

REGISTERED COMPANY NUMBER: 8936256 (England and Wales)

Report of the Trustees and
Financial Statements for the Year Ended 31 August 2016
for
Fairfield High School



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

Fairfield High School

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

	Page
Reference and Administrative Details	1 to 2
Report of the Trustees	3 to 7
Governance Statement	8 to 10
Statement on Regularity, Propriety and Compliance	11
Statement of Trustees Responsibilities	12
Report of the Independent Auditors	13 to 14
Independent Accountant's Report on Regularity	15 to 16
Statement of Financial Activities	17
Balance Sheet	18 to 19
Cash Flow Statement	20
Notes to the Cash Flow Statement	21
Notes to the Financial Statements	22 to 40
Reconciliation of Income and Expenditure	41
Reconciliation of Funds	42 to 43
Detailed Statement of Financial Activities	44 to 45

Fairfield High School

Reference and Administrative Details
for the Year Ended 31 August 2016

MEMBERS	S Vaughan Winter Mrs P S James Mrs J V Archer
TRUSTEES	Mrs J V Archer Mrs P S James (Chair of governors) S Vaughan Winter (Vice-chair of governors) S Burnett (resigned 14.10.15) B Eacock (appointed 1.9.15) J T Edwards Mrs S Gaston (Headteacher/Accounting Officer) S Hancorn P Hart S Lockett (appointed 21.9.16)
SENIOR LEADERSHIP TEAM	S Gaston A Naylor J Conway D Kelly A Gallagher J Swift
COMPANY NAME	Fairfield High School
REGISTERED OFFICE	Peterchurch Hereford Herefordshire HR2 0SG
REGISTERED COMPANY NUMBER	8936256 (England and Wales)
SENIOR STATUTORY AUDITOR	Mr K M Tong FCCA, ACA
AUDITORS	Thorne Widgery Accountancy Ltd Chartered Accountants Statutory Auditors 2 Wyevale Business Park Kings Acre Hereford Herefordshire HR4 7BS
SOLICITORS	Lanyon Bowdler Broadway House 32 - 35 Broad Street Hereford HR4 9AR

Fairfield High School

Reference and Administrative Details
for the Year Ended 31 August 2016

BANKERS

Lloyds Bank PLC
8 High Town
Hereford
HR4 7BS

Santander
Bridle Road
Bootle
Merseyside
L30 4BG

Fairfield High School

Report of the Trustees for the Year Ended 31 August 2016

The trustees who are also directors of the academy trust for the purposes of the Companies Act 2006, present their report with the financial statements of the academy trust for the year ended 31 August 2016. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2015) and the Academies Accounts Direction issued by the Education Funding Agency.

The trust is based in Peterchurch, Herefordshire, and operates an academy for students aged 11 to 16. Whilst the Planned Admission Number (PAN) is 450, there were 478 students on roll in the school census of October 2015 and numbers continue to rise.

OBJECTIVES AND ACTIVITIES

Objectives and aims

The Academy Trust's object is specifically restricted to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum.

Objectives, strategies and activities

Fairfield is a small rural mixed 11-16 comprehensive school with 478 students on roll in October 2015, serving the Golden Valley and beyond. Over half of the students currently attending the school come from out of catchment, with 90% + students travelling in by bus or car.

The school has maintained a broad and balanced curriculum at both KS3 and KS4 and continues to teach vocational qualifications in Animal Care, Construction, Child Care and Creative Crafts. In addition the school has maintained a close working relationship with Weobley and Lady Hawkins, in particular working at leadership level and individual sharing of good practice. Fairfield works closely with the four primary schools in the Golden Valley Collaboration and with Madley Primary School.

In 2015-16 19.6% of students were on the SEN register and 10% on "Ever 6" free school meals. There were 68 students who were eligible for the Pupil Premium, which was 14% of the student body. The school is predominantly mono-cultural and works to promote diversity and inclusion, with a purpose-built inclusion centre run by non-teaching staff as a hub for working closely with outside agencies to support both individuals and groups of students.

Fairfield prides itself on meeting the needs of individual students and has a commitment to excellence - each child achieving their personal best. The 2013 GCSE results put the school in the top 100 non-selective state schools in the country and at the top of the league tables for every category in Herefordshire; 2014 GCSE results again saw the school recognised by the DfE as in the top 100 non-selective state schools in England for progress. 2015 GCSE results were the best in Herefordshire and were recognised by the DfE for both progress and attainment. 2016 results are commented on below.

The school's unique atmosphere stems from a deeply rooted philosophy of inclusion and a sense of belonging, to the school, the community and the countryside. This is clearly illustrated by our free-range chickens which roam the site, our rare breed sheep, pigs and alpacas, birds and reptiles. All contribute directly to the curriculum and indirectly to promoting care, empathy and responsibility towards our community and our surroundings.

Public benefit

Fairfield has been judged Outstanding by Ofsted in all categories in successive inspections in 2006, 2009 and 2013. Its aims are to offer a broad and balanced curriculum to enable every young person to achieve academically, physically and socially - "empowering everyone to achieve their personal best". The School Development Plan 2015-16 was focused on the main Ofsted areas: Teaching, Learning & Assessment; Personal development, Behaviour and Welfare; Outcomes; Leadership & Management. Each area has a number of focused school improvement priorities, which are delivered at a whole-school level and then in more detail at a Faculty / subject level. The SDP and Faculty Development Plans inform staff performance management priorities and targets, ensuring that all members of staff, at every level, are part of the school's drive for continuous improvement.

Fairfield High School

Report of the Trustees for the Year Ended 31 August 2016

STRATEGIC REPORT

Achievement and performance

Charitable activities

2016 saw a change in nationally expected grades and statistics, making it difficult to compare year on year progress. The new "basics" figure (students gaining a grade C or above in both English and Maths) was 72% at Fairfield. 69% of students earned 5A*-C grades including English and Maths and 37.5% achieved the English Baccalaureate. These figures are significantly above the county and national average. 25% of all grades were at A*-A. 72% of students met nationally expected levels of progress (3 levels) KS2-4 in Maths; 91% made similar progress in English.

The school is unusual in Herefordshire in having a rising roll; 478 students as at October 2015. This is an increase of 83 students in 5 years, an increase of 21%. The school is already over the 450 Planned Admission Number (PAN) and has limited capacity to admit many more students.

The most recent Ofsted report from October 2013 gives a detailed analysis of the school's strengths in every area.

Key financial performance indicators

These are covered throughout the Trustees' Report.

Financial review

Financial position

The board of trustees has been mindful of the requirements of the Academies Financial Handbook 2015 and the Academies accounts direction 2015 to 2016 (SORP 2015) when preparing this report and financial statements.

The majority of the school's income is obtained from the Education Funding Agency in the form of recurrent grant. The use of this grant is restricted to particular purposes. The recurrent grant and associated expenditure are shown as restricted funds in the statement of financial activities.

The fixed assets held by the school are depreciated in line with the policy reviewed, updated and approved by governors at their meeting held on the 2 February 2016.

The major element of funding for the academic year is based upon the student numbers recorded in the October census in the previous calendar year. As the school has an increasing student population, it has been necessary to increase the teaching staff numbers (and thus revenue expenditure) in advance of receiving funding appropriate to current student numbers.

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

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

During the period ended 31 August 2016, out of total expenditure of £2,584,814 (2015: £4,174,377), £2,248,094 (2015: £3,026,603) was covered by recurrent grant funding from the DfE. The net incoming resources before transfers and revaluations for the period was £20,465 (2015: £3,795,676).

At 31 August 2016, the net book value of fixed assets was £4,250,166 (2015: £4,254,156) (and movements in tangible fixed assets are shown in Note 12 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

Investment policy and objectives

A formal investment policy will aim to maintain between £225,000 and £250,000 liquid assets to fund the delay between spending and receipt of grants and maintain a safety net to cover emergency spending.

Reserves policy

The policy, in process of being developed, will aim to carry forward sufficient funds to meet the academy's long term aims and objectives without compromising its current operational activities. The deficit linked to the Local Government Pension Scheme will also be considered when developing this policy.

Fairfield High School

Report of the Trustees for the Year Ended 31 August 2016

STRATEGIC REPORT

Financial review

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.

Principal risks and uncertainties

A Risk Analysis has been undertaken by governors. Consideration has been given to those risks linked to the school's reputation, operations and finances as well as its compliance with legislation. Those risks have been subjected to a probability study and risk ranking in order to identify the actions necessary to reduce or eliminate the risk consequences.

Future plans

The Academy continues to grow and has an ongoing programme of maintenance. The school was unsuccessful in its bid to the DfE for a new Maths and Science block in 2014, and in its application for a smaller project in 2015 to replace the existing Modern Languages classrooms, which are currently housed in temporary mobiles. The headteacher and governing body are actively engaged in discussions with the Local Authority with regard to Herefordshire's Capital Investment Strategy, which may offer opportunities to develop and replace existing buildings in the future.

The Academy will continue to look ahead to national and local curriculum developments to ensure that we are able to provide an appropriate educational provision for all our learners. In addition the school will continue to provide top quality teaching and learning to ensure that numbers are maintained and the school is financially viable and sustainable for the long term.

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 Fairfield High School are also directors of the charitable company for the purposes of company law. The charitable company is known as Fairfield High School. The academy was incorporated on 12 March 2014 and commenced as an academy from 1 May 2014.

Details of the trustees who served throughout this period are included in the Reference and Administrative details on pages 1 and 2.

Members' liability

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

Trustees' Indemnities

Governors benefit from indemnity insurance purchased at the Academy Trust's expense to cover the liability of the Governors which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust, provided that any such insurance shall not extend to any claim arising from any act or omission which the Governors knew to be a breach of trust or breach of duty or which was committed by the Governors in reckless disregard to whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the Governors in their capacity as Directors of the Academy Trust. The limit of this indemnity is £5,000,000 and is provided by Zurich Municipal.

Principal activities

This is defined in the Articles of Association.

Fairfield High School

Report of the Trustees for the Year Ended 31 August 2016

STRUCTURE, GOVERNANCE AND MANAGEMENT

Recruitment and appointment of new trustees

The members of the Academy Trust shall comprise the signatories of the Memorandum, the chairman of the Governors and any person appointed under Article 16. Each of the persons entitled to appoint members in Article 12 shall have the right from time to time by written notice delivered to the Office to remove any member appointed by them and to appoint a replacement member to fill a vacancy whether resulting from such removal or otherwise. The members may agree by passing a special resolution in writing to appoint such additional members as they think fit and may agree by passing a special resolution in writing to remove any such additional members, provided that such appointment or removal is in the interests of the Academy Trust. Each person nominated to be a member of the Academy Trust shall either sign a written consent to become a member or sign the register or members on becoming a member.

Organisational structure

The structure consists of three levels: the Governors, Senior Leadership Team and Heads of Faculty. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

The Senior Leadership Team are the Headteacher, Deputy Headteacher, three Assistant Headteachers and the Finance Director.

The school is led and managed via full board and governors' committees meetings which take place at least on a termly basis; twice weekly Senior Leadership Team Meetings; monthly Head of Faculty meetings; whole staff meetings, faculty meetings and pastoral team meetings. There are also five In Service Training Days per year for all staff.

The following decisions are reserved to the Board of Governors; to consider any proposals for changes to the status or constitution of the Academy and its committee structure, to appoint or remove the Chairman and/or Vice Chairman, to appoint the Headteacher and Clerk to the Governors, to approve the Annual Development Plan and budget. The Governors are responsible for setting general policy, adopting an annual plan and budget, approving the statutory accounts, monitoring the Academy by the use of budgets and other data, and making major decisions about the direction of the Academy and capital expenditure. Some financial responsibilities are delegated to the Finance Committee and the Headteacher in accordance with its Terms of Reference. The Trustees and Board of Governors have devolved responsibility for day to day management of the Academy to the Headteacher. The Headteacher will implement the policies laid down by the Governors and report back to them on performance.

The Headteacher is the Accounting Officer.

Policies and procedures adopted for the induction and training of trustees

The level of training provided for members will be pursuant to their level of understanding and previous knowledge. Each new member meets with the Chair of Governors and the Headteacher, is given detailed information about the school on appointment and is regularly offered appropriate training via Herefordshire Governor Services and the school. All members are trained in appropriate safeguarding procedures.

Key management remuneration

The Deputy headteacher has been on part-time secondment to the local authority since April 2016. This has offered a professional development opportunity for two Assistant heads to step into a Deputy role, and for two Heads of Faculty to take on some duties at AHT level. These roles were internally advertised and appointed. The four members of staff concerned have been awarded a temporary pay increase on the Leadership scale, for the duration of the secondment (currently due to end in July 2017).

The Headteacher has an additional payment to reflect the extra responsibility and workload associated with Executive Headship at Longtown Primary School.

Additional work undertaken by the Deputy Head as an Ofsted inspector or by the Headteacher as a School Improvement Partner or National Leader of Education is paid directly to the school.

Fairfield High School

Report of the Trustees
for the Year Ended 31 August 2016

STRUCTURE, GOVERNANCE AND MANAGEMENT

Related parties

The Headteacher is the Executive Headteacher of Longtown Primary School. The primary school has a service level agreement with Fairfield High School (Fairfield) for the provision of the executive headship role. In addition Fairfield works on an informal basis supporting other schools and offering training. This has included work at the Herefordshire Leadership Conference; working closely with the Golden Valley primary schools on a regular basis, both as a group and with specific members of staff and subject areas; offering Inset to other Herefordshire Schools and to a sponsored academy in Gloucestershire; maintaining the collaborative Hereford Rural Partnership within Herefordshire. The Headteacher is also acting as School Improvement Partner to another Herefordshire secondary school and is a member of the Herefordshire School Improvement Partnership and the local authority Capital Strategy Group. The Headteacher has also been designated as a National Leader of Education and the school as a National Support School in May 2016.

AUDITORS

Insofar as the governors are aware:

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

The Governors Report, incorporating a strategic report, was approved by the board of governors, as the company directors on ...~~22nd November 2016~~... and signed on its behalf by:

.....P S James.....
Mrs P S James - Chair of governors

Fairfield High School

Governance Statement for the Year Ended 31 August 2016

Scope of Responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that Fairfield High 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 of loss.

The board of the 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 Fairfield High 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 Report of the Trustees and in the Statement of Trustees Responsibilities. The board of trustees has formally met 4 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Governor	Meetings attended	Out of a possible
Mrs P James (Chair)	4	4
Mr S Vaughan Winter	4	4
Mrs J Archer	4	4
Mrs S Gaston (Headteacher and accounting officer)	4	4
Mr B Eacock	2	4
Mr S Burnett	-	1
Mrs P Hart	3	4
Mr S Hancorn	2	4
Mr T Edwards	3	4

The Finance and Premises Committee is a sub committee of the main Governing Body. The main function of this committee is to consider and make recommendations to the governors on all financial and budgetary matters. Attendances at meetings in the year were as follows:

Governor	Meetings attended	Out of a possible
Mrs P James	4	4
Mr S Vaughan-Winter	4	4
Mrs J Archer	4	4
Mrs S Gaston	4	4
Mr S Burnett	-	1
Mrs P Hart	3	3
Mr S Hancorn	4	4
Mr T Edwards	4	4
Mr B Eacock	4	4

The Curriculum and Personnel Committee is a sub committee of the main Governing Body. Attendances at meetings in the year were as follows:

Governor	Meetings attended	Out of a possible
Mrs P James	3	3
Mr S Vaughan-Winter	3	3
Mrs J Archer	3	3
Mrs S Gaston	3	3
Mr S Burnett	-	1
Mrs P Hart	3	3
Mr S Hancorn	3	3
Mr T Edwards	3	3
Mr B Eacock	2	3

Fairfield High School

Governance Statement for the Year Ended 31 August 2016

The Education Funding Agency's Financial Management and Governance Self-Assessment return was considered by the governors at their meeting held on 10 July 2014. This assessment allowed the governors to consider aspects covering financial oversight, financial planning, internal control, financial monitoring and management and audit requirements. It also ensured compliance with the requirements of the Academies Financial Handbook.

Whilst governors were able to give a positive response to the majority of questions posed within the self-assessment, a plan of action was agreed whereby the remaining areas would be addressed within a prescribed timescale. The Risk Register was approved by governors at their meeting held on 22 November 2016. The development of a contingency and business continuity plan is ongoing.

Review of Value for Money

As accounting officer the Headteacher has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The accounting officer for the academy trust has, for example, delivered improved value for money during the period by re-tendering for the supply of reprographic equipment and provision of management control information for a five year period.

Other examples of value for money are seen throughout the Governors Report.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. There have been no changes to the system of internal control previously operated at Fairfield during the period ended 31 August 2016 and up to the date of approval of the annual report and financial statements. Matters raised by the auditors in their report to management, following the audit of the accounts for the period ended 31 August 2015, have been actioned.

Capacity to Handle Risk

The governing body is currently reviewing the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that will need to be implemented to mitigate those risks.

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. At their meeting held on 2 February 2016, governors reviewed, updated and approved a set of policies that would formalise this framework. In particular, it includes:

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

Fairfield High School

Governance Statement
for the Year Ended 31 August 2016

The Risk and Control Framework

The governing body had previously considered the need for a specific internal audit function and had decided not to appoint an internal auditor. However, the trustees did appoint Trefor Edwards to perform an independent review. The reviewer's role included giving advice on financial matters and performing a range of checks on the academy trust's financial systems. The reviewer reported to the governing body through the Finance and Premises Committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities. Reports covering procedures and controls in respect of payroll, purchasing and bank reconciliations were submitted. Other than noted above, no changes have been made to the internal controls and procedures operated at Fairfield. Should changes be made in the future, further independent reviews will be undertaken.

Review of Effectiveness

As accounting officer the Headteacher has responsibility for reviewing the effectiveness of the system of internal control. Since becoming an academy, the review has been informed by:

- * The work of the internal reviewer.
- * The work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

Any recommendations made by Thorne Widgey, following the audit will be considered and acted upon in a timely manner.

Approved by order of the members of the board of trustees on 22nd November 2016 and signed on its behalf by:

P S James

Mrs P S James - Chair of governors

S Gaston

Mrs S Gaston - Headteacher/Accounting Officer

Fairfield High School

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

As accounting officer of Fairfield High 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 2015.

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.


.....
Mrs S Gaston - Accounting Officer

Date: 22.11.16

Fairfield High School

Statement of Trustees Responsibilities for the Year Ended 31 August 2016

The trustees (who act as governors of Fairfield High School and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Report of the Trustees 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 academy trust and of the incoming resources and application of resources, including the income and expenditure, of the academy trust for that period. In preparing those financial statements, the trustees are required to

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

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

The trustees are responsible for ensuring that in its conduct and operation the academy trust 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.

In so far as the trustees are aware:

- there is no relevant audit information of which the academy trust'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 trustees are responsible for the maintenance and integrity of the corporate and financial information included on the academy trust's website.

Approved by order of the members of the board of trustees on 22nd November 2016 and signed on its behalf by:

P S James
Mrs P S James - Chair of governors

Report of the Independent Auditors to the Members of Fairfield High School

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

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

Respective responsibilities of trustees and auditors

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

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

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

Opinion on other matter prescribed by the Companies Act 2006


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

Report of the Independent Auditors to the Members of
Fairfield High 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:

- 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 trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.


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

Date: 22/11/16

Note:

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

Independent Reporting Accountant's Assurance Report on Regularity to
Fairfield High School and the Education Funding Agency

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

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

Respective responsibilities of Fairfield High School's accounting officer and the reporting accountant

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

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

Approach

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

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

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

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

The work undertaken to draw our conclusions includes:

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

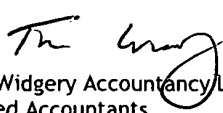
This work was integrated with our audit on the financial statements to the extent evidence from the conduct of that audit supports the regularity conclusion.

Without qualifying our opinion, we would like to refer to the related and connected party transactions highlighted in note 22 in the attached accounts.

Independent Reporting Accountant's Assurance Report on Regularity to
Fairfield High School and the Education Funding Agency

Conclusion

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


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

Date: 22/11/16

Fairfield High School

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

					Year Ended 31.8.16	Period 12.3.14 to 31.8.15
	Note	Unrestricted Fund £	Restricted Fixed Asset £	Restricted General Fund £	Total funds £	Total funds £
INCOME AND ENDOWMENTS FROM						
Donations and capital grants	3	-	11,695	147,374	159,069	140,689
Transfer from Local Authority on conversion	24	-	-	-	-	4,502,138
Charitable activities						
Funding for the academy's educational operations	4	-	-	2,396,637	2,396,637	3,271,339
Other trading activities	5	-	-	49,042	49,042	55,392
Investment income	6	531	-	-	531	495
Total		531	11,695	2,593,053	2,605,279	7,970,053
EXPENDITURE ON						
Charitable activities						
Academy's educational operations		-	97,162	2,487,652	2,584,814	3,316,656
Transfer from Local Authority on conversion	24	-	-	-	-	857,721
Total	7	-	97,162	2,487,652	2,584,814	4,174,377
NET INCOME/(EXPENDITURE)		531	(85,467)	105,401	20,465	3,795,676
Transfers between funds	21	-	58,913	(58,913)	-	-
Other recognised gains/(losses)						
Actuarial gains/losses on defined benefit schemes		-	-	(325,000)	(325,000)	(59,000)
Net movement in funds		531	(26,554)	(278,512)	(304,535)	3,736,676
RECONCILIATION OF FUNDS						
Total funds brought forward		96,484	4,276,722	(636,530)	3,736,676	-
TOTAL FUNDS CARRIED FORWARD		97,015	4,250,168	(915,042)	3,432,141	3,736,676

All of the academy trust's activities derive from acquisitions in the current year.

The notes form part of these financial statements

Fairfield High School (Registered number: 8936256)

Balance Sheet
At 31 August 2016

	Notes	31.8.16 £	31.8.15 £
FIXED ASSETS			
Tangible assets	13	4,250,166	4,254,156
CURRENT ASSETS			
Debtors	14	89,307	81,749
Cash at bank and in hand		<u>507,729</u>	<u>412,615</u>
		597,036	494,364
CREDITORS			
Amounts falling due within one year	15	(245,840)	(157,123)
NET CURRENT ASSETS		<u>351,196</u>	<u>337,241</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		4,601,362	4,591,397
CREDITORS			
Amounts falling due after more than one year	16	(29,221)	(58,721)
PENSION LIABILITY	22	(1,140,000)	(796,000)
NET ASSETS		<u>3,432,141</u>	<u>3,736,676</u>
FUNDS	21		
Unrestricted funds:			
General fund		97,015	96,484
Restricted funds:			
Conversion and Depreciation		4,141,870	4,218,847
Fixed assets funded by GAG		76,292	35,310
EFA Capital Grants		32,006	22,565
Restricted pension fund		(1,140,000)	(796,000)
General Annual Grant		175,871	109,383
Other restricted		49,087	49,087
Other EFA Grants		-	1,000
		<u>3,335,126</u>	<u>3,640,192</u>
TOTAL FUNDS		<u>3,432,141</u>	<u>3,736,676</u>

The notes form part of these financial statements

Fairfield High School (Registered number: 8936256)

Balance Sheet - continued

At 31 August 2016

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

The financial statements were approved by the Board of Trustees on 22nd November 2016 and were signed on its behalf by:

PS James
Mrs P S James -Chair of governors

The notes form part of these financial statements

Fairfield High School

Cash Flow Statement
for the Year Ended 31 August 2016

		Year Ended 31.8.16 £	Period 12.3.14 to 31.8.15 £
Cash flows from operating activities:	Notes		
Cash generated from operations	1	<u>205,257</u>	<u>476,987</u>
Net cash provided by (used in) operating activities		<u>205,257</u>	<u>476,987</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		(92,869)	(46,927)
Capital grants from DfE/EFA		11,695	11,560
Interest received		<u>531</u>	<u>495</u>
Net cash provided by (used in) investing activities		<u>(80,643)</u>	<u>(34,872)</u>
Cash flows from financing activities:			
Loan repayments in year		<u>(29,500)</u>	<u>(29,500)</u>
Net cash provided by (used in) financing activities		<u>(29,500)</u>	<u>(29,500)</u>
Change in cash and cash equivalents in the reporting period		95,114	412,615
Cash and cash equivalents at the beginning of the reporting period		<u>412,615</u>	<u>-</u>
Cash and cash equivalents at the end of the reporting period		<u>507,729</u>	<u>412,615</u>

The notes form part of these financial statements

Fairfield High School

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

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

	Year Ended 31.8.16 £	Period 12.3.14 to 31.8.15 £
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	20,465	3,795,676
Adjustments for:		
Depreciation	96,859	114,254
Capital grants from DfE/EFA	(11,695)	(11,560)
Transfer from Local Authority on conversion	-	(3,644,417)
Interest received	(531)	(495)
Cash on conversion	-	180,655
Increase in debtors	(7,558)	(81,749)
Increase in creditors	88,717	127,623
Difference between pension charge and cash contributions	<u>19,000</u>	<u>(3,000)</u>
Net cash provided by (used in) operating activities	<u>205,257</u>	<u>476,987</u>

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

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

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

First time adoption of FRS 102

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

Going concern

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

Income

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

Grants

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

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

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

Sponsorship income

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

Donations

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

Other income

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

1. ACCOUNTING POLICIES - continued

Donated goods, facilities and services

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

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

Expenditure

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

Charitable activities

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

Tangible fixed assets

Assets costing £2,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy Trust's depreciation policy. Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful lives, as follows:

Leasehold buildings	2%	per annum
Leasehold Improvements	10%-20%	per annum
Fixtures, fittings and equipment	10%	per annum
ICT equipment	33.3%	per annum
Motor Vehicles	25%	per annum

Assets in the course of construction are included at cost. Depreciation of these assets is not charged until they are brought into use. A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

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.

1. ACCOUNTING POLICIES - continued

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

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

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

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Pension costs and other post-retirement benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 19, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions 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.

Conversion to an academy

The conversion from a state maintained school to an Academy Trust involved the transfer of identifiable assets and liabilities and the operation of the school for £Nil consideration and has been accounted for under the acquisition accounting method.

The assets and liabilities transferred on conversion from Fairfield High School to an Academy Trust have been valued at their fair value being a reasonable estimate of the current market value that the governors would expect to pay in an open market for an equivalent item. Their fair value is in accordance with the accounting policies set out for Fairfield Academy Trust. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in voluntary income as net income/net expenditure in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. Further details of the transaction are set out in note 23.

1. ACCOUNTING POLICIES - continued

Liabilities

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

Provisions

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

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

Critical accounting estimates and areas of judgement

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

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 19, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 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. GENERAL ANNUAL GRANT

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.

Fairfield High School

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

3. DONATIONS AND CAPITAL GRANTS

	Year Ended 31.8.16 £	Period 12.3.14 to 31.8.15 £
Grants and donations	5,293	3,492
Capital Grants	11,695	11,560
School trips etc	118,132	112,611
Contributions from other organisations	<u>23,949</u>	<u>13,026</u>
	<u>159,069</u>	<u>140,689</u>

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

	Year Ended 31.8.16 £	Period 12.3.14 to 31.8.15 £
Capital Grant	<u>11,695</u>	<u>11,560</u>

4. FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds £	Restricted funds £	Year Ended 31.8.16 Total funds £	Period 12.3.14 to 31.8.15 Total funds £
DfE/EFA revenue grant				
General Annual Grant(GAG)	-	2,288,412	2,288,412	3,087,302
Other DfE/EFA Grants	<u>-</u>	<u>73,185</u>	<u>73,185</u>	<u>116,389</u>
	-	2,361,597	2,361,597	3,203,691
Other government grant				
Other Government Grants	<u>-</u>	<u>35,040</u>	<u>35,040</u>	<u>67,648</u>
	-	<u>2,396,637</u>	<u>2,396,637</u>	<u>3,271,339</u>

5. OTHER TRADING ACTIVITIES

	Year Ended 31.8.16 £	Period 12.3.14 to 31.8.15 £
Income from other schools	49,042	54,717
Other income	<u>-</u>	<u>675</u>
	<u>49,042</u>	<u>55,392</u>

Fairfield High School

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

6. INVESTMENT INCOME

	Year Ended 31.8.16 £	Period 12.3.14 to 31.8.15 £
Short term deposits	<u>531</u>	<u>495</u>

7. EXPENDITURE

	Staff costs £	Non-pay expenditure Premises £	Other costs £	Year Ended 31.8.16 Total £	Period 12.3.14 to 31.8.15 Total £
Charitable activities					
Academies educational operations					
Direct costs	1,735,788	68,316	230,045	2,034,149	2,563,487
Allocated support costs	<u>242,035</u>	<u>154,955</u>	<u>153,675</u>	<u>550,665</u>	<u>753,169</u>
	1,977,823	223,271	383,720	2,584,814	3,316,656
Transfer from Local Authority on conversion	-	-	-	-	<u>857,721</u>
	<u>1,977,823</u>	<u>223,271</u>	<u>383,720</u>	<u>2,584,814</u>	<u>4,174,377</u>

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

	Year Ended 31.8.16 £	Period 12.3.14 to 31.8.15 £
Auditors' remuneration	8,525	10,000
Depreciation - owned assets	96,859	114,254
Operating leases	<u>10,404</u>	<u>14,625</u>

8. CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds £	Restricted funds £	Year Ended 31.8.16 Total funds £	Period 12.3.14 to 31.8.15 Total funds £
Direct costs	-	2,034,149	2,034,149	2,563,487
Support costs	-	<u>550,665</u>	<u>550,665</u>	<u>753,169</u>
	-	<u>2,584,814</u>	<u>2,584,814</u>	<u>3,316,656</u>

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

8. CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS - continued

	Year Ended 31.8.16 Total funds £	Period 12.3.14 to 31.8.15 Total funds £
	Year Ended 31.8.16 Total £	Period 12.3.14 to 31.8.15 Total £
Analysis of support costs		
Support staff costs	242,035	283,372
Depreciation	25,770	23,166
Administration and technology costs	80,278	137,071
Premises costs	152,430	212,882
Other support costs	39,102	66,189
Governance costs	11,050	30,489
Total support costs	550,665	753,169

9. TRUSTEES' REMUNERATION AND BENEFITS

One or more trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The Headteacher and staff governors only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff and not in respect of their services as governors. Other governors did not receive any payments, other than expenses, from the Academy in respect of their role as governors. The value of governors' remuneration and other benefits received during the period, was as follows:

		2016	2015
S Gaston	Headteacher and Accounting Officer	Remuneration £95,000 - £100,000 Eer Pension £10,000 - £15,000 Contributions	£95,000 - £100,000 £10,000 - £15,000

This is based on the national salary range for a group 4 school and also includes £15,000 plus Employers National Insurance Contributions for the Executive Headship referred to in note 22. This additional payment will continue for as long as the Executive Headship role is undertaken.

P Hart	Staff Governor	Remuneration £25,000 - £30,000 Eer Pension £Nil - £5,000 Contributions	£20,000 - £25,000 £Nil - £5,000 £Nil - £5,000
J Archer	Staff Governor	Remuneration £Nil - £5,000 Eer Pension £Nil - £5,000 Contributions	£Nil - £5,000 £Nil - £5,000 £Nil - £5,000

The above information for the comparative figures has been pro-rated to reflect an annual salary.

Other related party transactions involving the trustees are set out in note 22.

Trustees' expenses

During the period ended 31 August 2016, travel expenses totalling £650 (2015: £942) were reimbursed to 2 trustees.

Fairfield High School

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

10. STAFF COSTS

	Year Ended 31.8.16 £	Period 12.3.14 to 31.8.15 £
Wages and salaries	1,539,524	1,999,479
Social security costs	121,935	142,523
Other pension costs	<u>275,810</u>	<u>328,257</u>
	1,937,269	2,470,259
Supply teacher costs	6,567	31,290
Compensation payments	<u>33,987</u>	<u>-</u>
	<u>1,977,823</u>	<u>2,501,549</u>

Included within the above compensation payment is redundancy cost and an amount payable to the LGPS for pension contributions due.

The redundancy payment made in the year does not contain any non-statutory elements.

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

	Year Ended 31.8.16	Period 12.3.14 to 31.8.15
Teachers	26	25
Administration and support	15	18
Management	<u>6</u>	<u>5</u>
	<u>47</u>	<u>48</u>

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

	Year Ended 31.8.16	Period 12.3.14 to 31.8.15
£60,001 - £70,000	1	1
£90,001 - £100,000	<u>1</u>	<u>1</u>
	<u>2</u>	<u>2</u>

The above employees participated in the Teachers' Pension Scheme.

Key Management Personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £412,431 (2015: £382,227).

11. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy has purchased insurance to protect Governors and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost of this insurance for the year ended 31 August 2016 is £459. The cost of this insurance is included within the total insurance cost.

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

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES (PERIOD ENDED 31 AUGUST 2015)

	Unrestricted Fund £	Restricted Fixed Asset £	Restricted General Fund £	Total funds £
INCOME AND ENDOWMENTS FROM				
Donations and capital grants	-	11,561	129,126	140,689
Transfer from Local Authority on conversion	66,189	4,332,488	103,463	4,502,138
Charitable activities				
Funding for the academy's educational operations	-	-	3,271,339	3,271,339
Other trading activities	675	-	54,717	55,392
Investment income	495	-	-	495
Total	67,359	4,344,049	3,558,645	7,970,053
EXPENDITURE ON				
Charitable activities				
Academy's educational operations	-	114,254	3,202,402	3,316,656
Transfer from Local Authority on conversion	-	-	857,721	857,721
Total	-	114,254	4,060,123	4,174,377
NET INCOME/(EXPENDITURE)	67,359	4,229,795	(501,478)	3,795,676
Transfers between funds	29,125	46,927	(76,052)	-
Other recognised gains/(losses)				
Actuarial gains/losses on defined benefit schemes	-	-	(59,000)	(59,000)
Net movement in funds	96,484	4,276,722	(636,530)	3,736,676
RECONCILIATION OF FUNDS				
Total funds brought forward	-	-	-	-
TOTAL FUNDS CARRIED FORWARD	96,484	4,276,722	(636,530)	3,736,676

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

13. TANGIBLE FIXED ASSETS

	Long leasehold £	Improvements to property £	Motor vehicles £	Computer equipment £	Totals £
COST					
At 1 September 2015	4,295,000	9,043	2,000	62,367	4,368,410
Additions	-	13,122	-	79,747	92,869
At 31 August 2016	4,295,000	22,165	2,000	142,114	4,461,279
DEPRECIATION					
At 1 September 2015	91,088	-	667	22,499	114,254
Charge for year	68,316	2,773	500	25,270	96,859
At 31 August 2016	159,404	2,773	1,167	47,769	211,113
NET BOOK VALUE					
At 31 August 2016	4,135,596	19,392	833	94,345	4,250,166
At 31 August 2015	4,203,912	9,043	1,333	39,868	4,254,156

The trust's transactions relating to land and buildings included:

- the granting of leasehold land and buildings at Peterchurch for £Nil consideration from Herefordshire Council over a term of 125 years.
- Included within long leasehold land and buildings is land valued at £879,000.

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.8.16 £	31.8.15 £
Trade debtors	8,250	1,925
VAT	13,968	3,715
Prepayments and accrued income	67,089	76,109
	<u>89,307</u>	<u>81,749</u>

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

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.8.16	31.8.15
	£	£
Other loans (see note 17)	29,500	29,500
Trade creditors	78,563	9,795
Social security and other taxes	68,678	59,650
Other creditors	-	3,085
Accruals and deferred income	<u>69,099</u>	<u>55,093</u>
	<u>245,840</u>	<u>157,123</u>

	£
Deferred Income at 1 September 2015	36,179
Resources deferred in the year	40,479
Amounts released from previous years	<u>(39,179)</u>
Deferred Income at 31 August 2016	<u>40,479</u>

At the balance sheet date the Academy Trust was holding funds received in advance in relation to trips due to take place in the 16/17 academic year.

16. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31.8.16	31.8.15
	£	£
Other loans (see note 17)	<u>29,221</u>	<u>58,721</u>

17. LOANS

An analysis of the maturity of loans is given below:

	31.8.16	31.8.15
	£	£
Amounts falling due within one year on demand:		
Other loans	<u>29,500</u>	<u>29,500</u>
Amounts falling between one and two years:		
Other loans - 1-2 years	<u>29,221</u>	<u>29,500</u>
Amounts falling due between two and five years:		
Other loans - 2-5 years	<u>-</u>	<u>29,221</u>

Other loans of £58,721 (2015: £88,221) represent the balance due in respect of a loan from Herefordshire Council. This was a loan taken out prior to Academy conversion. The loan balances are payable in March each year, and is due to end in March 2018. There is no interest payable on this loan.

Notes to the Financial Statements - continued
for the Year Ended 31 August 2016**18. OPERATING LEASE COMMITMENTS**

The Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	Other operating leases	
	31.8.16	31.8.15
	£	£
Expiring:		
Within one year	<u>-</u>	<u>9,656</u>

19. 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.

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Fund £	Restricted Fixed Asset £	Restricted General Fund £	31.8.16 Total funds £	31.8.15 Total funds £
Fixed assets	-	4,250,166	-	4,250,166	4,254,156
Current assets	97,015	2	500,019	597,036	494,364
Current liabilities	-	-	(245,840)	(245,840)	(157,123)
Long term liabilities	-	-	(29,221)	(29,221)	(58,721)
Pension liability	-	-	(1,140,000)	(1,140,000)	(796,000)
	<u>97,015</u>	<u>4,250,168</u>	<u>(915,042)</u>	<u>3,432,141</u>	<u>3,736,676</u>

21. MOVEMENT IN FUNDS

	At 1.9.15 £	Net movement in funds £	Transfers between funds £	At 31.8.16 £
Unrestricted funds				
General fund	96,484	531	-	97,015
Restricted funds				
Conversion and Depreciation	4,218,847	(76,977)	-	4,141,870
Fixed assets funded by GAG	35,310	(17,931)	58,913	76,292
EFA Capital Grants	22,565	9,441	-	32,006
Restricted pension fund	(796,000)	(344,000)	-	(1,140,000)
General Annual Grant	109,383	125,401	(58,913)	175,871
Other restricted	49,087	-	-	49,087
Other EFA Grants	1,000	(1,000)	-	-
	<u>3,640,192</u>	<u>(305,066)</u>	<u>-</u>	<u>3,335,126</u>
TOTAL FUNDS	<u>3,736,676</u>	<u>(304,535)</u>	<u>-</u>	<u>3,432,141</u>

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

21. MOVEMENT IN FUNDS - continued

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	531	-	-	531
Restricted funds				
Conversion and Depreciation	-	(76,977)	-	(76,977)
EFA Capital Grants	11,695	(2,254)	-	9,441
General Annual Grant	2,373,495	(2,248,094)	-	125,401
Other restricted	155,465	(155,465)	-	-
Other EFA Grants	64,093	(65,093)	-	(1,000)
Fixed assets funded by GAG	-	(17,931)	-	(17,931)
Restricted pension fund	-	(19,000)	(325,000)	(344,000)
	<u>2,604,748</u>	<u>(2,584,814)</u>	<u>(325,000)</u>	<u>(305,066)</u>
TOTAL FUNDS	<u><u>2,605,279</u></u>	<u><u>(2,584,814)</u></u>	<u><u>(325,000)</u></u>	<u><u>(304,535)</u></u>

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

- * General Annual Grant (GAG): 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 the year end.
- * Other EFA Grants: are utilised for the purposes intended by the donor.
- * Other Restricted Funds: primarily include payments made towards Academy trips.
- * The Pension Fund: is the surplus/(deficit) in the Local Government Pension Scheme.
- * Restricted Fixed Asset Funds: include the fixed assets transferred on conversion to Academy, capital grants, additions and depreciation.
- * Unrestricted Funds: are all those income and expenses for general use in the Academy.

Transfers between funds

£58,913 (2015: £46,927) has been transferred from the restricted general fund to the restricted fixed asset fund to fund the purchases of fixed assets in the period.

22. 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 Mercer. Both are multi-employer defined benefit schemes.

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

Contributions amounting to £30,022 were payable to the schemes at 31 August 2016 (2015: £27,434) and are included within creditors.

Contributions amounting to £21,044 (2015: £20,190) were paid in advance to the schemes as at 31 August 2016 and are included within prepayments.

22. PENSION AND SIMILAR OBLIGATIONS
- continued

Teachers' pension scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors.

The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to TPS in the period amounted to £298,422 (2015: £352,686).

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

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

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

22. PENSION AND SIMILAR OBLIGATIONS
- continued

Local government pension scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2016 was £115,693 (2015: 163,963), of which employer's contributions totalled £99,941 (2015: £140,117) and employees' contributions totalled £ (2015: £23,786). The agreed contribution rates for future years are 5.5x% per cent for employers and between 10.5% per cent for employees.

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

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

The rates payable over a six year period will be the Future Service Rate of 18.7% of payroll plus phased lump sum deficit contributions starting at £34,100 for the year to 2015, increasing by approximately 4.1% per annum. The rate payable from 1 April 2017 will be further revised following the next valuation of the Pension Fund which took place on 31 March 2016.

The current estimated recovery period is 18 years.

The amounts recognised in the balance sheet are as follows:

	Defined benefit pension plans	
	31.8.16	31.8.15
	£	£
Present value of funded obligations	(1,351,000)	(955,000)
Fair value of plan assets	<u>211,000</u>	<u>159,000</u>
	<u>(1,140,000)</u>	<u>(796,000)</u>
Deficit	<u>(1,140,000)</u>	<u>(796,000)</u>
Liability	<u>(1,140,000)</u>	<u>(796,000)</u>

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

	Defined benefit pension plans	
	31.8.16	31.8.15
	£	£
Current service cost	69,000	96,000
Net interest from net defined benefit asset/liability	<u>28,000</u>	<u>39,000</u>
	<u>97,000</u>	<u>135,000</u>
Actual return on plan assets	<u>34,000</u>	<u>4,000</u>

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

22. PENSION AND SIMILAR OBLIGATIONS
- continued

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

	Defined benefit pension plans	
	31.8.16	31.8.15
	£	£
Defined benefit obligation	(955,000)	(740,000)
Current service cost	(69,000)	(96,000)
Contributions by scheme participants	(16,000)	(24,000)
Interest cost	(35,000)	(44,000)
Actuarial losses/(gains)	(351,000)	(58,000)
Benefits paid	96,000	7,000
Curtailments	(21,000)	-
	<u>(1,351,000)</u>	<u>(955,000)</u>

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

	Defined benefit pension plans	
	31.8.16	31.8.15
	£	£
Fair value of scheme assets	159,000	-
Contributions by employer	100,000	140,000
Contributions by scheme participants	16,000	24,000
Expected return	7,000	5,000
Actuarial gains/(losses)	26,000	(1,000)
Benefits paid	(96,000)	(7,000)
Administration expenses	(1,000)	(2,000)
	<u>211,000</u>	<u>159,000</u>

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

Defined benefit pension plans	
31.8.16	31.8.15
£	£
<u>-</u>	<u>-</u>

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

22. PENSION AND SIMILAR OBLIGATIONS
- continued

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

	Defined benefit pension plans	
	31.8.16	31.8.15
Equities	83.4%	89.3%
Government bonds	0%	0.1%
Other bonds	6.3%	6.1%
Property	4.5%	0%
Cash/liquidity	2.3%	1%
Other	3.5%	3.5%

The academy trust's share of the assets and liabilities in the scheme and the expected rates of return were:

	Fair value at 31 August 2016	Fair value at 31 August 2015
	£	£
Equities	177,000	141,000
Other bonds	13,000	10,000
Property	9,000	-
Cash/liquidity	5,000	2,000
Other	7,000	6,000
Total market value of assets	211,000	159,000
Present value of scheme liabilities		
- Funded	(1,351,000)	(955,000)
Surplus/(deficit) in the same scheme	(1,140,000)	(796,000)

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

	31.8.16	31.8.15
Discount rate	2.1%	3.9%
Future salary increases	3.3%	3.7%
Future pension increases	1.9%	2.2%
Inflation assumption (CPI)	1.8%	2.2%

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

	At 31 August 2016	At 31 August 2015
Retiring today		
Males	23.5	23.4
Females	25.9	25.8
Retiring in 20 years		
Males	25.8	25.6
Females	28.2	38.1

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

**22. PENSION AND SIMILAR OBLIGATIONS
- continued**

Amounts for the current and previous two periods are as follows:

	31.8.16 £	31.8.15 £	31.8.14 £
Defined benefit pension plans			
Defined benefit obligation	(1,351,000)	(955,000)	(955,000)
Fair value of scheme assets	211,000	159,000	159,000
Deficit	(1,140,000)	(796,000)	(796,000)

The actual return on scheme assets was £34,000 (2015: £4,000).

23. RELATED PARTY DISCLOSURES

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

The following related party transactions took place in the period:

S Hancorn, a trustee, provided Hay and Grass keep at a cost of £467 (2015: £311) to the school.

J Archer, a trustee, provided invigilating services at a cost of £255 (2015: £597) to the school.

S Gaston, Headteacher and accounting officer acts as the Executive Headteacher of Longtown Primary School. During the period, the Academy received £39,093 (2015: £46,667) in respect of this service, and includes provision of other staff members time. As a result of this arrangement, S Gaston is paid an additional £15,000 (2015: £15,000/annum) by the Academy to undertake these additional duties.

There were no balances due to the Academy at the year end in respect of the above transactions.

24. CONVERSION TO AN ACADEMY

On 1 May 2014 Fairfield High School converted to Academy Trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Fairfield Academy Trust from the Hereford and Worcester Local Authority for £Nil consideration.

The transfer was accounted for using the acquisition method. The assets and liabilities transferred were valued at fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as net income in the Statement of Financial Activities (SOFA) as voluntary income.

The table below sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the comparative SOFA.

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

	Unrestricted Funds £	Restricted General Fund £	Restricted Pension Funds £	Restricted Fixed Asset Fund £	Total £
Incoming Resources					
Leasehold land and buildings	-	-	-	4,295,000	4,295,000
Other tangible fixed assets	-	-	-	26,484	26,484
Surplus Funds	66,189	103,463	-	11,005	180,657
	<u>66,188</u>	<u>103,463</u>	<u>-</u>	<u>4,332,489</u>	<u>4,502,141</u>
Resources expended					
LGPS Pension liability	-	-	740,000	-	740,000
Local Authority loan	-	117,721	-	-	117,721
	<u>-</u>	<u>117,721</u>	<u>740,000</u>	<u>-</u>	<u>857,721</u>
Net assets	<u>66,189</u>	<u>(14,258)</u>	<u>(740,000)</u>	<u>4,332,489</u>	<u>3,644,420</u>

The above net assets include £180,657 that was transferred as cash.

Leasehold land and buildings were transferred at a valuation which was commissioned by the Education Funding Agency. Other tangible fixed assets included computers and minibuses, which were all transferred at fair values.

25. FIRST YEAR ADOPTION

Transitional relief

On transition to FRS102, the academy trust has not taken advantage of any transitional reliefs.

Fairfield High School

Reconciliation of Income and Expenditure
for the Year Ended 12 March 2014 to 31 August 2015

	Notes	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
INCOME AND ENDOWMENTS				
FROM				
Donations and capital grants		140,689	-	140,689
Transfer from Local Authority on conversion		4,502,138	-	4,502,138
Charitable activities		3,271,339	-	3,271,339
Other trading activities		55,392	-	55,392
Investment income		495	-	495
Total		7,970,053	-	7,970,053
EXPENDITURE ON				
Charitable activities		3,284,167	32,489	3,316,656
OBSOLETE Governance costs		30,489	(30,489)	-
Transfer from Local Authority on conversion		857,721	-	857,721
Total		4,172,377	2,000	4,174,377
NET INCOME/(EXPENDITURE)		<u>3,797,676</u>	<u>(2,000)</u>	<u>3,795,676</u>

Fairfield High School

Reconciliation of Funds

At 12 March 2014

(Date of Transition to FRS 102)

	Notes	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
		-	-	-
TOTAL ASSETS LESS CURRENT LIABILITIES		-	-	-
		<hr/>	<hr/>	<hr/>
		-	-	-
		<hr/>	<hr/>	<hr/>
FUNDS		<hr/>	<hr/>	<hr/>
TOTAL FUNDS		-	-	-
		<hr/>	<hr/>	<hr/>

Fairfield High School

Reconciliation of Funds
At 31 August 2015

	Notes	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
FIXED ASSETS				
Tangible assets		4,254,156	-	4,254,156
CURRENT ASSETS				
Debtors		81,749	-	81,749
Cash at bank and in hand		<u>412,615</u>	<u>-</u>	<u>412,615</u>
		494,364	-	494,364
CREDITORS				
Amounts falling due within one year		(157,123)	-	(157,123)
NET CURRENT ASSETS		<u>337,241</u>	<u>-</u>	<u>337,241</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		4,591,397	-	4,591,397
CREDITORS				
Amounts falling due after more than one year		(58,721)	-	(58,721)
PENSION LIABILITY		(796,000)	-	(796,000)
NET ASSETS		<u><u>3,736,676</u></u>	<u><u>-</u></u>	<u><u>3,736,676</u></u>
FUNDS				
Unrestricted funds		96,484	-	96,484
Restricted funds		<u>3,640,192</u>	<u>-</u>	<u>3,640,192</u>
TOTAL FUNDS		<u><u>3,736,676</u></u>	<u><u>-</u></u>	<u><u>3,736,676</u></u>

Fairfield High School

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

	Year Ended 31.8.16 £	Period 12.3.14 to 31.8.15 £
INCOME AND ENDOWMENTS		
Donations and capital grants		
Grants and donations	5,293	3,492
Capital Grants	11,695	11,560
School trips etc	118,132	112,611
Contributions from other organisations	23,949	13,026
	159,069	140,689
Transfer from Local Authority on conversion	-	4,502,138
Other trading activities		
Income from other schools	49,042	54,717
Other income	-	675
	49,042	55,392
Investment income		
Short term deposits	531	495
Charitable activities		
Grants	2,396,637	3,271,339
Total incoming resources	2,605,279	7,970,053
EXPENDITURE		
Charitable activities		
Wages	1,397,186	1,800,610
Social security	114,725	134,161
Pensions	217,310	252,116
Supply teacher costs	6,567	31,290
Educational supplies	170,175	193,076
Examination fees	28,870	52,185
Staff development	9,227	11,961
Long leasehold	68,316	91,088
Improvements to property	2,773	-
Interest on pension scheme liabilities	19,000	(3,000)
	2,034,149	2,563,487
Transfer from Local Authority on conversion	-	857,721
Support costs		
Management		
Wages	142,338	198,869
Social security	7,210	8,362
Carried forward	149,548	207,231

This page does not form part of the statutory financial statements

Fairfield High School

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

	Year Ended 31.8.16 £	Period 12.3.14 to 31.8.15 £
Management		
Brought forward	149,548	207,231
Pensions	58,500	76,141
Redundancy payments	33,987	-
Administration and technology costs	42,748	58,423
Recruitment and support	3,140	3,665
Maintenance of premises and equipment	58,581	83,695
Cleaning	29,821	28,644
Rent and rates	9,677	15,897
Energy costs	28,783	40,565
Insurance	18,704	33,161
Security and transport	6,864	10,920
Catering	7,800	11,944
Motor vehicles	500	667
Computer equipment	25,270	22,499
Other costs	28,162	50,580
	<u>502,085</u>	<u>644,032</u>
Information technology		
Technology costs	37,530	78,648
Governance costs		
Other costs	2,525	20,489
Auditors' remuneration	8,525	10,000
	<u>11,050</u>	<u>30,489</u>
Total resources expended	<u>2,584,814</u>	<u>4,174,377</u>
Net income	<u>20,465</u>	<u>3,795,676</u>