

**Company Registration Number:
07751232 (England and Wales)**

**Cams Hill School
(A Company Limited by Guarantee)**

**Annual Report and Financial Statements
Year ended 31 August 2016**

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Reference and Administrative

Members

R Cheatle (Chair)
R Lee
S Freeman
J Ure
J Bullock
J Fullarton

Governors (Trustees)

S Brooker
G Harrison- Jones
A Williams
P Gough
N Kryz (from 1 September 2015)
J Bowles (appointed on 1 December 2015)
W Druce (appointed on 1 December 2015)
N Rawlings (appointed 1 December 2015)
C Turner (appointed 1 October 2015)
J Clark (resigned 12 October 2015)
A Potts (resigned 12 October 2015)
A Goode (resigned 15 October 2015)
D Sitch (resigned 15 January 2016)
L Wiltshire (resigned 17 March 16)

Senior leadership team

Headteacher
Deputy Headteacher
Deputy Headteacher
Assistant Headteacher
Assistant Headteacher
School Business Manager

G Harrison- Jones
A Govan
R Matthews
J Wharton
A Potts
J Browning

Principal and Registered Office

Shearwater Avenue
Fareham
Hampshire
PO16 8AH

Company Registration Number

07751232 (England and Wales)

Independent Auditor

Moore Stephens LLP
Prospect House
58 Queens Road
Reading
RG1 4RP

Bankers

National Westminster Bank PLC
52 West Street
FAREHAM,
PO16 0JX

Solicitors

Veale Wasbrough Vizards
Orchard Court
Orchard Lane
BRISTOL
BS1 5WS

Governors' Report

The governors present their annual report together with the financial statements and auditors' report of the charitable company for the year 1 September 2015 to 31 August 2016. The annual report services the purpose of both a trustees' report, and a director's report under company law.

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 governors act as the trustees for the charitable activities of Cams Hill School and are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Cams Hill School.

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

Members' Liability

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

Governors' Indemnities

Cams Hill School holds an insurance policy with Zurich Municipal Policy Number KSC-27013-8243 which includes Governors' liability insurance. This qualifies as third party indemnity insurance, as defined by Section 234 of the Companies Act 2006.

Principal Activities

The Academy Trusts' object, as set out in the Articles of Association, is to advance education in the United Kingdom for the public benefit, 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.

Method of Recruitment and Appointment or Election of governors

The Academy Board of Governors will consist of not less than 3 and up to 18 Governors.

They will be recruited according to the provisions of the Articles of Association as follows:

- a) Up to 16 Governors appointed by the Cams Hill Academy Trust
- b) 2 Staff Governors appointed from candidates by election, if necessary
- c) 1 Local Authority Governor if the LA wishes to make an appointment
- d) A minimum of 2 Parent Governors appointed by election, if necessary, from the parents of children currently attending the school
- e) The Headteacher
- f) Up to 2 Governors co-opted, for example, to bring specific skills to the Board. This could result from a need identified by a skills audit or following a recommendation from an existing governor

Governors' Report (continued)

Policies and Procedures Adopted for the Induction and Training of Governors

All Governors are issued with a welcome pack and meet with the Headteacher and Chair of Governors. All new Governors attend a Local Authority Induction Course. The Training Liaison Governor will discuss training course requirements with the new Governors. In house training, and/or external speaker presentations are provided to Governors 3 times a year. The Governors have access to the resources at the National Governors Association (NGA), Hampshire Governors web portal along with a specific subscription to 'The Key' governors' website.

Organisational Structure

The new Academy was set up with a management structure to support the Education Brief. The organisational structure consists of the Governors and Senior Leadership Team.

The Governors are responsible for setting general policy, adopting an annual plan and budget, monitoring its financial and operational performance, making strategic decisions about the direction of the Academy, approving major items of expenditure and making senior staff appointments.

The Governing Body consists of a Full Board of Governors plus 3 core Committees Resources, Teaching and Learning and Pastoral. Ad hoc committees are owned by these core committees. Governors sit on one core committee each. Terms of Reference are ratified annually.

The Governors have approved a scheme of financial delegation which clearly sets out the level of financial authority delegated to the Headteacher, Senior Leadership team and beyond.

The Headteacher and Senior Leadership Team manage the Academy at an executive level implementing all policies approved by the governors at the Academy. They are responsible for the authorisation of spending within agreed budgets and limits and for the appointment of staff with the exception of Senior Leadership Team members. The Headteacher is the Academy Trust's Accounting Officer.

Risk Management

The major risks to which the Academy Trust is exposed have been identified on the Academy's Risk Register and are identified in the Financial Review on Page 5. The Risk Register seeks to identify the likelihood of a risk occurring, its impact and actions that are being taken to mitigate the risk. Risks included on the Register are varied but include failure to achieve pupil numbers on roll, a poor Ofsted inspection result and an inability to improve and maintain parental and wider community support. In addition, the register records the risks associated with major incidents, ICT system failures, financial and operational risks, including budgetary risks, health and safety and safeguarding of pupil risks. The Academy operates systems of internal financial control and checks which are audited by members of the resources committee.

Connected Organisations, including Related Party Relationships

The Academy Trust has no connected organisations.

There are no Related Party Relationships other than those noted in note 26 to the financial statements.

Governors' Report (continued)

Objectives and Activities

Objectives and Aims

The Academy Trust objective is set out in the Articles of Association and referred to on page 2. In summary, it is to establish, maintain, manage and develop a school offering a broad and balanced curriculum with an emphasis on ensuring individual progress in line with or above expectations.

In accordance with the Articles of Association the Academy has adopted a Funding Agreement approved by the Secretary of State for Education. The Funding Agreement specifies, amongst other things, the basis for admitting pupils to the Academy. The planned capacity of the Academy is 1,200 (currently 1,156) in the age range 11 – 16 and is an all ability inclusive school operating an 'Equal Preference' admissions system. The school has increased its intake for the past 4 years. This will continue until the school has 8 rather than 7 form entry (210 to 240 Pupils) throughout, reaching maximum capacity September 2017.

Objectives, Strategies and Activities

Cams Hill School is a converter academy which exists to provide a high quality education for 11 to 16 year old pupils of all abilities. The academy is committed to supporting all children to do their best through cognitive, creative, physical, personal and social achievements. Special emphasis is placed on academic achievement because this is where the academy can make the greatest differences to pupils' lives. The academy aims to enable each emerging adult to take his or her place in society as an industrious, happy, self-motivated individual. The academy hopes that each will contribute to the development of society and its improvement, demonstrate resilience, tolerance and respect for self and for the welfare of others, a positively questioning attitude, the ability to discriminate and the flexibility and resilience to adapt in a rapidly changing world.

In doing so, the academy will meet all statutory requirements and provide value for money. The academy set objectives for the year ended 31st August 2016 which focussed on:

- Improving whole school use of data to provide measurable impact on improved outcomes
- Deepening the understanding and develop quality of teaching and learning
- Ensuring the curriculum meets the needs of all
- Evolving roles and responsibilities to increase accountability and maximise impact on outcomes/ standards
- Reinvigorating Cams Hill School mission, vision and values and the way it communicates these with stakeholders
- Introducing a new Management information system (MIS) to ensure fit for purpose support for teaching, learning and assessment along with personal development and pupil welfare

Public Benefit

In setting the objectives, Governors have given consideration to the Charity Commission's general guidance on public benefit and in particular its supplementary guidance on education.

Achievements and Performance

Pupils continue to attain highly and make good progress at Cams Hill School. In 2016, 70% of pupils achieved 5A*-C GCSE grades (including English and mathematics), a decrease of 1%. This is 14% higher than the national figure of 56% in 2015. English results improved, with 90% of pupils making expected progress and 47% of pupils making more than expected progress. Overall, 78% of pupils achieved A*-C in English. All of these figures are above national levels. In mathematics, 77% of pupils made expected progress and 39% made more than expected progress. Again, all of these figures are above national levels. Overall, 74% of pupils achieved A*-C in both English and mathematics (in 2015, the national figure was 58%).

Governors' Report (continued)

Pupils achieved well in many subject areas. In Science pupils also achieved 100% A*-C grades in Biology (60% A*/A), Chemistry (50% A*/A) and Physics (57% A*/A). In Religious Studies, 77% of pupils achieved A*-C grades (A*/A- 49%). In mathematics, 77% of pupils achieved A*-C grades (A*/A- 22%). Attainment overall remains high in relation to national attainment.

Going Concern

After making appropriate enquiries, the Governing Body has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. The school has excellent exam results, an over subscription of pupils and an outstanding OFSTED report. For these reasons it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

Key Financial Performance Indicators

See Achievement and Performance.

Financial Review

The majority of the Academy Trust's income is obtained from the Education Funding Agency (EFA), in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the EFA during the period ended 31 August 2016 and the associated expenditure are shown as restricted funds in the statement of financial activities at the year end the balance shown in the restricted funds are Restricted General Fund, deficit £1,387,654 (2015: £648,000 deficit), Restricted Fixed Asset Fund, surplus £22,786,297 (2015: £23,174,833).

Financial and Risk Management Objectives and Policies

The principal risks to the academy are financial and result from a projected deficit on the Local Government Pension Scheme, the likelihood of the Academy not meeting its budgetary deadlines (due to the failure of the EFA to provide timely information) and risks associated with changes to funding formulas. In addition there are the usual risks associated with fraud, damage to reputation, and failure to maintain academic standards. Control measures have been put in place to mitigate all these risks.

Under Financial Reporting Standard 102, it is necessary to charge projected deficits on the Local Government Pension Scheme, which is provided to support staff, to a restricted 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.

Principal Risks and Uncertainties

Income

As the Academy has one main funder, being the EFA, there is reliance on this funding remaining at a level sufficient to cover the financial requirements of the Academy.

Risk of fraud/mis-management

The Academy has appointed a governor as Responsible Officer (RO) to carry out checks on financial systems and records as required by the Academy Financial Handbook. During the year checks were carried out on the payroll, authorisation of payments, nominal ledger coding and clearance of old sundry debit and credit balances. In addition an independent finance manager came into the school and helped prepare and review the financial information on a regular basis and carried out a regular peer review. All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area.

Governors' Report (continued)

Cashflow risk

The Academy currently has sufficient cash reserves and so can be considered to be a minimal risk. Cashflow forecasting forms part of the budgeting process.

Reserves Policy

The level of reserves held takes into account the nature of the income and expenditure streams, the need to match them with commitments, including future capital projects, and the nature of reserves. The Governors will keep the level of reserves under review.

Investment Policy

In a period of financial uncertainty and low interest rates, the Academy Trust's policy has been to maximize liquidity and minimize risk. This is consistent with the expectation that public funds are provided to finance current education needs. This policy will be kept under review.

Plans for Future Periods

The primary aim for Cams Hill School in 2016-2017 is to raise progress and attainment of all pupils. Attainment and Progress is becoming an increasing focus with clear statistical evidence of progress over time being crucial. Outward facing whole school performance measures direct from Government are changing with the schools being measured by Progress and Attainment measures. Mindful of this, the school has developed a clear 'raising attainment and progress' (RAP) strategy for the current year 11 cohort that involves increased tracking and monitoring, including monitoring the impact of identified interventions. Ensuring that all identified focus 'groups' of pupils achievement is in line with or above national expectation remains the top strategic priority.

Following the appointment of the new Headteacher (1 September 2015) the school embarked upon the re-shaping of mission, vision and values with Governors and staff. This ensured that the strategic direction of the school 2016-2017 continues to evolve and that its operational and strategic priorities are reflective of this with clear, smart and measurable key performance indicators. In a climate where GCSE outward facing measures are changing from A*-G to 9-1 grades for English and Maths (2017) then the majority of subjects (2018) it is a period of major curriculum change for all staff, pupils, parents and carers.

Auditor

In so far 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.

A resolution to appoint Moore Stephens LLP as auditor will be proposed at the forthcoming annual general meeting.

Approved by order of the members of the governing body on 12/12/16... and signed on its behalf by:



Mr R Cheatle
Chair of Governors

Governance Statement

Scope of Responsibility

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

The board of trustees has delegated the day-to-day responsibility to the Headteacher, as Accounting Officer, for ensuring financial controls conform to 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 Cams Hill Academy Trust and the Secretary of State for Education. The Accounting Officer is 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 Trustee's Report and in the Statement of Trustee's 'responsibilities'. The Board of Trustees has formally met 5 times during the year. Attendance during the year at meetings of the Full Governing Body was as follows:

Governor	Meetings attended	Out of a possible
Mr R Cheatle (Chair)	5	5
Mr S Freeman (joint V Chair)	5	5
Mrs P Gough	5	5
Mrs G Harrison-Jones	5	5
Mrs N Rawlings (appointed 1.12.15)	4	4
Mr J Fullarton	5	5
Mr J Ure (joint V Chair)	5	5
Mrs J Bowles (appointed 1.12.15)	4	4
Mrs S Brooker	4	5
Mr N Kryz (appointed 1.9.15)	5	5
Mr R Lee	5	5
Mrs C Turner (appointed 1.10.15)	3	4
Mrs J Bullock	1	5
Mrs A Williams	3	5
Mrs W Druce (appointed 1.12.15)	3	4
Mr L Wiltshire (resigned 17.03.15)	2	3
Mr D Sitch (resigned 15.01.16)	1	2
Mr J Clark (resigned 12.10.15)	-	-

At the beginning of the year Mrs G Harrison-Jones joined the Board of Trustees as the Headteacher and Accounting Officer.

The Governors review their skill sets and assess training needs on a regular basis. They have signed up to governor training services with the Local Authority, which provides training for governors to attend.

Governance Statement (continued)

Certain governors have attended workshops to establish an appropriate governance structure. The Governors will be continuing to review training and skill set needs over the coming year.

The Resources Committee is a subcommittee of the main governing body, and is responsible for preparing the draft budget for the Governing Body to consider and approve, to monitor the progress of all expenditure, identifying the reasons for any variations and variations over £50k and to take decisions on financial matters that need to be dealt with between meetings of the Governing Body whilst providing guidance on all financial matters. Attendance at meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
Mr J Fullarton (Chair)	6	6
Mr S Freeman	5	6
Mrs G Harrison-Jones	6	6
Mrs N Rawlings	4	4
Mrs P Gough	6	6

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 considers how the trust'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 available. The accounting officer for the academy trust has delivered improved value for money during the year by:

- Close monitoring of existing contracts to ensure they are meeting their obligations and ensuring the costs are controlled appropriately;
- Minimising waste, inefficiency and ineffectiveness;
- Reviewing and evaluating staffing expenditure to rationalise costs and inspire efficiency;
- Review all budget arrangements for all budget holders to ensure greater transparency and effectiveness.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Cams Hill 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 trust 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 on-going process for identifying, evaluating and managing the Academy Trust'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.

Governance Statement (continued)

The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the governing body;
- regular reviews by the Resources Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programme
- setting targets to monitor 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.

The Academy has appointed a governor as Responsible Officer (RO) to carry out checks on financial systems and records as required by the Academy Financial Handbook. During the year checks were carried out on the payroll, authorisation of payments, nominal ledger coding and clearance of old sundry debit and credit balances. In addition an independent finance manager came into the school and helped prepare and review the financial information on a regular basis and carried out a regular peer review.


Review of Effectiveness

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

- the work of the reviewer;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the Senior leaders within the academy trust who have responsibility for the development and maintenance of the internal control framework;
- the work of an externally appointed consultant to review operational practice and strategic accounts.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Resources 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 ^{12/12/16}..... and signed on its behalf by:



Mr R Cheatle
Chair of Governors



Mrs G Harrison-Jones
Accounting officer

Statement of regularity, propriety and compliance

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

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

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



Mrs G Harrison-Jones
Accounting officer

Date: 12/12/16

Statement of Governors' Responsibilities

The Governors (who act as governors of Cams Hill 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 published 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 in the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016
- make judgements and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards (FRS102) 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 confirm 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 purpose 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 board of governors on 12/12/16 and signed on its behalf by:



Mr R Cheatle
Chair of Governors

Independent Auditor's Report to the Members of Cams Hill School

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

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

Respective responsibilities of trustees and auditor

As explained more fully in the Governors' Responsibilities Statement set out on page 11, 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 (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's web-site at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

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

Independent Auditor's Report to the Members of Cams Hill School (Continued)

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual 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.



Daniel Henwood (Senior Statutory Auditor)
For and on behalf of
Moore Stephens LLP, Statutory Auditor
58 Queens Road
Reading
Berkshire
RG1 4RP

Date: 16/12/2016

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

In accordance with the terms of our engagement letter 25 September 2015 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 Cams Hill 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 Cams Hill School and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Cams Hill 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 Cams Hill School and the EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Cams Hill School's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Cams Hill School's funding agreement with the Secretary of State for Education dated 1 October 2011 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.

Our procedures included, but were not limited to the following:

- Reviewing minutes of meetings, management accounts and making enquiries of management;
- Performing sample testing of expenditure ensuring items are for the School's purposes and are appropriately authorised;
- Reviewing the procedures for identifying and declaring related parties and other business interests;
- Obtaining formal representation from the governing body and accounting officer acknowledging their responsibilities;
- Scrutinising journals, and other adjustments posted during the year for evidence of unusual entries and making further enquiries into any such items where relevant;

Independent Reporting Accountant's Assurance Report on Regularity to Cams Hill School and the Education Funding Agency (continued)

- Taking a selection of nominal ledger accounts for evidence of unusual entries and making further enquiries into any such items where relevant;
- Performing an evaluation of the general control environment of the School;

Conclusion

In the course of our work, except matters listed below, 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.

Moore Stephens LLP

Moore Stephens LLP
58 Queens Road,
Reading,
RG1 4RP

Date: 16/12/2016

Statement of Financial Activities for the year ended 31 August 2016

(including Income and Expenditure Account)

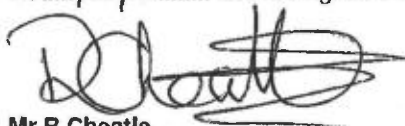
	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2016 £	Total 2015 £
Income and endowments from:						
Donations and capital grants	2	-	-	68,752	68,752	1,462,456
Charitable activities:						
Funding for the academy trust's educational operations	3	-	5,187,961	-	5,187,961	5,114,655
Other trading activities	4	419,494	7,000	-	426,494	414,128
Investments	5	3,464	-	-	3,464	1,950
Total	16	422,958	5,194,961	68,752	5,686,671	6,993,189
Expenditure on:						
Charitable activities:						
Academy trust educational operations	6, 7, 16	232,280	5,212,615	465,787	5,910,682	5,975,730
Net income/(expenditure)		190,678	(17,654)	(397,035)	(224,011)	1,017,459
Transfers between funds	16	(8,499)	-	8,499	-	-
Other recognised (losses)/ gains:						
Actuarial (losses)/ gains on defined benefit pension schemes	16	-	(722,000)	-	(722,000)	83,000
Net movement in funds		182,179	(739,654)	(388,536)	(946,011)	1,100,459
Reconciliation of funds						
Total funds brought forward	16	697,608	(648,000)	23,174,833	23,224,441	22,123,982
Total funds carried forward	16	879,787	(1,387,654)	22,786,297	22,278,430	23,224,441

Cams Hill School
Year ended 31 August 2016

Balance sheet as at 31 August 2016

	Notes	2016 £	2016 £	2015 £	2015 £
Fixed assets					
Tangible assets	11		22,282,184		21,919,269
Current assets					
Stock	12	2,256		4,098	
Debtors	13	318,735		1,115,974	
Cash at bank and in hand		<u>1,519,768</u>		<u>1,201,743</u>	
		1,840,759		2,321,815	
Liabilities					
Creditors: Amounts falling due within one year	14	<u>(424,513)</u>		<u>(357,231)</u>	
Net current assets			<u>1,416,246</u>		<u>1,964,584</u>
Total assets less current liabilities			<u>23,698,430</u>		<u>23,883,853</u>
Liabilities					
Creditors: Amounts falling due after more than one year	15		<u>-</u>		<u>(11,412)</u>
Net assets excluding pension liability			<u>23,698,430</u>		<u>23,872,441</u>
Defined benefit pension scheme liability	25		<u>(1,420,000)</u>		<u>(648,000)</u>
Total net assets			<u>22,278,430</u>		<u>23,224,441</u>
Funds of the Academy:					
Restricted funds					
-Fixed asset fund	17		22,786,297		23,174,833
-Restricted income fund	17		32,346		-
-Pension reserve	17		<u>(1,420,000)</u>		<u>(648,000)</u>
Total restricted funds			<u>21,398,643</u>		<u>22,526,833</u>
Unrestricted income funds	17		879,787		697,608
Total funds			<u>22,278,430</u>		<u>23,224,441</u>

The financial statements on pages 16 to 37 were approved by the Governors, and authorised for issue on 12/12/16 and are signed on their behalf by:



Mr R Cheatle
Chair of Governors

Company Limited by Guarantee
 Registration Number 07751232

Cash Flow Statement for the year to 31 August 2016

	Notes	2016 £	2015 £
Cash flows from operating activities			
Net cash (outflow)/ inflow from operating activities	20	1,097,354	(895,114)
Cash flows from financing activities	21	(22,843)	(20,931)
Cash flows from investing activities	22	(756,486)	1,071,381
Change in cash and cash equivalents in the reporting period	23	318,025	155,336
Cash and cash equivalents at 1 September 2015		1,201,743	1,046,407
Cash and cash equivalents at 31 August 2016		1,519,768	1,201,743

Notes to the Financial Statements for the year ended 31 August 2016

1. Statement of 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.

Basis of Preparation

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.

Cams Hill School meets the definition of a public benefit entity under FRS 102.

Going Concern

The Governors assess whether the use of going concern basis of accounting 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.

Incoming Resources

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

- **Grants receivable**

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the 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 ("GAG") 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.

Other local authority grants relate to funding directly received from the local authority for the provision of specific services. Income is included within the Statement of Financial Activities on a receivable basis. Income is deferred where received in advance and included within creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Notes to the Financial Statements for the year ended 31 August 2016 (continued)

1. Statement of Accounting Policies (continued)

Incoming Resources (continued)

Other DfE/EFA grants for specific provisions or services, such as bursary funding, relate to funding directly received from these organisations for specific services, is included within the Statement of Financial Activities on a receivable basis. Income is deferred where received in advance and included within creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

- **Donations**

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

- **Other income**

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

Expenditure

Expenditure is recognised once there 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 asset's use.

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

Notes to the Financial Statements for the year ended 31 August 2016 (continued)

1. Statement of Accounting Policies (continued)

Tangible Fixed Assets

Assets costing £1,500 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 life, as follows:

Freehold buildings	the shorter of 50 years or over the expected life of the asset
Fixtures, fittings and equipment	10 years
ICT equipment	3 years on NBV brought forward at 1 September 2015
Motor Vehicles	7 years

Assets in the course of construction are included at cost. Depreciation on 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.

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.

Leased Assets

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

Stock

Stocks are valued at the lower of cost and net realisable value.

Notes to the Financial Statements for the year ended 31 August 2016 (continued)

1. Statement of Accounting Policies (continued)

Taxation

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

Pensions Benefits

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

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 29, 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.

Fund Accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Education Funding Agency, Department for Education and other 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, Department for Education and the Local Authority.

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.

Notes to the Financial Statements for the year ended 31 August 2016 (continued)

1. Statement of Accounting Policies (continued)

Critical accounting estimates and areas of judgement (continued)

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 25, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

2. Donations and capital grants

	Unrestricted Funds £	Restricted Funds £	Total 2016 £	Total 2015 £
Capital grants	-	68,752	68,752	1,462,456
	-	68,752	68,752	1,462,456

3. Funding for the Academy Trust's educational operations

	Unrestricted Funds £	Restricted Funds £	Total 2016 £	Total 2015 £
DfE / EFA grants				
General annual grant (GAG)	-	4,990,350	4,990,350	4,906,224
Other DfE / EFA grants	-	176,236	176,236	176,514
	-	5,166,586	5,166,586	5,082,738
Other Government grants				
Local authority grants	-	21,375	21,375	31,917
	-	5,187,961	5,187,961	5,114,655

Notes to the Financial Statements for the year ended 31 August 2016 (continued)

4. Other trading activities

	Unrestricted Funds £	Restricted Funds £	Total 2016 £	Total 2015 £
Hire of Facilities	18,475	-	18,475	55,005
Catering Income	172,637	-	172,637	176,333
Other Income	85,247	7,000	92,247	100,284
Clubs and Trips	143,135	-	143,135	82,506
	419,494	7,000	426,494	414,128

5. Investment income

	Unrestricted Funds £	Restricted Funds £	Total 2016 £	Total 2015 £
Short term deposits	3,464	-	3,464	1,950

6. Expenditure

	Staff Costs £	Non Pay Expenditure Premises £	Other Costs £	Total 2016 £	Total 2015 £
Academy's educational operations:					
Direct costs	3,496,852	-	592,475	4,089,327	4,140,569
Allocated support costs	888,236	687,056	246,063	1,821,355	1,835,161
	4,385,088	687,056	838,538	5,910,682	5,975,730

Net incoming/outgoing resources for the year include:

	2016 £	2015 £
Operating lease rentals	173,958	72,055
Depreciation	465,787	465,389
Fees payable to auditor for:		
- audit	11,500	11,240
- other services	2,000	1,995

Notes to the Financial Statements for the year ended 31 August 2016 (continued)

7. Charitable activities

	Unrestricted Funds £	Restricted Funds £	Total 2016 £	Total 2015 £
Direct costs				
Teaching and educational support staff costs	156	3,496,696	3,496,852	3,528,399
Technology costs	-	-	-	148
Educational supplies	8,900	119,673	128,573	133,990
Examination fees	-	73,566	73,566	69,776
Staff development	-	33,300	33,300	28,810
Educational consultancy	-	16,902	16,902	8,673
Other direct costs	-	54,955	54,955	55,768
Catering	70,115	84,999	155,114	158,020
Clubs, school trips and other costs	122,197	7,868	130,065	156,985
	201,368	3,887,959	4,089,327	4,140,569
Allocated support costs				
Support staff costs	26,851	754,386	781,237	692,165
Depreciation	-	465,787	465,787	465,389
Technology costs	-	48,009	48,009	34,211
Premises costs	3,961	436,568	440,529	362,180
Other support costs	100	13,167	13,267	216,040
Governance costs	-	50,526	50,526	43,176
Pension scheme interest cost	-	22,000	22,000	22,000
	30,912	1,790,443	1,821,355	1,835,161
	232,280	5,678,402	5,910,682	5,975,730

Notes to the Financial Statements for the year ended 31 August 2016 (continued)

8. Staff costs

a. Staff costs during the year were:

	2016	2015
	£	£
Wages and salaries	3,406,829	3,499,651
Social security costs	276,535	256,386
Operating costs of defined benefit pension schemes	660,903	466,390
	<u>4,344,267</u>	<u>4,222,427</u>
Supply staff cost	40,821	52,998
	<u>4,385,088</u>	<u>4,275,425</u>

b. Staff numbers

The average number of persons (including senior management team) employed by the Academy during the period expressed as full time equivalents was as follows:

	2016	2015
	No.	No.
Teachers	67	64
Administration and support	53	56
Management	7	6
	<u>127</u>	<u>126</u>

c. Higher paid staff

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

	2016	2015
	No.	No.
£60,001 - £70,000	2	-
£70,001 - £80,000	1	-
£80,001 - £90,000	-	1

d. 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 £92,838 (2015: £100,524).

Notes to the Financial Statements for the year ended 31 August 2016 (continued)

9. Related party Transactions – Governors' remuneration and expenses

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 the total Governors' remuneration for salary and pensions was as follows:

S Brooker (Other staff Governor):

Remuneration £25,000 - £30,000 (2015: £25,000 - £30,000)

Employers pension contributions £0 - £5,000 (2015: £0 - £5,000)

N Kryz (Other staff Governor):

Remuneration £25,000 - £30,000 (2015: £nil)

Employers pension contributions £0 - £5,000 (2015: £nil)

G Harrison-Jones (Head Teacher):

Remuneration £75,000 - £80,000 (2015: £nil)

Employer pension contributions £13,000 - £13,500 (2015: £nil)

During the year ended 31 August 2016, travel and subsistence expenses totalling £260 (2015: £260) were reimbursed to Governors.

Other related party transactions involving the Governors are set out in note 26.

10. Governors' and Officers' Insurance

In accordance with normal commercial practice the Academy has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £5m on any one claim and the cost for the year ended 31 August 2016 was £1,120 (2015: £1,380).

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

Notes to the Financial Statements for the year ended 31 August 2016 (continued)

11. Tangible Fixed Assets

	Freehold Land and Buildings	Furniture and Equipment	Computer Equipment	Motor Vehicles	Assets in the course of construction	Total
	£	£	£	£	£	£
Cost						
At 1 September 2015	23,389,749	51,871	159,514	19,000	139,936	23,760,070
Additions	-	10,482	48,269	8,500	761,451	828,702
At 31 August 2016	23,389,749	62,353	207,783	27,500	901,387	24,588,772
Depreciation						
At 1 September 2015	1,705,781	28,112	96,048	10,860	-	1,840,801
Charged in period	433,200	3,424	25,639	3,524	-	465,787
At 31 August 2016	2,138,981	31,536	121,687	14,384	-	2,306,588
Net book values						
At 31 August 2016	21,250,768	30,817	86,096	13,116	901,387	22,282,184
At 31 August 2015	21,683,968	23,759	63,466	8,140	139,936	21,919,269

On 31 August 2012 Land was professionally valued at £9,375,000 and Buildings were valued at £13,440,185. The total amount of £22,815,185, which the Governors have deemed to be equivalent to the fair value of land and buildings on conversion to an Academy on 1 October 2011 and have been adopted by them for the purposes of the financial statements for the year ended on 31 August 2016.

The valuation was obtained from a "full valuation" carried out by the valuers Hampshire County Council and the Governors have considered this valuation sufficient for the purposes of the financial statements.

Assets in the course of construction relate to new classrooms and humanities block not yet complete at the balance sheet date.

At the balance sheet date, capital expenditure of £594,994 (2015: £1,255,564) relating to freehold land and buildings was contracted, of this total commitment £100,879 has been committed out of unrestricted reserves.

Notes to the Financial Statements for the year ended 31 August 2016 (continued)

12. Stock

	2016	2015
	£	£
Catering	2,256	4,098

13. Debtors

	2016	2015
	£	£
Trade debtors	7,044	22,520
Other debtors	2,681	2,681
VAT debtor	112,055	40,076
Prepayments and accrued income	196,955	1,050,697
	318,735	1,115,974

14. Creditors: amounts falling due within one year

	2016	2015
	£	£
Trade creditors	96,044	65,883
Taxation and social security	80,982	73,204
Other creditors	65,981	61,138
Accruals and deferred income	170,075	134,144
Loan	11,431	22,862
	424,513	357,231

At 31 August 2016 the Academy held the following in respect of deferred income:

Deferred Income

	2016	2015
	£	£
Deferred Income at 1 September 2015	48,861	30,857
Resources deferred in the year	127,264	48,861
Amounts released from previous year	(48,861)	(30,857)
	127,264	48,861

At the balance sheet date the academy trust was holding funds received in advance for trips booked for the 2016/17 academic year.

Notes to the Financial Statements for the year ended 31 August 2016 (continued)

15. Creditors: amounts falling due after more than one year

	2016 £	2015 £
Loans	-	11,412

The Salix loan was taken out in 2013 and is repayable over 4 years, is unsecured and interest free.

16. Funds

	Balance at 1 September 2015 £	Incoming Resources £	Resources Expended £	Gains, Losses and Transfers £	Balance at 31 August 2016 £
Restricted general funds					
General Annual Grant (GAG)	-	4,990,350	(4,958,004)	-	32,346
Other DfE/EFA grants	-	176,236	(176,236)	-	-
William Price Charitable Trust	-	7,000	(7,000)	-	-
Pension reserve	(648,000)	-	(50,000)	(722,000)	(1,420,000)
Local Authority Grants	-	21,375	(21,375)	-	-
	(648,000)	5,194,961	(5,212,615)	(722,000)	(1,387,654)
Restricted fixed asset funds					
Fixed assets upon transfer	21,107,683	-	(424,444)	-	20,683,239
DfE/ EFA capital grants	1,699,868	58,752	(33,997)	-	1,724,623
William Price Trust	-	10,000	-	-	10,000
Local Authority Grants	22,028	-	(441)	-	21,587
Capital expenditure from GAG	345,254	-	(6,905)	8,499	346,848
	23,174,833	68,752	(465,787)	8,499	22,786,297
Total restricted funds	22,526,833	5,263,713	(5,678,402)	(713,501)	21,398,643
Unrestricted funds					
Unrestricted funds	697,608	422,958	(232,280)	(8,499)	879,787
Total unrestricted funds	697,608	422,958	(232,280)	(8,499)	879,787
Total funds	23,224,441	5,686,671	(5,910,682)	(722,000)	22,278,430

Notes to the Financial Statements for the year ended 31 August 2016 (continued)

16. Funds (continued)

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

The General Annual Grant ("GAG") relates to recurrent income and expenditure for the establishment, conduct and administration and maintenance of the Academy, where such expenditure does not fall under any other grant.

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

Other local authority grants relate to funding received directly from the local authority, most notably Hampshire County Council, for the provision of specific services such as education for special education needs students.

Other DFE/EFA grants received are for specific services such as funding for learning support students or incentive payments to teachers in subjects of scarce resource.

The pension reserve relates to the provision of pension costs for non teaching staff. The fund includes the transfer of a pension deficit from the local authority to Cams Hill School upon conversion to an Academy.

Fixed asset funds include the transfer of land and buildings from the local authority upon conversion to an Academy. Where tangible fixed assets are acquired through the aid of a specific grant they are credited to the restricted fixed asset fund within the Statement of Financial Activities and also included in the balance sheet within fixed assets. Funds will be transferred on an annual basis into the fixed asset fund, where required, from available revenue reserves at the behest of the Governors.

Capital grants received as part of the GAG are treated in the same way as the fixed asset fund.

Unrestricted funds are generated from income and expenditure that is incidental and supplementary to the educational activities of the Academy such as from sales in catering and the letting of buildings to other organisations.

17. Analysis of net assets between funds

Fund balances at 31 August 2016 are represented by:

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total Funds 2016	Total Funds 2015
	£	£	£	£	£
Tangible fixed assets	-	-	22,282,184	22,282,184	21,919,269
Current assets	879,787	456,859	504,113	1,840,759	2,321,815
Current liabilities	-	(424,513)	-	(424,513)	(357,231)
Non current liabilities	-	-	-	-	(11,412)
Pension scheme liability	-	(1,420,000)	-	(1,420,000)	(648,000)
Total net assets	879,787	(1,387,654)	22,786,297	22,278,430	23,224,441

Notes to the Financial Statements for the year ended 31 August 2016 (continued)

18. Capital commitments

	2016 £	2015 £
Contracted for, but not provided in the financial statements	<u>594,994</u>	<u>1,255,564</u>

19. Financial commitments

Operating leases

At 31 August 2016 the Academy had minimum lease payments under non-cancellable operating leases as follows:

	2016 £	2015 £
Other		
Expiring within one year	93,201	72,330
Expiring within two and five years inclusive	<u>80,397</u>	<u>209,129</u>
	<u>173,598</u>	<u>281,459</u>

20. Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2016 £	2015 £
Net (expenditure)/ income for the reporting period (as per statement of financial activities)	(224,011)	1,044,459
Adjusted for:		
Depreciation (note 11)	465,787	465,389
Capital grants from DfE/ and other capital income	(68,752)	(1,462,456)
Interest receivable	(3,464)	(1,950)
Defined benefit pension scheme cost less contributions payable	28,000	32,528
Defined benefit pension scheme finance cost	22,000	1,000
Decrease in stocks	1,842	-
Decrease/ (Increase) in debtors	797,239	(980,886)
Increase in creditors	78,713	6,802
Net cash inflow from operating activities	<u>1,097,354</u>	<u>(895,114)</u>

21. Cash flows from financing activities

	2016 £	2015 £
Salix loan repayments in year	(22,843)	(20,931)
Net cash outflow from financing activities	<u>(22,843)</u>	<u>(20,931)</u>

Notes to the Financial Statements for the year ended 31 August 2016 (continued)

22. Cash flows from Investing activities	2016	2015
	£	£
Purchase of tangible fixed assets	(828,702)	(391,075)
Interest receivable	3,464	1,950
Capital grants	68,752	1,460,506
Net cash (outflow) / inflow from investing activities	(756,486)	1,071,381

23. Analysis of cash and cash equivalents	2016	2015
	£	£
Cash in hand and at bank	1,519,768	1,201,743
Total cash and cash equivalents	1,519,768	1,201,743

Notes to the Financial Statements for the year ended 31 August 2016 (continued)

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.

25. Pension and similar obligations

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

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

Contributions amounting to £62,098 were payable to the schemes at 31 August 2016 (2015: £60,376) and are included within creditors.

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 for service to the effective date of £191,500 million, and notional assets of £176,600 million, giving a notional past service deficit of £14,900 million; and
- 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 year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4% from September 2015, which will be payable during the implementation period until the next valuation as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

Notes to the Financial Statements for the year ended 31 August 2016 (continued)

25. Pension and similar obligations (continued)

The employers pension costs paid to TPS in the period amounted to £384,596 (2015: £337,606).

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.

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2016 was £172,503 (2015: £170,000) of which employers' contributions totalled £130,000 (2015: £127,000) and employees' contributions totalled £42,503 (2015: £43,000). The agreed contribution rates for future years are 13.1% for employers (2015:13.5%) and between 5.5% and 12.5% for employees (2015: 5.5% and 12.5%).

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.

Notes to the Financial Statements for the year ended 31 August 2016 (continued)

25. Pension and similar obligations (continued)

Principal Actuarial Assumptions	At 31 August 2016	At 31 August 2015
Rate of increase in salaries	3.4%	3.5%
Rate of increase for pensions in payment / inflation	1.9%	2.0%
Discount rate for scheme liabilities	2.0%	3.8%
Inflation assumption (CPI)	1.9%	2.0%

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
<i>Retiring today</i>		
Males	24.6	24.5
Females	26.4	26.3
<i>Retiring in 20 years</i>		
Males	26.7	26.6
Females	28.7	28.6

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

	Percentage holding of total fund at 31 August 2016	Fair value at 31 August 2016 £	Percentage holding of total fund at 31 August 2015	Fair value at 31 August 2015 £
Equities	56.7%	952,560	57.5%	735,000
Corporate bonds	7.4%	124,320	8.2%	105,000
Government bonds	26.3%	441,840	25.8%	330,000
Property	1.8%	30,240	1.7%	22,000
Cash	5.2%	87,360	3.3%	42,000
Other	2.6%	43,680	3.5%	44,000
Total market value of assets		1,680,000		1,278,000
Present value of scheme liabilities - funded		(3,100,000)		(1,926,000)
(Deficit) in the scheme		(1,420,000)		(648,000)

The actual return on scheme assets for the year ended 31 August 2016 was £274,000 (2015: £45,000).

Notes to the Financial Statements for the year ended 31 August 2016 (continued)

25. Pension and similar obligations (continued)

Amounts recognised in the statement of financial activities

	2016 £	2015 £
Current service cost (net of employee contributions)	(158,000)	(165,000)
Net interest cost	(22,000)	(22,000)
Total operating charge	(180,000)	(187,000)

Changes in the present value of defined benefit obligations were as follows:

	2016 £	2015 £
At 1 September 2015	1,926,000	1,758,000
Current service cost	158,000	165,000
Interest cost	73,000	65,000
Employee contributions	42,000	43,000
Actuarial (gain)/loss	945,000	(81,000)
Benefits paid	(44,000)	(24,000)
At 31 August 2016	3,100,000	1,926,000

Changes in the fair value of academy's share of scheme assets:

	2016 £	2015 £
At 1 September 2015	1,278,000	1,087,000
Return on plan assets	51,000	43,000
Actuarial gain/(loss)	223,000	2,000
Employer contributions	130,000	127,000
Employee contributions	42,000	43,000
Benefits paid	(44,000)	(24,000)
At 31 August 2016	1,680,000	1,278,000

26. Related Party Transactions

Owing to the nature of the Academy's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions will take place with organisations in which have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the trust's financial regulations and normal procurement procedures. No related party transactions were noted in the period of account.

