

Registered number: 07988497

**Henry Hinde School**

Governors Report and Financial Statements

For the Year Ended 31 August 2016

**Henry Hinde School**  
**(A company limited by guarantee)**

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Henry Hinde School  
(A company limited by guarantee)

Reference and Administrative Details of the Academy, its Governors and Advisers  
For the Year Ended 31 August 2016

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<b>Members</b>	S Crosson E Roberts M Soley
<b>Governors (Trustees)</b>	M Soley, Chair S Crosson, Vice Chair K Clarke, Staff Governor E Cox* J Higham, Head Teacher and Accounting Officer P Martins*, Staff Governor C Morgan J Newbon C Newson (appointed 1 October 2016) Y Newson (resigned 1 October 2016) C Parmee (resigned 14 October 2015) E Roberts M Roberts*, Staff Governor S Ruddle* (resigned 1 October 2016) T Sikabofori*

\* members of Finance Committee

<b>Company registered number</b>	07988497
<b>Company name</b>	Henry Hinde School
<b>Principal and registered office</b>	Henry Hinde School Grenville Close Bilton Rugby Warwickshire CV22 7JQ
<b>Head Teacher</b>	J Higham
<b>Senior management team</b>	F Edwards, Deputy Head Teacher M Roberts, School Business Manager
<b>Independent auditors</b>	Dains LLP Statutory Auditor Chartered Accountants 15 Colmore Row Birmingham B3 2BH
<b>Bankers</b>	Lloyds TSB 14 Church Street Rugby Warwickshire CV22 7JT

**Henry Hinde School**  
**(A company limited by guarantee)**

**Governors' Report**  
**For the Year Ended 31 August 2016**

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The Governors present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2015 to 31 August 2016. The Annual report serves the purposes of both a Governors' report, and a Directors' report under company law.

The trust operates an infant school for pupils between the ages of 4 and 7 in the Bilton suburb of Rugby, with approximately 180 children on roll.

**Structure, governance and management**

**a. Constitution**

Henry Hinde School, trading as Henry Hinde Infant School, is a charitable company limited by guarantee and was incorporated by a Memorandum of Association on 13 March 2012. The Academy has exempt charity status and its principal regulator is the Department for Education (DfE).

The Governors act as the trustees for the charitable activities of Henry Hinde Infant School and are also the directors of the charitable company for the purposes of company law.

Details of the Governors who served throughout the year are included in the Reference and Administrative Details on page 1.

**b. 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.

**c. Method of recruitment and appointment or election of Governors**

The Board of Governors is made of representative Staff Governors, Community Governors, Parent Governors and Co-opted Governors. They are recruited via the school newsletter and website. A voting and election procedure is conducted with the parent body for Parent Governors.

The total number of Staff Governors (including the Head Teacher) who are employees of the Academy should not exceed one third of the total number of Governors. There should be a minimum of two Parent Governors.

Governors (excluding the Head Teacher) have a tenure of 4 years, with eligibility for re-election at the meeting at which they retire.

**d. Policies and procedures adopted for the induction and training of Governors**

The training and induction provided for new Governors will depend on their existing experience. Where necessary induction will provide training on charity and educational legal and financial matters. All new Governors will be given a tour of the school and given the chance to meet the staff and pupils. All Governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Governors. An existing Governor takes the role of mentor for the new Governor. Induction, whilst following the above procedure, is done informally and tailored specifically to the individual.

**e. Pay policy for key management personnel**

Pay and remuneration for key management personnel is set in accordance with the annually reviewed Pay Policy Statement and Procedures document, which is approved by the Chair of the Board of Trustees.

**Objectives and Activities**

**a. Objects and aims**

The principal object and activity of the charitable company is the operation of Henry Hinde Infant School to provide education for pupils of different abilities between the ages of 4 and 7.

In accordance with the articles of association the charitable company has adopted a "Scheme of Government" approved by the Secretary of State for Education and Skills. The Scheme of Government specifies the basis for admitting pupils to the school, the catchment area from which the students are drawn, and that the curriculum should comply with the substance of the national curriculum.

The main objectives of the school during the year ended 31 August 2016 are summarised below:

- to ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care within a safe and secure environment;
- to raise the standard of educational achievement of all pupils;
- to improve the effectiveness of the school by keeping the curriculum and organisational structure under continual review;
- to provide value for money for the funds expended;
- to comply with all appropriate statutory and curriculum requirements;
- to maintain close links with other Schools within its local cluster and the local community;
- to maintain close links with industry and commerce; and
- to conduct the school's business in accordance with the highest standards of integrity, probity and openness.

**b. Objectives, strategies and activities**

The school's main strategy is encompassed in its mission statement which is 'Learning Together'. This is supported by the school's core values:

**Learning Comes First**

- Learning together to ensure that everyone learns in a supportive environment in which they all achieve their personal best.

**Learning About Learning**

- Learning together to take responsibility for improving our own learning by using what we already know, do and understand.

**Learning Today for Tomorrow**

- Learning together to live successfully in a rapidly changing world.

**Learning to Live Together**

- Learning together to understand and respect that everyone is unique.

**c. Public benefit**

The Governors have complied with their duty to have due regard to the activities undertaken to further the school's purposes for public benefit by:

- carrying out its principal object and activity of providing education for pupils of different abilities between the ages of 4 and 7;
- maintaining an OFSTED rating of Good in teaching and learning;
- At least 20% of children are working at 'automatic' mastery level;
- At least 85% of children are working at age related expectation;
- Mastery is embedded throughout the Mathematics curriculum, including the use of Maths in other subjects;
- Children receive a curriculum that supports depths of mastery;
- At least 85% of children are working at age related expectation in all subjects by the end of KS1;
- Teachers' and TAs' deep subject knowledge ensures that most children make good or better progress.

**Henry Hinde School**  
(A company limited by guarantee)

**Governors' Report (continued)**  
**For the Year Ended 31 August 2016**

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**Achievements and performance**

**a. Key performance indicators and Review of activities**

The key performance indicators for the school are the results from Key Stage 1 2016, as follows:

**Reading:**

Expected Standard: School 80%, National 74%

Greater Depth: School 32%, National 24%

**Writing:**

Expected Standard: School 73%, National 66%

Greater Depth: School 15%, National 13%

**Maths:**

Expected Standard: School 85%, National 73%

Greater Depth: School 25%, National 18%

**Science:**

Expected Standard: School 87%, National 82%

In addition, Year 1 Phonics Screen outcomes were 93% at or above the threshold, compared with 81% nationally.

**b. Going concern**

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

**Financial review**

**a. Review of financial performance**

Most 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 year ended 31 August 2016 and the associated expenditure are shown as restricted funds in the statement of financial activities.

During the year ended 31 August 2016, total expenditure of £848,694 (excluding pension reserve adjustments and depreciation) was covered by recurrent grant funding from the Education Funding Agency together with other incoming resources. The excess of income over such expenditure for the year was £1,895.

At 31st August 2016 the net book value of fixed assets was £1,396,495. Movements in tangible fixed assets are shown in note 14 to the financial statements. The assets were used exclusively for providing education and associated support services to the pupils of the school.

**b. Principal risks and uncertainties**

The Governors have assessed the major risks to which the school is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the school and its finance. The Governors have implemented a number of systems to assess risks that the school faces, especially in the operational areas (in relation to teaching, health and safety, etc.) and in relation to the control of finance.

The principal risks to the Academy, as for most educational establishments, include the failure to maintain and improve academic standards and damage to reputation. Both of these areas could ultimately result in a decline in student numbers which would have a detrimental impact on funding for the academy.

Control measures have been put in place with the aim to mitigate and/or minimise these risks and a risk register is in place.

The Governors have introduced systems, including operational procedures (e.g. vetting of new staff and visitors) and internal financial controls in order to minimise risk. Adequate insurance cover is in place. The school has an effective system of internal financial controls.

**c. Reserves policy**

The Governors review the reserve levels annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves.

At 31 August 2016, the Academy had free reserves of £9,188 (2015 - £13,186), fixed asset reserves of £1,396,495 (2015 - £1,425,094) which can only be realised by disposing of tangible fixed assets, and a pension reserve in deficit of £514,000 (2015 - £314,000).

Under Financial Reporting Standard 102, it is necessary to charge project deficits on the Local Government Pension Scheme, which is provided to support staff, to the restricted general fund. This results in reducing the reserves shown in the total funds of the Academy. It should be noted that this does not present the Academy with any current liquidity problem. The Academy is currently paying increased employer contributions to reduce this deficit.

**Plans for future periods**

**a. Future developments**

Plans for future periods include:

- Raise attainment of more able children in Maths;
- Further develop a mastery-based curriculum;
- Further develop children's behaviours for learning.

**b. Organisational structure**

A unified management structure is in place. The Governors are responsible for setting general policy, adopting an annual learning improvement plan and budget, monitoring the use of budgets and making major decisions regarding the direction of the school, capital expenditure and senior staff appointments.

The Senior Leadership Team ('SLT') is responsible for the authorisation of spending within agreed budgets and the appointment of staff. Appointment panels always contain a Governor. Some spending control is devolved to members of the SLT with limits in place.



Henry Hinde School  
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**Governors' Report (continued)**  
**For the Year Ended 31 August 2016**

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**Disclosure of information to auditors**

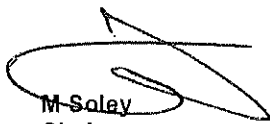
Each of the persons who are Governors at the time when this Governors' report is approved has confirmed that:

- so far as that Governor is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Governor has taken all the steps that ought to have been taken as a Governor in order to be aware of any information needed by the charitable company's auditors in connection with preparing their report and to establish that the charitable company's auditors are aware of that information.


**Auditors**

The auditors, Dains LLP, have expressed their willingness to continue in office and will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by order of the governing body as the company directors, on *17 November 2016* and signed on its behalf by:



M Soley  
Chair



J Higham  
Head Teacher and Accounting Officer

**Henry Hinde School**  
**(A company limited by guarantee)**

**Governance Statement**

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**Scope of Responsibility**

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

The governing body has delegated the day-to-day responsibility to the Head Teacher, 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 Henry Hinde School and the Secretary of State for Education. They are also responsible for reporting to the governing body any material weaknesses or breakdowns in internal control.

**Governance**

The information on governance included here supplements that described in the Governors' report and in the Statement of Governors' responsibilities. The governing body has formally met 3 times during the year. Attendance during the year at meetings of the governing body was as follows:

Governor	Meetings attended	Out of a possible
M Soley, Chair	3	3
S Crosson, Vice Chair	3	3
K Clarke	3	3
E Cox	3	3
J Higham, Head Teacher and Accounting Officer	3	3
P Martins	2	3
C Morgan	1	3
J Newbon	3	3
Y Newson (resigned 1 October 2016)	2	3
C Parmee (resigned 14 October 2015)	0	1
E Roberts	3	3
M Roberts	3	3
S Ruddle (resigned 1 October 2016)	2	3
T Sikabofori	3	3

A skills audit of the Trustees of Henry Hinde Infant School was conducted in order to gain an understanding of the skills required and the gaps the Board currently has. The results will be used to target development needs and for future selection purposes. It is intended to become a document for succession planning as sufficient data is accrued over future audits. A National Governors Association "Twenty Questions" Self Evaluation Tool was also used to grade the board and form an action plan, particularly in the light of the impending formation of a Multi Academy Trust.

Overall, the Trustees have a broad range of skills including teaching and learning, finance and health and safety. All Trustees show commitment to the school and a willingness to learn. All Trustees understand their responsibility to hold the Head Teacher to account, through data analysis and challenge.

Whilst there is little experience of being a board member in another sector of a trustee in another school, there is a sufficient range of experience of membership of the HHIS board and appropriate mentoring and new governor training has taken place. The most experienced trustees are spread evenly across the sub-committees and entirely made up of the Strategic Board of Trustees.

Safer Recruitment and Prevent child protection training have also taken place.

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**Governance Statement (continued)**

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The Finance Committee is a sub-committee of the main governing body and its key purposes are to:

- review the Annual Budget in detail and to make recommendations to the Board;
- review Academy's performance against budgets set;
- review the Academy's internal and external financial statements and reports to ensure that they reflect best practice; and
- review the effectiveness of the Academy's internal control system established to ensure that the aims, objectives and key performance targets of the organisation are achieved in the most economic, effective and environmentally preferable manner;

Attendance at meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
E Cox	3	3
P Martins	3	3
M Roberts	3	3
S Ruddle	3	3
T Sikabofori	2	3

The Teaching and Learning Committee is also a sub-committee of the main governing body and its purpose is to provide a forum for Governors to contribute to the preparation and monitoring of those aspects of the School Learning Improvement Plan that are concerned with teaching and learning.

Attendance at meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
S Crosson	2	2
J Newbon	2	2
C Morgan	2	2
J Higham	1	2

**Governance Statement (continued)**

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**Review of Value for money**

As Accounting Officer, the Head Teacher has responsibility for ensuring that the Academy delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The Accounting Officer considers how the Academy's use of its resources has provided good value for money during each academic year, and reports to the governing body where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the Academy has delivered improved value for money during the year by:

**Improving educational results:**

- Continued employment of a Learning Mentor to target specific children's improvement and narrow the achievement gap between FSM and non-FSM pupils;
- Consistent and regular monitoring of impact of all interventions;
- Use of private Speech and Language Therapist to target children most in need of one to one support;
- Allocation of funds to a specific budget to fund shared training with cluster at a reduced rate;
- Continued reviews of the Learning Improvement Plan, Pupil Premium and Sports Funding reports ensure in depth analysis of cost of initiative versus impact.

**Financial Governance and oversight:**

- Regular and pro-active budget management in the form of monthly meetings involving the Trustee Finance Sub-Committee ensures strong oversight of the school's finances;
- Continued use of a Responsible Officer to ensure robust and consistent procedures.

**Better purchasing:**

- The use of companies such as ESPO; economies of scale gained by the use of the Local Authority and the use of local cluster procurement have resulted in savings that have been reinvested in teaching and learning priorities;
- The School Business Manager has conducted a full service level agreement review, to ensure the best mix of quality and effectiveness for the least cost;
- A full appraisal of a recognised need is conducted, including long term benefits, value for money and whether a service/product/contract is fit for purpose.
- A full review of energy use and suppliers was conducted resulting in the purchase of a Biomass Boiler.

**Maximising income generation:**

- An annual review of lettings is conducted to ensure best income generation;
- Further lettings opportunities have been explored to generate reliable revenue streams;
- Ongoing applications for grants and alternative funding streams;
- Marketing and selling an internally developed English curriculum;
- Staff successfully being accepted onto income generating programmes, i.e., KS1 moderator, Specialist Leaders in Education for Literacy and School Business Management.

**Reviewing controls and managing risks:**

- An annual review of the school's Finance Manual by the Accounting Officer, Finance Officer, School Business Manager and Trustee Finance Sub-Committee ensures internal controls are in place.
- An annual review of the Risk Register is also conducted;

**Governance Statement (continued)**

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**Lessons Learned:**

- Ongoing use of Responsible Officer and regular reporting of visits to the Full Board of Trustees;
- In addition to monthly Finance monitoring meetings, in depth half yearly budget and review conducted;
- Regular agenda item at Full Board of Trustees meetings for Accounting Officer to update Trustees on Academies Financial Handbook or appropriate EFA communications.

**The Purpose of the System of Internal Control**

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

**Capacity to Handle Risk**

The governing body has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The governing body is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks, that has been in place for the year 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the governing body.

**The Risk and Control Framework**

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

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

The governing body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Governors have appointed E Cox, a Governor, as Responsible Officer (RO).

The RO's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. On an annually basis, the RO reports to the governing body on the operation of the systems of control and on the discharge of the governing body's financial responsibilities.

Henry Hinde School  
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Governance Statement (continued)

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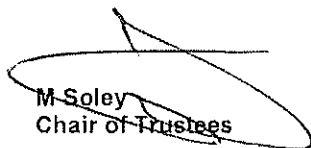
**Review of Effectiveness**

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

- the work of the Responsible Officer;
- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the governing body on *17 November 2016* and signed on their behalf, by:

  
M Soley  
Chair of Trustees



J Higham  
Accounting Officer

Henry Hinde School  
(A company limited by guarantee)

#### Statement on Regularity, Propriety and Compliance

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As Accounting Officer of Henry Hinde 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.



J Higham  
Accounting Officer

17 November 2016

**Henry Hinde School**  
**(A company limited by guarantee)**

**Statement of Governors' Responsibilities**  
**For the Year Ended 31 August 2016**

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

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

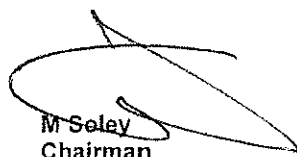
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP and the Academies Accounts Direction 2015 to 2016;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards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

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

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

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

Approved by order of the members of the governing body on 17 November 2016 and signed on its behalf by:

  
**M Seley**  
**Chairman**



**Henry Hinde School**  
**(A company limited by guarantee)**

**Independent Auditors' Report on the Financial Statements to the Members of Henry Hinde School**

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We have audited the financial statements of Henry Hinde 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) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

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

**Respective responsibilities of Governors and auditors**

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

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

**Scope of the audit of the financial statements**

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

**Opinion on financial statements**

In our opinion the financial statements:

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

Henry Hinde School  
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**Independent Auditors' Report on the Financial Statements to the Members of Henry Hinde School**

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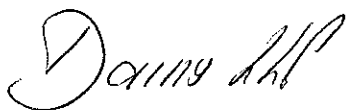
**Opinion on other matter prescribed by the Companies Act 2006**

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

**Matters on which we are required to report by exception**

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

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



Andrew Morris FCA (Senior statutory auditor)

for and on behalf of

**Dains LLP**

Statutory Auditor  
Chartered Accountants

Birmingham

Date: 17 November 2016

**Henry Hinde School**  
(A company limited by guarantee)

**Independent Reporting Accountant's Assurance Report on Regularity to the Governing Body of Henry Hinde School and the Education Funding Agency**

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In accordance with the terms of our engagement letter dated 17 October 2016 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 Henry Hinde School during the year 1 September 2015 to 31 August 2016 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Henry Hinde School and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Henry Hinde 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 Henry Hinde School and the EFA, for our work, for this report, or for the conclusion we have formed.

**Respective responsibilities of Henry Hinde School's accounting officer and the reporting accountant**

The Accounting Officer is responsible, under the requirements of Henry Hinde School's funding agreement with the Secretary of State for Education dated 27 March 2012, and the Academies Financial Handbook extant from 1 September 2015, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

**Approach**

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

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

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

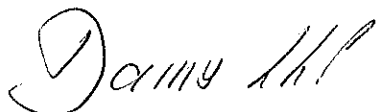
Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the Academy's income and expenditure.

Independent Reporting Accountant's Assurance Report on Regularity to the Governing Body of Henry Hinde School and the Education Funding Agency (continued)

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**Conclusion**

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



**Dains LLP**

Statutory Auditor  
Chartered Accountants

Birmingham

Date: 17 November 2016

Henry Hinde School  
(A company limited by guarantee)

Statement of Financial Activities  
(including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)  
For the Year Ended 31 August 2016

	Note	Unrestricted funds 2016 £	Restricted general funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
<b>Income from:</b>						
Donations and capital grants	2	6,658	-	9,617	16,275	55,535
Charitable activities:	3					
Funding for the Academy's educational operations		-	824,232	-	824,232	828,090
Other trading activities	4	13,324	6,335	-	19,659	20,034
Investments	5	40	-	-	40	94
<b>Total income</b>		<b>20,022</b>	<b>830,567</b>	<b>9,617</b>	<b>860,206</b>	<b>903,753</b>
<b>Expenditure on:</b>						
Raising funds	6	2,415	2,000	-	4,415	22,688
Charitable activities		-	866,279	44,109	910,388	928,455
<b>Total expenditure</b>	7	<b>2,415</b>	<b>868,279</b>	<b>44,109</b>	<b>914,803</b>	<b>951,143</b>
<b>Net income / (expenditure) before transfers</b>		<b>17,607</b>	<b>(37,712)</b>	<b>(34,492)</b>	<b>(54,597)</b>	<b>(47,390)</b>
Transfers between Funds	17	(21,605)	15,712	5,893	-	-
<b>Net expenditure before other gains and losses</b>		<b>(3,998)</b>	<b>(22,000)</b>	<b>(28,599)</b>	<b>(54,597)</b>	<b>(47,390)</b>
Actuarial (losses)/gains on defined benefit pension schemes		-	(178,000)	-	(178,000)	10,000
<b>Net movement in funds</b>		<b>(3,998)</b>	<b>(200,000)</b>	<b>(28,599)</b>	<b>(232,597)</b>	<b>(37,390)</b>
<b>Reconciliation of funds:</b>						
Total funds brought forward		13,186	(314,000)	1,425,094	1,124,280	1,161,670
<b>Total funds carried forward</b>		<b>9,188</b>	<b>(514,000)</b>	<b>1,396,495</b>	<b>891,683</b>	<b>1,124,280</b>

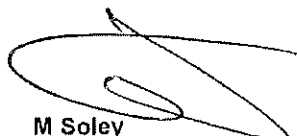
The notes on pages 22 to 43 form part of these financial statements.

Henry Hinde School  
(A company limited by guarantee)  
Registered number: 07988497

**Balance Sheet**  
**As at 31 August 2016**

	Note	£	2016 £	£	2015 £
<b>Fixed assets</b>					
Tangible assets	14		1,396,495		1,425,095
<b>Current assets</b>					
Debtors	15	21,812		32,562	
Cash at bank and in hand		63,634		82,490	
		<u>85,446</u>		<u>115,052</u>	
<b>Creditors: amounts falling due within one year</b>	16	<u>(76,258)</u>		<u>(101,867)</u>	
<b>Net current assets</b>			<u>9,188</u>		<u>13,185</u>
<b>Total assets less current liabilities</b>			<u>1,405,683</u>		<u>1,438,280</u>
Defined benefit pension scheme liability	21		<u>(514,000)</u>		<u>(314,000)</u>
<b>Net assets including pension scheme liabilities</b>			<u><u>891,683</u></u>		<u><u>1,124,280</u></u>
<b>Funds of the academy</b>					
Restricted general funds:					
Restricted general funds	17	-		-	
Pension reserve	17	(514,000)		(314,000)	
Restricted fixed asset funds	17	<u>1,396,495</u>		<u>1,425,094</u>	
Total restricted general funds			<u>882,495</u>		<u>1,111,094</u>
Unrestricted funds	17		<u>9,188</u>		<u>13,186</u>
<b>Total funds</b>			<u><u>891,683</u></u>		<u><u>1,124,280</u></u>

The financial statements were approved by the Governors, and authorised for issue, on **17 November 2016** and are signed on their behalf, by:

  
**M Soley**  
Chair of Trustees

The notes on pages 22 to 43 form part of these financial statements.

Henry Hinde School  
(A company limited by guarantee)

Statement of Cash Flows  
For the Year Ended 31 August 2016

	Note	2016 £	2015 £
<b>Cash flows from operating activities</b>			
Net cash used in operating activities	19	(9,417)	(5,081)
<b>Cash flows from investing activities:</b>			
Interest received		40	94
Purchase of tangible fixed assets		(15,509)	(56,638)
Capital grants from DfE/EFA and other capital income		6,030	41,323
<b>Net cash used in investing activities</b>		(9,439)	(15,221)
<b>Change in cash and cash equivalents in the year</b>		(18,856)	(20,302)
Cash and cash equivalents brought forward		82,490	102,792
<b>Cash and cash equivalents carried forward</b>	20	63,634	82,490

**Henry Hinde School**  
**(A company limited by guarantee)**

**Notes to the Financial Statements**  
**For the Year Ended 31 August 2016**

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**1. Accounting Policies**

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

**1.1 Basis of preparation of financial statements**

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

Henry Hinde School constitutes a public benefit entity as defined by FRS 102.

**First time adoption of FRS 102**

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

The policies applied under the Academy's previous accounting framework are not materially different to FRS 102 and have not impacted on funds or net income/expenditure.

**1.2 Going concern**

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



**1. Accounting Policies (continued)**

**1.3 Income**

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

Grants are included in the statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

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

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

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

**1.4 Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

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

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

All resources expended are inclusive of irrecoverable VAT.

**1.5 Fund accounting**

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

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

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

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

**1. Accounting Policies (continued)**

**1.6 Taxation**

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

**1.7 Tangible fixed assets and depreciation**

All assets costing individually more than £500 are capitalised.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the statement of financial activities and carried forward in the balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the statement of financial activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

Long term leasehold land	-	over the lease term
Long term leasehold property	-	2% straight line
Leasehold Improvements	-	4% straight line
Fixtures, fittings and furniture	-	10% straight line
Computer equipment	-	25% straight line

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

**1.8 Interest receivable**

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

**1.9 Operating leases**

Rentals under operating leases are charged to the statement of financial activities on a straight line basis over the lease term.

**1. Accounting Policies (continued)**

**1.10 Debtors**

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**1.11 Cash at Bank and in hand**

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

**1.12 Liabilities and provisions**

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 anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

**1.13 Financial Instruments**

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

**1. Accounting Policies (continued)**

**1.14 Pensions**

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 21, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

Henry Hinde School  
(A company limited by guarantee)

Notes to the Financial Statements  
For the Year Ended 31 August 2016

1. Accounting Policies (continued)

1.15 Critical accounting estimates and areas of judgement

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

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

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

Tangible fixed assets are depreciated over the useful lives taking into account residual values where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors.

2. Income from donations and capital grants

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Income for educational visits	2,394	-	-	2,394	3,170
Other donations	4,264	-	3,587	7,851	12,446
Capital Grants	-	-	6,030	6,030	39,919
<b>Total donations and capital grants</b>	<b>6,658</b>	<b>-</b>	<b>9,617</b>	<b>16,275</b>	<b>55,535</b>

In 2015, of the total income from donations and capital grants, £2,284 was to unrestricted funds, £11,928 was to restricted funds and £41,323 was to restricted fixed asset funds.

**Henry Hinde School**  
**(A company limited by guarantee)**

**Notes to the Financial Statements**  
**For the Year Ended 31 August 2016**

**3. Funding for the Academy's educational operations**

	Unrestricted funds 2016 £	Restricted general funds 2016 £	Total funds 2016 £	Total funds 2015 £
<b>DfE/EFA grants</b>				
General Annual Grant (GAG)	-	694,006	694,006	681,359
Pupil Premium	-	37,875	37,875	39,159
Rates Income	-	1,657	1,657	8,229
Buildings Insurance Grant	-	-	-	6,082
Sports Funding	-	8,605	8,605	8,600
Universal Infant Free Schools Meals	-	62,710	62,710	62,002
	-	804,853	804,853	805,431
<b>Other government grants</b>				
Special Needs	-	17,569	17,569	14,105
Pupil Premium	-	-	-	1,768
	-	17,569	17,569	15,873
<b>Other funding</b>				
Catering income	-	1,710	1,710	1,286
Insurance claim income	-	100	100	5,500
	-	1,810	1,810	6,786
	-	824,232	824,232	828,090

In 2015, of the total income from charitable activities, £ NIL was to unrestricted funds and £828,090 was to restricted funds.

There were no unfulfilled conditions attaching to grants which have been recognised in income.

Henry Hinde School  
(A company limited by guarantee)

Notes to the Financial Statements  
For the Year Ended 31 August 2016

4. Other trading activities

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Hiring of Facilities	13,324	-	13,324	14,511
Extra Curricular Clubs	-	6,335	6,335	5,523
	<u>13,324</u>	<u>6,335</u>	<u>19,659</u>	<u>20,034</u>

In 2015, of the total income from other trading activities, £14,511 was to unrestricted funds and £5,523 was to restricted funds.

5. Investment income

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Short term deposits	40	-	40	94

In 2015, of the total investment income, £ 94 was to unrestricted funds and £ NIL was to restricted funds.

6. Costs of raising funds

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Cluster fees	-	-	-	8,659
Educational visits	2,415	-	2,415	5,761
Extra curricular clubs	-	2,000	2,000	8,268
	<u>2,415</u>	<u>2,000</u>	<u>4,415</u>	<u>22,688</u>

In 2015, of the total voluntary income, £5,761 was to unrestricted funds and £16,927 was to restricted funds.

Henry Hinde School  
(A company limited by guarantee)

Notes to the Financial Statements  
For the Year Ended 31 August 2016

7. Expenditure

	Staff costs 2016 £	Premises 2016 £	Other costs 2016 £	Total 2016 £	Total 2015 £
Expenditure on raising voluntary income	-	-	4,415	4,415	22,688
Educational Operations:					
Direct costs	547,760	21,020	145,741	714,521	720,338
Support costs	90,398	48,887	56,582	195,867	208,117
	<u>638,158</u>	<u>69,907</u>	<u>206,738</u>	<u>914,803</u>	<u>951,143</u>

In 2016, of the total expenditure, £2,415 (2015 - £6,688) was to unrestricted funds and £912,388 (2015 - £944,455) was to restricted funds.

8. Direct costs

	Total 2016 £	Total 2015 £
LGPS finance costs	12,000	11,000
Curriculum supplies	19,443	26,116
Catering costs	66,859	73,077
Staff training	8,408	12,131
Other educational costs	16,715	23,222
Supply teacher costs	2,064	7,523
Wages and salaries	437,009	427,111
National insurance	27,265	25,168
Pension cost	81,422	74,671
Depreciation	43,336	40,319
	<u>714,521</u>	<u>720,338</u>



**Henry Hinde School**  
**(A company limited by guarantee)**

**Notes to the Financial Statements**  
**For the Year Ended 31 August 2016**

**9. Support costs**

	Total 2016 £	Total 2015 £
Maintenance of premises	23,580	15,753
Heat and light	17,820	14,921
Rates	1,660	9,802
Equipment costs	3,511	1,436
Technology costs	15,598	20,144
Printing, postage and stationery	3,458	5,215
Telephone and fax	596	717
Other educational costs	6,390	9,567
Subscriptions	2,531	1,607
Insurance	10,194	13,932
Governance costs	20,131	19,630
Wages and salaries	76,096	78,592
National insurance	2,462	2,056
Pension cost	11,840	14,745
	<u>195,867</u>	<u>208,117</u>

**10. Net incoming resources/(resources expended)**

This is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets:		
- owned by the Academy	43,337	40,319
Auditors' remuneration	5,500	5,500
Operating lease costs	<u>20,877</u>	<u>7,970</u>

**Henry Hinde School**  
**(A company limited by guarantee)**

**Notes to the Financial Statements**  
**For the Year Ended 31 August 2016**

**11. Staff costs**

Staff costs were as follows:

	2016 £	2015 £
Wages and salaries	513,105	505,703
Social security costs	29,727	27,224
Operating costs of defined benefit pension schemes	93,262	89,416
	<u>636,094</u>	<u>622,343</u>
Supply teacher costs	2,064	7,523
	<u>638,158</u>	<u>629,866</u>

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

	2016 No.	2015 No.
Management	3	3
Teachers	7	7
Teaching Assistants	10	12
Midday Supervisors	10	9
Cleaners/Caretaker	1	2
Administration Staff	2	2
	<u>33</u>	<u>35</u>

Average headcount expressed as a full time equivalent:

	2016 No.	2015 No.
Management	3	3
Teachers	6	6
Teaching Assistants	7	7
Midday Supervisors	1	1
Cleaners/Caretaker	1	1
Administration Staff	1	1
	<u>19</u>	<u>19</u>

No employee received remuneration amounting to more than £60,000 in either year.

The key management personnel of the academy trust comprise key 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 £122,663 (2015 - £118,473).

## 12. Governors' remuneration and expenses

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

		2016 £	2015 £
J Higham	Remuneration	55,000-60,000	55,000-60,000
	Pension contributions paid	5,000-10,000	5,000-10,000
P Martins	Remuneration	10,000-15,000	10,000-15,000
	Pension contributions paid	0-5,000	0-5,000
K Clarke	Remuneration	15,000-20,000	15,000-20,000
	Pension contributions paid	0-5,000	0-5,000
M Roberts	Remuneration	15,000-20,000	15,000-20,000
	Pension contributions paid	0-5,000	0-5,000

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

During the year, no Governors received any reimbursement of expenses (2015 - £NIL).

## 13. Governors' and officers' insurance

The academy trust has opted into the Department of Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000. It is not possible to quantify the trustees and officers indemnity element from the overall cost of the RPA scheme.

Henry Hinde School  
(A company limited by guarantee)

Notes to the Financial Statements  
For the Year Ended 31 August 2016

14. Tangible fixed assets

	Long term leasehold property £	Leasehold improvements £	Fixtures, fittings and furniture £	Computer equipment £	Total £
<b>Cost</b>					
At 1 September 2015	1,314,754	101,426	94,613	31,128	1,541,921
Additions	-	3,650	9,807	2,052	15,509
Disposals	-	-	(1,172)	-	(1,172)
At 31 August 2016	1,314,754	105,076	103,248	33,180	1,556,258
<b>Depreciation</b>					
At 1 September 2015	71,817	8,033	19,133	17,843	116,826
Charge for the year	21,020	4,203	10,022	8,092	43,337
On disposals	-	-	(400)	-	(400)
At 31 August 2016	92,837	12,236	28,755	25,935	159,763
<b>Net book value</b>					
At 31 August 2016	1,221,917	92,840	74,493	7,245	1,396,495
At 31 August 2015	1,242,937	93,393	75,480	13,285	1,425,095

15. Debtors

	2016 £	2015 £
Trade debtors	373	-
VAT recoverable	9,426	11,104
Prepayments and accrued income	12,013	21,458
	21,812	32,562

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16. Creditors: Amounts falling due within one year

	2016 £	2015 £
Trade creditors	21,343	49,328
Accruals and deferred income	54,915	52,539
	<u>76,258</u>	<u>101,867</u>
	2016 £	2015 £
<b>Deferred income</b>		
Deferred income at 1 September 2015	41,703	79,608
Resources deferred during the year	46,606	41,703
Amounts released from previous years	(41,703)	(79,608)
Deferred income at 31 August 2016	<u>46,606</u>	<u>41,703</u>

At the balance sheet date the Academy was holding grant funding in advance of the Academic year 2016/17 including Universal Infant Free School Meals grant income and Devolved Capital grant funding.

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17. Statement of funds

	Brought Forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
<b>Unrestricted funds</b>						
General Funds	13,186	20,022	(2,415)	(21,605)	-	9,188
<b>Restricted general fund</b>						
	Brought Forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
General Annual Grant (GAG)	-	694,006	(711,715)	17,709	-	-
Pupil Premium	-	37,875	(37,875)	-	-	-
Other DfE/EFA Grants	-	72,972	(10,262)	(62,710)	-	-
Other government grants	-	17,569	(17,569)	-	-	-
Catering	-	1,710	(66,858)	65,148	-	-
Other income	-	6,435	(2,000)	(4,435)	-	-
Pension reserve	(314,000)	-	(22,000)	-	(178,000)	(514,000)
	(314,000)	830,567	(868,279)	15,712	(178,000)	(514,000)
<b>Restricted fixed asset fund</b>						
	Brought Forward As restated £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
DfE/EFA capital grants	15,519	6,030	(1,016)	-	-	20,533
Gift from Local Authority	1,253,682	-	(23,151)	-	-	1,230,531
Capital expenditure from GAG	51,888	-	(10,199)	5,893	-	47,582
Other fixed assets	6,327	3,587	(3,007)	-	-	6,907
Capital Maintenance Grant	97,678	-	(6,736)	-	-	90,942
	1,425,094	9,617	(44,109)	5,893	-	1,396,495
<b>Total restricted funds</b>	1,111,094	840,184	(912,388)	21,605	(178,000)	882,495
<b>Total of funds</b>	1,124,280	860,206	(914,803)	-	(178,000)	891,683

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**Notes to the Financial Statements**  
**For the Year Ended 31 August 2016**

**17. Statement of funds (continued)**

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

**Restricted general fund**

This fund represents grants and other income received for the Academy's operational activities and development.

**Pension reserve**

The pension reserve included within restricted general funds represents the Academy's share of the pension liability arising on the LGPS pension fund.

**Restricted fixed asset fund**

This fund represents grants received from the DfE and EFA to carry out work of a capital nature.

**Transfers between funds**

Transfers between funds relate to fixed asset purchases from General Annual Grant, Universal Infant Free School Meals grant transferred to cover costs of the School Meals initiative and unrestricted funds used to cover the overspend on 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.

**18. Analysis of net assets between funds**

	Unrestricted funds 2016 £	Restricted general funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Tangible fixed assets	-	-	1,396,495	1,396,495	1,425,095
Current assets	85,446	-	-	85,446	115,052
Creditors due within one year	(76,258)	-	-	(76,258)	(101,867)
Provisions for liabilities and charges	-	(514,000)	-	(514,000)	(314,000)
	<u>9,188</u>	<u>(514,000)</u>	<u>1,396,495</u>	<u>891,683</u>	<u>1,124,280</u>

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19. Reconciliation of net movement in funds to net cash flow from operating activities

	2016 £	2015 £
Net expenditure for the year (as per Statement of financial activities)	(54,597)	(47,390)
<b>Adjustment for:</b>		
Depreciation charges	43,337	41,135
Interest receivable	(40)	(94)
Loss on the disposal of fixed assets	772	3,564
Decrease in debtors	10,750	21,462
Decrease in creditors	(25,609)	(4,435)
Capital grants from DfE/EFA and other capital income	(6,030)	(41,323)
Defined benefit pension scheme adjustments	22,000	22,000
<b>Net cash used in operating activities</b>	<b>(9,417)</b>	<b>(5,081)</b>

20. Analysis of cash and cash equivalents

	2016 £	2015 £
Cash in hand	63,634	82,490
<b>Total</b>	<b>63,634</b>	<b>82,490</b>



## 21. Pension commitments

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

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

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

### Teachers' Pension Scheme

#### Introduction

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

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

#### Valuation of the Teachers' Pension Scheme

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

- employer contribution rates set at 16.48% of pensionable pay, including a 0.08% employer administration charge (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 £48,000 (2015 - £36,000).

Notes to the Financial Statements  
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**21. Pension commitments (continued)**

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

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

**Local Government Pension Scheme**

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2016 was £46,000 (2015 - £48,000), of which employer's contributions totalled £37,000 (2015 - £38,000) and employees' contributions totalled £9,000 (2015 - £10,000). The agreed contribution rates for future years are 21.9% for employers and 5.5% - 6.5% for employees.

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

Principal actuarial assumptions:

	2016	2015
Discount rate for scheme liabilities	2.10 %	3.80 %
Rate of increase in salaries	4.10 %	4.60 %
Rate of increase for pensions in payment / inflation	2.10 %	2.70 %

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

	2016	2015
Retiring today		
Males	22.4 years	22.4 years
Females	24.4 years	24.4 years
Retiring in 20 years		
Males	24.3 years	24.3 years
Females	26.6 years	26.6 years

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**21. Pension commitments (continued)**

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

	Fair value at 31 August 2016 £	Fair value at 31 August 2015 £
Equities	296,400	220,800
Bonds	104,880	79,350
Property	50,160	41,400
Cash	4,560	3,450
Total market value of assets	<u>456,000</u>	<u>345,000</u>

The actual return on scheme assets was £69,000 (2015 - £13,000).

The amounts recognised in the Statement of financial activities incorporating income and expenditure account are as follows:

	2016 £	2015 £
Current service cost (net of employee contributions)	(47,000)	(49,000)
Net interest cost	<u>(12,000)</u>	<u>(11,000)</u>
Total	<u>(59,000)</u>	<u>(60,000)</u>

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

	2016 £	2015 £
Opening defined benefit obligation	659,000	597,000
Current service cost	47,000	49,000
Contributions by employees	9,000	10,000
Interest cost on defined benefit obligation	26,000	23,000
Benefits paid	(4,000)	(11,000)
Actuarial losses/(gains)	<u>233,000</u>	<u>(9,000)</u>
Closing defined benefit obligation	<u>970,000</u>	<u>659,000</u>

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**21. Pension commitments (continued)**

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

	2016 £	2015 £
Opening fair value of scheme assets	345,000	295,000
Return on plan assets (excluding net interest on the net defined pension liability)	55,000	1,000
Interest income on plan assets	14,000	12,000
Employer contributions	37,000	38,000
Contributions by employees	9,000	10,000
Benefits paid	(4,000)	(11,000)
	<u>456,000</u>	<u>345,000</u>
Closing fair value of scheme assets	<u>456,000</u>	<u>345,000</u>

**22. Operating lease commitments**

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

	2016 £	2015 £
<b>Amounts payable:</b>		
Within 1 year	24,079	21,074
Between 1 and 5 years	70,750	78,666
More than 5 years	41,085	55,040
Total	<u>135,914</u>	<u>154,780</u>

**23. Related party transactions**

No related party transactions took place in the period of account, other than certain trustees' remuneration already disclosed in note 12.

**24. Members' liability**

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

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**Notes to the Financial Statements  
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**25. First time adoption of FRS 102**

It is the first year that the Academy Trust has presented its financial statements under SORP 2015 and FRS 102. The last financial statements prepared under previous UK GAAP were for the year ended 31 August 2015 and the date of transition to FRS 102 and SORP 2015 was therefore 1 September 2014.

The policies applied under the Academy's previous accounting framework are not materially different to FRS 102 and have not impacted on funds or net income/expenditure.