutory requirements, including audit, strategic management and director's meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

Tangible fixed assets

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, or donated to the Academy Trust, they are included in the Balance Sheet at cost or an appropriate valuation 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.

Notes to the Financial Statements Year to 31 August 2015

16 Funds

	Balance at 1 September 2014 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2015 £
EFA revenue grant fund					
General Annual Grant (GAG)	—	937,513	(756,179)	—	181,334
EFA Early Draw Down	14,924	—	(14,924)	—	—
Other EFA grants	—	388,647	(388,647)	—	—
	14,924	1,326,160	(1,159,750)	—	181,334
Pension reserve	—	—	(22,000)	3,000	(19,000)
	14,924	1,326,160	(1,181,750)	3,000	162,334
Fixed assets fund					
EFA capital grants	—	602,324	(66,090)	—	536,234
Capital expenditure from unrestricted funds	—	—	(3,708)	15,533	11,825
Academy buildings transferred from Local Authority	—	10,795,139	(215,903)	—	10,579,236
	—	11,397,463	(285,701)	15,533	11,127,295
Other funds					
Project development grant	102,935	—	(102,935)	—	—
Other	—	9,739	(9,739)	—	—
	102,935	9,739	(112,674)	—	—
Total restricted funds	117,859	12,733,362	(1,580,125)	18,533	11,289,629
Unrestricted funds					
Unrestricted funds	—	57,636	(12,104)	(15,533)	29,999
Total unrestricted funds	—	57,636	(12,104)	(15,533)	29,999
Total funds	117,859	12,790,998	(1,592,229)	3,000	11,319,628

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

EFA revenue grant fund and other restricted funds

General Annual Grant (GAG)

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2015.

Fixed assets fund

These funds relate to the Academy Trust's holding of tangible fixed assets and predominantly includes the donation of school buildings from the Local Authority. The transfer from the GAG fund to the fixed assets fund reflects the utilisation of GAG monies to help finance the purchase of the Academy Trust's tangible fixed assets.

Notes to the Financial Statements Year to 31 August 2015

16 Funds (continued)

Pension reserve

The pension reserve relates to the Academy Trust's Local Government Pension Scheme FRS17 liability.

Analysis of schools by fund balance

Fund balances at 31 August 2015 were allocated as follows:

	£
Ascot Road Community Free School	30,633
Lanchester Community Free School	55,121
Jupiter Community Free School	43,593
Trust	81,986
Total before fixed assets and pension reserve	211,333
Restricted fixed assets fund	11,127,295
Pension reserve	(19,000)
Total	11,319,628

Analysis of academies by cost

Expenditure incurred by each academy during the year was as follows:

	Teaching and Educational Support Staff Costs £	Other support staff costs £	Educational supplies £	Other costs (excluding depreciation) £	Total £
Ascot Road Community Free School	189,679	41,937	19,757	87,208	338,581
Lanchester Community Free School	257,679	59,512	34,893	130,292	482,376
Jupiter Community Free School	170,086	50,643	26,386	80,228	327,343
Central services	—	46,874	—	89,354	136,228
Total	617,444	198,966	81,036	387,082	1,284,528

Notes to the Financial Statements Year to 31 August 2015

17 Analysis of net assets between funds

	Unrestricted funds £	Restricted general funds £	Restricted fixed assets fund £	Total 2015 £
Fund balances at 31 August 2015 are represented by:				
Tangible fixed assets	—	—	11,127,295	11,127,295
Current assets	29,999	544,040	—	574,039
Current liabilities	—	(362,706)	—	(362,706)
Pension scheme liability	—	(19,000)	—	(19,000)
Total net assets	29,999	162,334	11,127,295	11,319,628

18 Financial commitments

Operating leases

At 31 August 2015, the Academy Trust had annual commitments under non-cancellable operating leases as follows:

	2015 £	2014 £
Other		
Expiring within two and five years inclusive	1,890	—
	1,890	—

19 Reconciliation of net income to net cash inflow from operating activities

	Year to 31 August 2015 Total funds £	Period to 31 August 2014 Total funds £
Net income	11,198,769	117,859
Depreciation (note 13)	285,701	—
Capital grants from DfE and other capital income	(11,397,463)	—
Interest receivable (note 3)	(70)	—
FRS 17 pension cost less contributions payable (note 24)	22,000	—
Increase in debtors	(112,084)	(36,935)
Increase in creditors	177,409	185,297
Net cash inflow from operating activities	174,262	266,221

Principal accounting policies 31 August 2015

Tangible fixed assets (continued)

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

- | | |
|------------------------------------|------------------------|
| ♦ Freehold and leasehold buildings | 50 years straight line |
| ♦ Furniture and equipment | 4 years straight line |
| ♦ Computer equipment | 3 years straight line |

Depreciation is charged from the month of acquisition.

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

Leased assets

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

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.

Pensions benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 24, 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.

Pensions benefits (continued)

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.

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 directors.

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

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

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

Notes to the Financial Statements Year to 31 August 2015

1 Voluntary income

	Unrestricted funds £	Restricted funds £	Year to 31 August 2015 Total funds £	Period to 31 August 2014 Total funds £
Donated fixed assets (see below)	—	10,795,139	10,795,139	—
Other Donations	2,850	1,735	4,585	—
	2,850	10,796,874	10,799,724	—

During the year ended 31 August 2015, the Academy Trust received three new properties for use by each of the three schools operated by the Academy Trust from Hertfordshire County Council (HCC) for £nil consideration. Donated fixed assets represents the value attributed to these three properties, which is based on the cost incurred by HCC in acquiring and developing the three sites (excluding the value of the land).

2 Activities for generating funds

	Unrestricted funds £	Restricted funds £	Year to 31 August 2015 Total funds £	Period to 31 August 2014 Total funds £
Hire of facilities	26,264	—	26,264	—
Catering income	—	4,804	4,804	—
Clubs income	27,398	—	27,398	—
Trip income	—	3,200	3,200	—
Miscellaneous income	1,054	—	1,054	—
	54,716	8,004	62,720	—

3 Investment income

	Unrestricted funds £	Restricted funds £	Year to 31 August 2015 Total funds £	Period to 31 August 2014 Total funds £
Interest receivable	70	—	70	—

Notes to the Financial Statements Year to 31 August 2015

4 Funding for Academy Trust's educational operations/development

	Unrestricted funds £	Restricted funds £	Year to 31 August 2015 Total funds £	Period to 31 August 2014 Total funds £
DfE/EFA capital grants				
Capital grants	—	602,324	602,324	—
DfE / EFA revenue grants				
General Annual Grant (GAG)	—	937,513	937,513	—
Start Up grants	—	271,500	271,500	558,000
Other DfE / EFA	—	117,147	117,147	—
	—	1,326,160	1,326,160	558,000
	—	1,928,484	1,928,484	558,000

5 Resources expended

	Staff costs £	Non pay expenditure Premises £	Other costs £	Year to 31 August 2015 Total funds £	Period to 31 August 2014 Total funds £
Cost of generating funds	12,104	—	—	12,104	—
Academy Trust's educational operations (note 6)					
Direct costs	639,444	—	88,982	728,426	—
Allocated support costs	176,966	370,634	285,645	833,245	—
Academy Trust's development costs (note 7)	—	—	—	—	430,891
	816,410	370,634	374,627	1,561,671	430,891
Governance costs (note 8)	—	—	18,454	18,454	9,250
	828,514	370,634	393,081	1,592,229	440,141
Net incoming resources for the year includes:					
Fees payable to auditor					
Statutory audit				11,500	6,500
Other services				4,750	2,750

Notes to the Financial Statements Year to 31 August 2015

6 Charitable activities – Academy Trust's educational operations

	2015 Total funds £	2014 Total funds £
Direct costs		
Teaching and educational support staff costs	639,444	—
Educational supplies	81,036	—
Other direct costs	7,946	—
	728,426	—
Allocated support costs		
Support staff costs (including £22,000 FRS17 charge)	176,966	—
Depreciation	285,701	—
Technology costs	44,121	—
Recruitment and support	21,882	—
Maintenance of premises and equipment	14,141	—
Cleaning	28,085	—
Rent and rates	39,707	—
Energy costs	32,124	—
Insurance	3,000	—
Security and transport	23,173	—
Catering	58,475	—
Bank charges	128	—
Other support costs	105,742	—
	833,245	—
Total direct and support costs	1,561,671	—

7 Charitable activities – Academy Trust's development costs

	2015 Total funds £	2014 Total funds £
Staff costs	—	116,234
Lead in costs	—	271,860
Educational supplies	—	15,951
Marketing and publicity	—	26,846
	—	430,891

Notes to the Financial Statements Year to 31 August 2015

8 Governance costs

	Year to 31 August 2015 Total funds £	Period to 31 August 2014 Total funds £
Legal and professional fees	2,204	—
Auditor's remuneration:		
Statutory audit services	11,500	6,500
Other services	4,750	2,750
	18,454	9,250

9 Staff

(a) Staff costs

Staff costs during the year were:

	Year to 31 August 2015 Total funds £	Period to 31 August 2014 Total funds £
Wages and salaries	600,047	30,354
Social security costs	40,897	3,140
Pension costs (including £22,000 FRS17 charge)	92,693	4,172
	733,637	37,666
Seconded staff	94,877	78,568
	828,514	116,234

(b) Staff numbers

The average numbers of persons (including senior management team) employed by the Academy Trust during the year expressed as a full time equivalents was as follows:

	2015 £	2014 £
Charitable activities		
Teachers	8	1
Administration and support	13	—
Management	3	—
	24	1

(c) Higher paid staff

The number of employees whose emoluments fell within the following bands was:

	2015 No	2014 No
£70,001 - £80,000	1	—

The above employee participated in the Teachers' Pension Scheme. During the year ended 31 August 2015 pension contributions for this staff member amounted to £10,614 (2014 - £nil).

Notes to the Financial Statements Year to 31 August 2015

10 Directors' remuneration and expenses

The Chief Executive Officer receives remuneration in respect of her services under her contract of employment with the Academy Trust for undertaking the role of Chief Executive Officer. She does not receive any remuneration or payments from the Academy Trust in respect of her role as director of the Academy Trust. The value of the remuneration paid in respect of her contract of employment with the Academy Trust was as follows:

	2015 £'000	2014 £'000
G Jones, Chief Executive Officer		
Remuneration	10 – 15	–
Employer's pension contributions	–	–

During the year ended 31 August 2015, no travel and subsistence expenses were reimbursed to the directors.

11 Central services

The Academy Trust has provided the following central services to its schools during the period:

- ♦ human resources;
- ♦ financial services;
- ♦ legal services;
- ♦ company secretarial;
- ♦ educational support services; and
- ♦ implementation and set-up support.

The cost of these services have been split evenly across all schools within the Academy Trust.

The actual amounts charged during the year were as follows:

	2015 £	2014 £
Ascot Road Community Free School	16,574	141,397
Lanchester Community Free School	16,574	141,397
Jupiter Community Free School	16,574	141,396
	49,722	424,190

12 Directors' and Officers' insurance

In accordance with normal commercial practice the Academy Trust has purchased cover to protect directors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust's business. The cover was provided to the Academy Trust by the Academies Risk Protection Arrangement (RPA) in the year.

13 Tangible fixed assets

	Freehold buildings £	Long leasehold buildings £	Furniture and equipment £	Computer equipment £	Total funds £
Cost					
Additions	2,401,448	8,393,691	398,889	225,440	11,419,468
Disposals	—	—	(6,472)	—	(6,472)
At 31 August 2015	2,401,448	8,393,691	392,417	225,440	11,412,996
Depreciation					
Charge in year	48,029	167,874	34,031	35,767	285,701
At 31 August 2015	48,029	167,874	34,031	35,767	285,701
Net book value					
At 31 August 2015	2,353,419	8,225,817	358,386	189,673	11,127,295

Three buildings were transferred to the Academy Trust in the year from the Local Authority, amounting to £10,795,139. One of the buildings was acquired with the freehold, the other two buildings under a long leasehold arrangement. As the sites are designated for educational purposes only, the land has no open market value and hence the value in the financial statements relates to the school buildings only.

14 Debtors

	2015 £	2014 £
Trade debtors	930	—
Prepayments and accrued income	44,408	—
VAT recoverable	97,669	36,935
Other debtors	212,870	—
	355,877	36,935

15 Creditors: amounts falling due within one year

	2015 £	2014 £
Trade creditors	267,847	—
Taxation and social security	11,749	—
Accruals and deferred income	78,802	132,000
Other creditors	4,308	53,297
	362,706	185,297
Deferred income		
Deferred income brought forward	132,000	—
Resources deferred in the period	36,599	132,000
Amounts released from previous period	(132,000)	—
Deferred income at carried forward	36,599	132,000

Deferred income of £36,599 is for free school meals being provided in 2015/16.

Notes to the Financial Statements Year to 31 August 2015

20 Returns on investment and servicing of finance

	Year to 31 August 2015 Total funds £	Period to 31 August 2014 Total funds £
Interest received	70	—
Net cash inflow from returns on investment and servicing of finance	70	—

21 Capital expenditure and financial investment

	Year to 31 August 2015 Total funds £	Period to 31 August 2014 Total funds £
Purchase of tangible fixed assets	(624,329)	—
Receipt from sale of tangible fixed assets	6,472	—
Capital grants from DfE / EFA	395,466	—
Net cash inflow from capital expenditure and financial investments	222,391	—

22 Analysis of changes in net funds

	At 1 September 2014 £	Cashflows £	At 31 August 2015 £
Cash in hand and at bank	266,221	(48,059)	218,162

23 Members' Liability

Each member of the Academy Trust 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

24 Pension and similar obligations

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

24 Pension and similar obligations (continued)

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

24 Pension and similar obligations (continued)

Teachers' Pension Scheme (continued)

Valuation of the Teachers' Pension Scheme (continued)

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

The pension costs paid to TPS in the period amounted to £47,554 (2014 - £4,172).

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

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The Academy Trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Academy Trust has set out above the information available on the scheme.

Local Government Pension Scheme (LGPS)

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2015 was £28,000, of which employer's contributions totalled £19,000 and employees' contributions totalled £9,000. The agreed contribution rates for future years are 13.3% of employers and 5.5% of 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 31 August 2015
Rate of increase in salaries	4.1%
Rate of increase for pensions in payment / inflation	2.7%
Discount rate for scheme liabilities	3.8%
Inflation assumption (CPI)	2.7%

24 Pension and similar obligations (continued)

Local Government Pension Scheme (LGPS) (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 2015
<i>Retiring today</i>	
Males	22.3
Females	24.5
<i>Retiring in 20 years</i>	
Males	24.3
Females	26.7

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

	Fair value at 31 August 2015 £
Equities	18,000
Bonds	8,000
Property	2,000
Cash	1,000
Total market value of assets	29,000
Present value of scheme liabilities	(48,000)
Deficit in the scheme	(19,000)

The actual return on scheme assets was £1,000.

	2015 £
Amounts recognised in statement of financial activities	
Current service costs	41,000
Total operating charge	41,000
Analysis of pension finance income / (costs)	
Expected return on pension scheme assets	1,000
Interest on pension liabilities	(1,000)
Net pension finance costs	—

24 Pension and similar obligations (continued)

Local Government Pension Scheme (LGPS) (continued)

The actuarial gains and losses for the current year are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS 17 is a gain of £3,000.

Movements in the overall deficit were as follows:	2015 £
At 1 September 2014	—
Current service cost	41,000
Employer contributions	(19,000)
Net finance interest	—
Actuarial gains	(3,000)
At 31 August 2015	19,000

Movements in the present value of defined benefit obligations were as follows:	2015 £
At 1 September 2014	—
Current service costs	41,000
Interest costs	1,000
Employee contributions	9,000
Actuarial gains	(3,000)
At 31 August 2015	48,000

Movements in the fair value of Academy Trust's share of scheme assets:	2015 £
At 1 September 2014	—
Expected return on assets	1,000
Employer contributions	19,000
Employee contributions	9,000
At 31 August 2015	29,000

The estimated value of the employer contributions for the year ended 31 August 2016 is £22,000.

25 Related party transactions

Owing to the nature of the Academy Trust's operations and the composition of the board of directors being drawn from local public and private sector organisations, transaction may take place with organisations in which a director has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy Trust's financial regulations and normal procurement procedures.

During the year ended 31 August 2015, the Academy Trust was party to the following transactions with related parties. All transactions were entered into in accordance with the Academy Trust's normal procurement procedures with consideration given to the requirements of the EFA's Academies Financial Handbook.

Gillian Jones is a director of the West Herts Community Free School Trust (WHCFST) and also a director and member of the Hatfield Community Free School Trust. During the year ended 31 August 2015, a total of £92,296 (2014 - £38,723) was payable by the WHCFST to Hatfield Community Free School for seconded staff and office space rental of which £23,771 (2014 - £12,205) is included within year end creditors.

Gillian Jones is a director of the WHCFST and is also the sole director of Clayton Jones Consultancy Limited. During the year ended 31 August 2015, a total of £3,000 was paid in September 2014 by the WHCFST to Clayton Jones Consultancy Limited for the Project Director services for that month prior to her being employed as the Chief Executive Officer of the WHCFST on 1 October 2015. In the period ended 31 August 2014 a total of £37,000 was payable for such services and an amount of £2,000 was owed to Clayton Jones Consultancy Limited as at 31 August 2014.

Ross Renton is a member of the Academy Trust representing University of Hertfordshire and the Dean of Students at University of Hertfordshire. Dr Emma Greening is a director of the Academy Trust and the head of Outreach and Widening Participation at University of Hertfordshire. During the year ended 31 August 2015, a total of £3,929 (2014 - £54,301) was paid by the WHCFST to the University of Hertfordshire for administrative staff to undertake post-opening work for the Trust. No amount was owed at the year end (2014 - £10,698).

In engaging Clayton Jones Consultancy Limited during the period ended 31 August 2014, the board had given due regard to ensuring the Academy Trust had met its tax obligations.