

Company Registration No. 08718489 (England and Wales)

**NEW HAW COMMUNITY SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)**

**DIRECTORS STRATEGIC REPORT AND AUDITED ACCOUNTS  
FOR THE YEAR ENDED 31 AUGUST 2016**

# NEW HAW COMMUNITY SCHOOL

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# NEW HAW COMMUNITY SCHOOL

## REFERENCE AND ADMINISTRATIVE DETAILS

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<b>Directors</b>	G Baier (Chair) M Cahill (Accounting officer) D Cunningham E Carter-McQueen G Oates S Hawkins	
<b>Members</b>	M Cahill D Cunningham G Oates	
<b>Senior leadership team</b>	M Cahill E Carter-McQueen J Keating E MacKenzie	- Executive Headteacher - Head of School - Assistant Headteacher - Chief Financial Officer
<b>Company registration number</b>	08718489 (England and Wales)	
<b>Registered office</b>	New Haw Community School Addlestone Surrey KT15 3RL	
<b>Independent auditor</b>	Wilkins Kennedy LLP Greytown House 221-227 High Street Orpington Kent BR6 0NZ	
<b>Bankers</b>	Lloyds Bank PLC PO Box 1000 Andover BX1 1LT	
<b>Solicitors</b>	Browne Jacobson Mowbray House Castle Meadow Road Nottingham NG2 1BJ	

# NEW HAW COMMUNITY SCHOOL

## DIRECTORS REPORT

### FOR THE YEAR ENDED 31 AUGUST 2016

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The directors present their annual report together with the accounts and independent auditor's report of the charitable company for the period 1 September 2015 to 31 August 2016. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The Trust operates an academy for pupils aged 7 to 11 servicing a catchment area in the borough of Runnymede, North-West Surrey. It has a pupil capacity of 360 and had a roll of 365 in the school census on 06/10/16.

#### **Structure, governance and management**

##### Constitution

The academy trust is a company limited by guarantee with no share capital (registration no. 08718489) and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The Directors act as the Trustees for the charitable activities of New Haw Community School and are also Directors of the charitable company for the purposes of company law. The charitable company is known as New Haw Community School. Details of the Directors who served throughout the period, except as noted, are included in the Reference and Administrative Details on page 1.

New Haw Community School was incorporated on 04 October 2013 as a multi Academy Trust. At the year end the Trust only consisted of one school, New Haw Community School which obtained Academy status from 1 May 2014.

The directors are the trustees of New Haw Community School and are also the directors of the charitable company for the purposes of company law. Details of the directors who served during the year 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.

##### Method of recruitment and appointment or election of directors

The number of Directors shall be not less than three but (unless otherwise determined by ordinary resolution) shall not be subject to any maximum. Subject to Articles 48 and 49, the Academy Trust shall have the following Directors - the chair of the Local Governing Body of New Haw Community School; two Parent Directors appointed under Articles 53 - 56; the Principal of New Haw Community School appointed under article 57; up to one Majority Director appointed under Article 57A; up to one Community Director appointed under Article 57B; and up to one SMT Director appointed under Article 57C.

Each of the persons entitled to appoint Members in Article 12 shall have the right from time to time by written notice delivered to the Office to remove any Member appointed by them and to appoint a replacement Member to fill a vacancy whether resulting from such removal or otherwise.

The Academy Trust may also have any Co-opted Governor appointed under Article 59. The first Directors shall be those person named in the statement delivered pursuant to sections 9 and 12 of the Companies Act 2006.

Future Directors shall be appointed or elected, as the case may be, under these Articles. Where it is not possible for such a Director to be appointed or elected due to the fact that an Academy has not yet been established, then the relevant Article or part thereof shall not apply.

The total number of Directors (including the Headteacher) who are employees of the Academy shall not exceed one third of the total number of Directors.

# NEW HAW COMMUNITY SCHOOL

## DIRECTORS REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2016

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#### Policies and procedures adopted for the induction and training of directors

Directors are appointed based on the skills that they will bring to the governing body or based on a proposal to the governing body by representative groups. During the period under review the Directors held 3 meetings. The training and induction provided for new Directors will depend on their existing experience. Each new Director receives induction training and is provided with access (via the school website secure area for Directors) to copies of policies, procedures, minutes and other documents that they will need to undertake their role as Directors. As there are normally a maximum of one or two new Directors a period, induction tends to be done informally and is tailored specifically to the individual. During the period, the Directors were offered all necessary training.

#### Organisational structure

The structure consists of four levels: the Directors, Local Governing Body, Senior Leadership Team (SLT), & Year/Team Leaders. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels. The Directors are responsible for setting general policy, adopting an annual plan and budget, monitoring the Academy by the use of budgets and making major decisions about the direction of the Academy, capital expenditure and senior staff appointments.

The SLT are the Headteacher, Deputy Headteacher, Assistant Headteacher and Business Manager. These leaders control the Academy at an executive level implementing the policies laid down by the Directors and reporting back to them.

#### Arrangements for setting pay and remuneration of key management personnel

All pay decisions for senior management staff are made in accordance with the STPCD and other relevant pay and conditions guidance. Consideration will be given to the overall role within the Academy Trust and National Support School and will be clearly linked to the performance management process. All pay decisions are taken to the Trust's Pay Committee for final consideration and approval.

#### Related parties and other connected charities and organisations

Marie Cahill is a National Leader of Education and New Haw Community School is a designated National Support School. The school has a well established role in the raising of standards in other schools and supports schools in difficulty, often in conjunction with the Local Authority. The school also works in conjunction with Salesian Teaching School, offering an NQT Induction Programme for Primary Teachers

#### **Objectives and activities**

##### Objects and aims

The Trust's object is to advance for the public benefit, education for children aged 7 to 11 by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum.

New Haw Community School is a caring community with learning at its heart. School staff encourage children to aim high, be honest and work together. The vision of Directors and all staff is to promote high standards, teamwork and a culture of success. The school has long record of success and leaders work to ensure that we keep the best of what we have while continually striving to improve and build on strong foundations.

**Four Years  
Four Commitments  
A Unique Opportunity  
To Make a Difference**

#### **Our school is where we learn how to learn**

The achievement of our children matters. Learning is fun, fulfilling and for everyone.

#### **Our school is a beautiful place**

Respect for each other and our surroundings is important. We provide an environment which is friendly, ordered and promotes success.

# NEW HAW COMMUNITY SCHOOL

## DIRECTORS REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2016

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#### **Our school works in partnership with the local community**

Partnership with parents is crucial to the success of our children. Our close relationship with our local infant and secondary schools ensures that we build on the children's previous experience and prepare them for secondary school.

#### **Our school is where happiness and learning unite**

Nurturing the potential of every student is vital. We help each child to take pleasure and pride in their learning.

#### Objectives, strategies and activities

The main objectives of the Academy during the period ended 31 August 2016 are summarised below:

- To provide children with a safe and secure environment in which they are able to thrive, enjoy learning, broaden their horizons and aspire to excellence;
- For pupils to be happy, resilient and fulfil their unlimited potential;
- To inspire all pupils to develop a thirst for knowledge and the motivation to pursue life long learning;
- To provide pupils with a broad and enriching curriculum which enables them to meet, or exceed, national expectations in all areas of learning;
- To work in partnership with parents and the community to maximize the potential of our pupils and prepare them to make a valuable contribution to 'modern Britain'.
- To improve the effectiveness of the Academy 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 our community;
- To conduct the Academy's business in accordance with the highest standards of integrity, probity and openness.

The academy values diversity and seeks to give everyone an equal chance to learn and work in an environment free from the action, or fear, of racism, discrimination, or prejudice. We work together to develop the potential of all pupils academically, socially, culturally and psychologically and to establish a community that is just and fair for all people who work at or visit the school.

Parents are expected to fulfill their roles as true partners, recognizing their role in the home-school partnership to ensure that their child realizes his/her potential.

Directors are expected to contribute to the life of the school on a wider scale, acting as critical friends to support the school in becoming a centre of excellence.

#### Public benefit

The directors have complied with their duty to have due regard to the guidance on public benefit issued by the Charity Commission in exercising their powers and duties.

The Directors confirm that they have referred to the guidance contained in the Charity Commission's general guidance on Public Benefit when reviewing the charity's aim and objectives and in planning future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives they have set.

The criteria used to admit pupils to New Haw Community School:-

- Looked after children
- Exceptional social/medical need
- Children attending The Grange Community Infant School
- Siblings not admitted under the previous 3 headings
- Proximity to the School

# NEW HAW COMMUNITY SCHOOL

## DIRECTORS REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

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### Strategic report

#### Achievements and performance

The Academy is a three form entry junior school which is successful, popular and oversubscribed. Pupils enter the school from a wide range of social, cultural and economic backgrounds. The Academy prides itself on being an inclusive school.

Our data shows that since our last inspection in April 2009, New Haw Community School has continued to be a high achieving school.

#### **2016 KEY STAGE 2 SATS RESULTS**

##### **%age of children achieving expected levels**

	National	New Haw
Reading	66%	89%
Writing	74%	89%
SPaG	72%	90%
Maths	70%	96%
Reading/Writing/Maths	53%	80%

The Senior Leadership Team currently grades the school as 'outstanding' using the key performance indicators in the new Ofsted Framework.

#### Key performance indicators

OfSTED inspectors must judge the quality of education provided in the school. This is the overarching judgement and in order to do this, they must first make four key judgements. These are:

- The Effectiveness of Leadership and Management
- The Quality of Teaching, Learning and Assessment
- Personal Development, Behaviour and Welfare
- Outcomes for Pupils

In addition, they will always consider :

- The Effectiveness of Safeguarding Arrangements

#### Going concern

After making appropriate enquiries, the board of directors has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason the board of directors continues to adopt the going concern basis in preparing the accounts. Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies.

#### **Financial review**

Most of the Academy's income is obtained from the Education Funding Agency (EFA) in the form of recurrent grants, some of which are 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.

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

During the period ended 31 August 2016, total expenditure of £1,533k (2015: £1,451k) was met by recurrent grant funding from the EFA together with other incoming resources. The excess of income over expenditure for the period (excluding restricted fixed asset funds and transfers to restricted fixed asset funds) was £43k (2015: £143k).

# NEW HAW COMMUNITY SCHOOL

## DIRECTORS REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2016

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As 31 August 2016 the net book value of fixed assets was £2,717k (2015: £2,754k). Movements in tangible fixed assets are shown in note 11 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the academy.

The Surrey Pension Fund, in which the Academy participates, showed a deficit of £703k (2015: £533k) at 31 August 2016.

#### Financial position

The Academy held fund balances at 31 August 2015 of £2,300k (2015: £2,431k) comprising £2,048k (2015: £2,324k) of restricted funds and £252k (2015: £107k) of unrestricted general funds. Of the restricted funded £2,717k (2015: £2,754) is represented by tangible fixed assets.

The pension reserve which is considered part of restricted funds was £703k (2015: £533k) in deficit.

#### Reserves policy

The Directors review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Directors have determined that the appropriate level of free reserves should be equivalent to four weeks' expenditure, approximately £113k (£108k in 2015).

At 31st August 2015, the Academy held £145k of unrestricted funds and £65k of restricted funds. At 31st August 2016, the Academy held £286k in reserves, comprising £252k unrestricted funds and £34k restricted funds. Five year budget planning has indicated an in year deficit budget from 2017 and therefore, these additional reserves will be necessary over this period to cover sharp reductions expected in funding alongside increasing staff costs and overall expenditure. The Academy is also mindful of its need to retain contingency funds for staff absence (as it self-insures this area) and building improvement and maintenance costs.

#### Investment policy and powers

Under the Memorandum and Articles of Association, the Academy has the power to invest funds not immediately required for its own purposes, in any way the Directors see fit. The organisation has a positive cash balance to cover eventualities and unforeseen expenses. The banking facilities are reviewed on a regular basis.

#### Principal risks and uncertainties

The principal risks and uncertainties that New Haw Community School faces are mitigated by the risk management process that the Academy Trust has in place.

#### Risk Management

The Directors have assessed the major risks to which the Academy is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Academy, and its finances. The Directors have implemented a number of systems to assess risks that the school faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance. The Directors have introduced systems, including operational procedures and internal financial controls in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover. The Academy has an effective system of internal financial controls and this is explained in more detail in the Governance Statement on page 9.

# NEW HAW COMMUNITY SCHOOL

## DIRECTORS REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2016

The Governors have a Risk Register which is reviewed annually and which details those risks they feel the Academy may be exposed to. The following three examples have been taken from the current Risk Register.

Sub Risk Description	Risk Consequences	Risk Score	Existing Internal Controls and Evidence
Failure of the school to recruit sufficient learners to make it viable	<ul style="list-style-type: none"> <li>• Significant financial risk;</li> <li>• Risk that the confidence of beneficiaries is diminished;</li> <li>• Risk that the confidence of stakeholders is diminished</li> </ul>	2 x 1 = 2 Low	<ul style="list-style-type: none"> <li>ü Admissions Policy;</li> <li>ü Marketing Strategy;</li> <li>ü Effective Networking</li> </ul>
Failure to ensure that the Governors who are recruited to the Governing Body possess the skills and experience required to run the school	<ul style="list-style-type: none"> <li>• Risk of insufficient educational knowledge within the Governing Body;</li> <li>• Risk that the Governors do not have the required experience;</li> <li>• Risk that Governors fail to honour their obligations leading to poor availability and attendance at meetings;</li> <li>• Risk that too much emphasis is placed on entrepreneurial work and the strategic objectives of the school are then ignored;</li> <li>• Risk that Governors become too involved with management of the school;</li> <li>• Risk that Governors do not act solely in the interest of the school but for other interests eg business;</li> <li>• Risk that the Governing Body has no financial expertise;</li> <li>• Risk that Governors play a "passive" role on the Governing Body</li> </ul>	2 x 1 = 2 Low	<ul style="list-style-type: none"> <li>ü Profile of skills required against those offered by potential Governors;</li> <li>ü Clerk to the Governing Body;</li> <li>ü Governor training and induction;</li> <li>ü Register of Governing Body interests</li> </ul>
Failure to ensure that an adequate disaster recovery plan is in place in relation to the school's financial systems	<ul style="list-style-type: none"> <li>• Risk that financial information cannot be recovered in the event of a disaster eg fire, vandalism, theft;</li> <li>• Risk to the delivery of the school's vision;</li> <li>• Significant financial risk;</li> <li>• Significant operational risk</li> </ul>	3 x 1 = 3 Medium	<ul style="list-style-type: none"> <li>ü School Emergency Plan;</li> <li>ü Security systems operated by the school;</li> <li>ü Risk Assessment Policy and Procedures operated by the school;</li> <li>ü Availability of other school sites as back up;</li> <li>ü Off-site back-up storage and enhanced systems to recover information and data</li> </ul>

#### Financial and risk management objectives and policies

The main financial risks to which New Haw Community School is exposed, taking account of the mitigations in place, relate the risk of an income shortfall due to the likelihood of further government spending reductions affecting our general grant. A risk also arises in relation to the defined benefit pension scheme, due to the fact that there is a deficit of £703k (2015: £533k).

# NEW HAW COMMUNITY SCHOOL

## DIRECTORS REPORT (CONTINUED)

*FOR THE YEAR ENDED 31 AUGUST 2016*

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### **Plans for future periods**

The Academy will continue striving to improve the levels of performance of its pupils. The School has a very good understanding of its strengths and areas for development based on rigorous analysis of data and monitoring of teaching and learning. The School also makes good use of external validation to secure its judgement on the quality of provision and subsequent outcomes. The School Development Plan (SDP) has key areas identified for improvement and is based on regular analysis of data which is meticulously analysed by the Headteacher and the Senior Leadership Team (SLT). The SDP is regularly monitored and amended annually by the SLT and Directors. It is underpinned by appropriate budget links.

School improvement strategies are constantly under review and effectively identify underperforming areas and addresses them through a combination of rigorous monitoring, good continuing staff development, including coaching and thorough analysis of pupil performance data. The School makes good provision for personalised learning, support and intervention programmes for individual pupils and the quality of provision for inclusion is very good due to bespoke programmes aimed at raising achievement.

The strive for excellence is evident in many aspects of School life, but particularly in the strong culture of collaboration, openness and commitment to professional learning. Staff continuing professional development is good as is the way that all staff work relentlessly at sharing best practice to fulfil the School's moral imperative at improving the quality of learning for our pupils. Our fundamental approach is improving on our previous best.

### **Auditor**

In so far as the directors are aware:

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

The directors report, incorporating a strategic report, was approved by order of the board of directors, as the company directors, on 14 December 2016 and signed on its behalf by:

G Baier

**Chair**

# NEW HAW COMMUNITY SCHOOL

## GOVERNANCE STATEMENT

**FOR THE YEAR ENDED 31 AUGUST 2016**

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### Scope of responsibility

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

The board of directors has delegated the day-to-day responsibility to the Headteacher, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between New Haw Community School and the Secretary of State for Education. They are also responsible for reporting to the board of directors any material weaknesses or breakdowns in internal control.

### Governance

The information on governance included here supplements that described in the Directors Report and in the Statement of Directors Responsibilities. The board of directors has formally met three times during the year. Attendance during the year at meetings of the board of directors was as follows:

<b>Directors</b>	<b>Meetings attended</b>	<b>Out of possible</b>
G Baier (Chair)	3	3
M Cahill (Accounting officer)	3	3
D Cunningham	1	3
E Carter-McQueen	1	3
G Oates	2	3
S Hawkins	3	3

Mr Greg Baier was appointed as Chair of the Trust in September 2016 after Mr Dave Cunningham resigned from the role. Mr Cunningham remains a trustee. Mr Greg Baier is also Chair of the Local Governing Body and Mr Greg Oates is Vice-Chair.

The Governing Body undertake regular skills audits to ensure that they are fully aware of the range of skills, knowledge and experience of the board and also any gaps in these areas that should be addressed through training and /or recruitment. The last skills audit was carried out in September 2015 and showed a broad range of skills with no significant gaps in knowledge, skills and experience. The next skills audit will be carried out in two years, or when there is a significant change to the constitution of the board.

The Finance and Personnel Committee is a sub-committee of the main Governing Body. Its purpose is to approve the annual budget, review expenditure and forecast against the budget and propose larger items of expenditure. It receives and considers the findings of reports from the Internal Auditor. C Druey (local governor) also attended the meetings during the year.

Attendance at meetings in the year was as follows:

<b>Directors</b>	<b>Meetings attended</b>	<b>Out of possible</b>
G Baier (Chair)	3	3
M Cahill (Accounting officer)	3	3
D Cunningham	2	3
E Carter-McQueen	1	3
G Oates	3	3
S Hawkins	2	3

# NEW HAW COMMUNITY SCHOOL

## GOVERNANCE STATEMENT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2016**

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### **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 academy trust's use of its resources has provided good value for money during each academic year, and reports to the board of directors 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:

- Continuing to offer focus teaching for the weakest pupils, thus ensuring high quality teaching and learning for all, and maximising the opportunity to close the gap in educational attainment.
- Significantly expanding the range of extra-curricular clubs available to pupils outside of schools hours.
- Making significant savings in the purchase of insurance, by joining the RPA Scheme.
- Continuing to work as a National Support School, providing support for a local federated infant and junior school, in order to improve standards and attainment.
- Working alongside Salesian Teaching School Alliance to develop and deliver a primary NQT Induction programme.
- Continuing to offer and support the SCITT (School Centred Initial Teacher Training) programme, thus ensuring a valuable source of excellent teachers for the trust.

### **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 New Haw Community School for the period 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and accounts.

### **Capacity to handle risk**

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

### **The risk and control framework**

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of directors;
- regular reviews by the finance and personnel 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.

# NEW HAW COMMUNITY SCHOOL

## GOVERNANCE STATEMENT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2016

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The Governing Body has considered the need for a specific internal audit function and has decided not to appoint a Responsible Officer. However, the Governors have appointed Wilkins Kennedy LLP, to complete the internal audit function. Wilkins Kennedy LLP's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. In particular the checks carried out in the current period include:

- Testing of control systems
- Testing of control account/ bank reconciliation
- Review of policies and procedures and adherence thereon
- Review of governance and training of Governors

Wilkins Kennedy LLP reports to the Governing body on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities. The role is carried out by a separate office at Wilkins Kennedy LLP with no connection to the audit team, this is to ensure the reviews are carried out independently.

Wilkins Kennedy LLP has delivered their schedule of work as planned and no issues of significance were identified.

#### **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 internal auditor;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy trust 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 and personnel committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the board of directors on 14 December 2016 and signed on its behalf by:

G Baier  
**Chair**

M Cahill  
**Accounting officer**

# **NEW HAW COMMUNITY SCHOOL**

## **STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE**

***FOR THE YEAR ENDED 31 AUGUST 2016***

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As accounting officer of New Haw Community School I have considered my responsibility to notify the academy trust board of directors and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State 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's board of directors are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 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 directors and EFA.

M Cahill  
**Accounting Officer**

14 December 2016

# NEW HAW COMMUNITY SCHOOL

## STATEMENT OF DIRECTORS RESPONSIBILITIES

**FOR THE YEAR ENDED 31 AUGUST 2016**

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The directors (who also act as trustees for New Haw Community School) are responsible for preparing the Directors Report and the accounts in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the directors to prepare accounts for each financial year. Under company law the directors must not approve the accounts 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 accounts, the directors 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 have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The directors 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 accounts 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 directors 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 that grants received from EFA/DfE have been applied for the purposes intended.

The directors 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 accounts may differ from legislation in other jurisdictions.

Approved by order of the board of directors on 14 December 2016 and signed on its behalf by:

G Baier  
**Chair**

# NEW HAW COMMUNITY SCHOOL

## INDEPENDENT AUDITOR'S REPORT ON THE ACCOUNTS TO THE MEMBERS OF NEW HAW COMMUNITY SCHOOL

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We have audited the accounts of New Haw Community School for the year ended 31 August 2016 set out on pages 18 to 37. The financial reporting framework that has been applied in their preparation is applicable law and 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', the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

This report is made solely to the charitable company'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 charitable company'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 charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

### Respective responsibilities of directors and auditors

As explained more fully in the Directors Responsibilities Statement set out on page 13, the directors, who also act as trustees for the charitable activities of New Haw Community School, are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the accounts 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 accounts

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the accounts. In addition, we read all the financial and non-financial information in the Directors Report including the incorporated strategic report to identify material inconsistencies with the audited accounts 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 accounts

In our opinion the accounts:

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

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

In our opinion the information given in the Directors Report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts.

# **NEW HAW COMMUNITY SCHOOL**

## **INDEPENDENT AUDITOR'S REPORT ON THE ACCOUNTS TO THE MEMBERS OF NEW HAW COMMUNITY SCHOOL (CONTINUED)**

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### **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 accounts are not in agreement with the accounting records and returns; or
- certain disclosures of directors remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**Catherine Cooper (Senior Statutory Auditor)**  
for and on behalf of Wilkins Kennedy LLP

### **Chartered Accountants**

#### **Statutory Auditor**

Greytown House  
221-227 High Street  
Orpington  
Kent  
BR6 0NZ

Dated: 15 December 2016

# NEW HAW COMMUNITY SCHOOL

## INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO NEW HAW COMMUNITY SCHOOL AND THE EDUCATION FUNDING AGENCY

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In accordance with the terms of our engagement letter dated 2 August 2013 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by New Haw Community 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 New Haw Community School and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the New Haw Community School and EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than New Haw Community School and EFA, for our work, for this report, or for the conclusion we have formed.

### **Respective responsibilities of New Haw Community School's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of New Haw Community School's funding agreement with the Secretary of State for Education dated 30 April 2014 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 EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

Our work included identification and assessment of the design and operational effectiveness of the controls, policies and procedures that have been implemented to ensure compliance with the framework of authorities including high level financial control areas and areas assessed of presenting a higher risk of impropriety. We undertook detailed testing, based on our assessment of risk of material irregularity, where such controls, policies and procedures apply to classes of transactions. This work was integrated with our audit on the financial statements to the extent evidence from the conduct of that audit supports the regularity conclusion as well as additional testing based on our assessment of risk of material irregularity.

# NEW HAW COMMUNITY SCHOOL

## INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO NEW HAW COMMUNITY 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 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.

### **Reporting Accountant**

Wilkins Kennedy LLP  
Greytown House  
221-227 High Street  
Orpington  
Kent  
BR6 0NZ

Dated: 15 December 2016

# NEW HAW COMMUNITY SCHOOL

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2016

	Notes	Unrestricted Funds £'000	Restricted funds: General Fixed asset £'000 £'000		Total 2016 £'000	Total 2015 £'000
<b>Income and endowments from:</b>						
Donations and capital grants	2	57	4	-	61	62
Donations - transfer from local authority on conversion		-	-	-	-	738
Charitable activities:						
- Funding for educational operations	3	-	1,407	-	1,407	1,413
Other trading activities	4	81	-	-	81	88
<b>Total income and endowments</b>		138	1,411	-	1,549	2,301
<b>Expenditure on:</b>						
Charitable activities:						
- Educational operations	6	31	1,465	37	1,533	1,451
<b>Total expenditure</b>	5	31	1,465	37	1,533	1,451
<b>Net income/(expenditure)</b>		107	(54)	(37)	16	850
<b>Other recognised gains and losses</b>						
Actuarial gains/(losses) on defined benefit pension schemes	17	-	(147)	-	(147)	(2)
<b>Net movement in funds</b>		107	(201)	(37)	(131)	848
<b>Reconciliation of funds</b>						
Total funds brought forward		145	(468)	2,754	2,431	1,583
Total funds carried forward		252	(669)	2,717	2,300	2,431

# NEW HAW COMMUNITY SCHOOL

## STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2016

Comparative year information Year ended 31 August 2015	Notes	Unrestricted	Restricted funds:		Total
		Funds	General	Fixed asset	2015
		£'000	£'000	£'000	£'000
<b>Income and endowments from:</b>					
Donations and capital grants	2	48	9	5	62
Donations - transfer from local authority on conversion		-	-	738	738
Charitable activities:					
- Funding for educational operations	3	-	1,413	-	1,413
Other trading activities	4	88	-	-	88
<b>Total income and endowments</b>		136	1,422	743	2,301
<b>Expenditure on:</b>					
Charitable activities:					
- Educational operations	6	69	1,346	36	1,451
<b>Total expenditure</b>	5	69	1,346	36	1,451
<b>Net income/(expenditure)</b>		67	76	707	850
Transfers between funds		-	(6)	6	-
<b>Other recognised gains and losses</b>					
Actuarial gains/(losses) on defined benefit pension schemes	17	-	(2)	-	(2)
<b>Net movement in funds</b>		67	68	713	848
<b>Reconciliation of funds</b>					
Total funds brought forward		40	(498)	2,041	1,583
Total funds carried forward		107	(430)	2,754	2,431

# NEW HAW COMMUNITY SCHOOL

## BALANCE SHEET

AS AT 31 AUGUST 2016

		2016		2015	
	Notes	£'000	£'000	£'000	£'000
<b>Fixed assets</b>					
Tangible assets	11		2,717		2,754
<b>Current assets</b>					
Debtors	12	39		56	
Cash at bank and in hand		263		169	
		<u>302</u>		<u>225</u>	
<b>Current liabilities</b>					
Creditors: amounts falling due within one year	13	(16)		(15)	
<b>Net current assets</b>			<u>286</u>		<u>210</u>
<b>Net assets excluding pension liability</b>			3,003		2,964
Defined benefit pension liability	17		(703)		(533)
<b>Net assets</b>			<u>2,300</u>		<u>2,431</u>
<b>Funds of the academy trust:</b>					
<b>Restricted funds</b>	15				
- Fixed asset funds			2,717		2,754
- Restricted income funds			34		103
- Pension reserve			(703)		(533)
<b>Total restricted funds</b>			<u>2,048</u>		<u>2,324</u>
<b>Unrestricted income funds</b>	15		<u>252</u>		<u>107</u>
<b>Total funds</b>			<u>2,300</u>		<u>2,431</u>

The accounts set out on pages 18 to 37 were approved by the board of directors and authorised for issue on 14 December 2016 and are signed on its behalf by:

G Baier  
Chair

Company Number 08718489

# NEW HAW COMMUNITY SCHOOL

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2016

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	Notes	2016 £'000	2015 £'000
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	18	94	151
<b>Cash flows from investing activities</b>			
Capital grants from DfE and EFA		-	(5)
Capital funding from sponsors and others		-	5
Payments to acquire tangible fixed assets		-	(6)
		<u>-</u>	<u>(6)</u>
<b>Change in cash and cash equivalents in the reporting period</b>		94	145
Cash and cash equivalents at 1 September 2015		169	24
<b>Cash and cash equivalents at 31 August 2016</b>		<u>263</u>	<u>169</u>

# NEW HAW COMMUNITY SCHOOL

## 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

The accounts 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.

New Haw Community School meets the definition of a public benefit entity under FRS 102.

These accounts for the year ended 31 August 2016 are the first accounts of New Haw Community School prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 September 2014. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 23.

##### 1.2 Going concern

The directors assess whether the use of going concern is appropriate, ie whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company to continue as a going concern. The directors make this assessment in respect of a period of at least one year from the date of authorisation for issue of the accounts 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 accounts.

##### 1.3 Income

All incoming resources are recognised when the academy trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

###### 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 meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the statement of financial activities in the period 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

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

# NEW HAW COMMUNITY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

---

### 1 Accounting policies

(Continued)

#### Other income

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

#### Donated goods, facilities and services

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

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

#### Interest receivable

Interest receivable is included within the statement of financial activities on a receivable basis.

### 1.4 Expenditure

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

All resources expended are inclusive of irrecoverable VAT.

#### Expenditure on raising funds

This includes all expenditure incurred by the academy trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

#### 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.

#### Governance costs

These include the costs attributable to the academy trust's compliance with constitutional and statutory requirements, including audit, strategic management, directors meetings and reimbursed expenses.

# NEW HAW COMMUNITY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2016

---

#### 1 Accounting policies

(Continued)

##### 1.5 Tangible fixed assets and depreciation

Tangible fixed assets acquired since the Academy was established are included in the accounts at cost. Assets costing less than £1,000 and a group of similar items costing £3,000 are written off in the period of acquisition. All other assets 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. 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. Where tangible fixed assets have been acquired with unrestricted funds the cost is transferred to the restricted fixed asset fund, depreciation on such assets is charged to the restricted fixed asset fund.

The property has been included at the valuation as provided by the EFA when completing their desktop valuation.

The Academy has a 125 year lease from conversion on the land and buildings with Surrey County Council.

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:

Land and buildings	2%
Computer equipment	20%

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.

##### 1.6 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.

##### 1.7 Leasing commitments

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease therefore all of the benefits and risks of ownership remain with the lessor.

##### 1.8 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.

# NEW HAW COMMUNITY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

---

### 1 Accounting policies

(Continued)

#### 1.9 Pensions benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 17, 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 are recognised in the period to which they relate.

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

#### 1.10 Fund accounting

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

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

#### 1.11 Critical accounting estimates and areas of judgement

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

##### Critical accounting estimates and assumptions

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

# NEW HAW COMMUNITY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2016

#### 1 Accounting policies

(Continued)

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 or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 17, 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.

#### Critical areas of judgement

##### *Useful economic lives of tangible assets*

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 11 for the carrying amount of the property plant and equipment, and note 1.5 for the useful economic lives for each class of assets.

##### *Bad debts*

Debtors are regularly reviewed for recoverability, any debts which in the opinion of management are not recoverable are provided for as a specific bad debt.

There are no key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

#### 2 Donations and capital grants

	<b>Unrestricted funds £'000</b>	<b>Restricted funds £'000</b>	<b>Total 2016 £'000</b>	<b>Total 2015 £'000</b>
Donated fixed assets	-	-	-	5
Other donations	57	4	61	57
	<u>57</u>	<u>4</u>	<u>61</u>	<u>62</u>

# NEW HAW COMMUNITY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

### 3 Funding for the academy trust's educational operations

	Unrestricted funds £'000	Restricted funds £'000	Total 2016 £'000	Total 2015 £'000
<b>DfE / EFA grants</b>				
General annual grant (GAG)	-	1,247	1,247	1,236
Other DfE / EFA grants	-	98	98	95
	-----	-----	-----	-----
	-	1,345	1,345	1,331
	=====	=====	=====	=====
<b>Other government grants</b>				
Local authority grants	-	62	62	66
Special educational projects	-	-	-	16
	-----	-----	-----	-----
	-	62	62	82
	=====	=====	=====	=====
<b>Total funding</b>	-	1,407	1,407	1,413
	=====	=====	=====	=====

### 4 Other trading activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2016 £'000	Total 2015 £'000
Hire of facilities	2	-	2	5
Extended school care	59	-	59	56
Support to other schools	15	-	15	14
Other income	5	-	5	13
	-----	-----	-----	-----
	81	-	81	88
	=====	=====	=====	=====

### 5 Expenditure

	Staff costs £'000	Premises & equipment £'000	Other costs £'000	Total 2016 £'000	Total 2015 £'000
<b>Academy's educational operations</b>					
- Direct costs	986	35	65	1,086	1,038
- Allocated support costs	242	28	177	447	413
	-----	-----	-----	-----	-----
	1,228	63	242	1,533	1,451
	=====	=====	=====	=====	=====
<b>Total expenditure</b>	1,228	63	242	1,533	1,451
	=====	=====	=====	=====	=====

# NEW HAW COMMUNITY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

### 5 Expenditure (Continued)

Net income/(expenditure) for the year includes:	2016 £'000	2015 £'000
Fees payable to auditor for:		
- Audit	7	6
- Other services	4	3
Operating lease rentals	5	7
Depreciation of tangible fixed assets	37	36
	<u>          </u>	<u>          </u>

### 6 Charitable activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2016 £'000	Total 2015 £'000
Direct costs - educational operations	-	1,086	1,086	1,038
Support costs - educational operations	31	416	447	413
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
	31	1,502	1,533	1,451
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

#### Analysis of support costs

	2016 £'000	2015 £'000
Support staff costs	242	216
Depreciation and amortisation	2	1
Technology costs	19	28
Premises costs	69	66
Other support costs	103	92
Governance costs	12	10
	<u>          </u>	<u>          </u>
	447	413
	<u>          </u>	<u>          </u>

### 7 Governance costs

#### All from restricted funds:

#### Amounts included in support costs

	Total 2016 £'000	Total 2015 £'000
Legal and professional fees	1	1
Auditor's remuneration		
- Audit of financial statements	7	6
- Other audit costs	4	3
	<u>          </u>	<u>          </u>
	12	10
	<u>          </u>	<u>          </u>

# NEW HAW COMMUNITY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

### 8 Staff costs

	2016 £'000	2015 £'000
Wages and salaries	933	900
Social security costs	64	58
Operating costs of defined benefit pension schemes	182	168
	<hr/>	<hr/>
Staff costs	1,179	1,126
Supply staff costs	38	20
Staff development and other staff costs	11	10
	<hr/>	<hr/>
Total staff expenditure	1,228	1,156
	<hr/> <hr/>	<hr/> <hr/>

### Staff numbers

The average number by headcount of persons employed by the academy trust during the year was as follows:

	2016 Number	2015 Number
Teachers	17	17
Administration and support	27	26
Management	4	4
	<hr/>	<hr/>
	48	47
	<hr/> <hr/>	<hr/> <hr/>

### Higher paid staff

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

	2016 Number	2015 Number
£80,001 - £90,000	1	-
£90,001 - £100,000	-	1
	<hr/> <hr/>	<hr/> <hr/>

### Key management personnel

The key management personnel of the academy trust comprise the directors 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 £247k (2015: £269k)

# NEW HAW COMMUNITY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2016

#### 9 Directors remuneration and expenses

One or more of the directors has been paid remuneration or has received other benefits from an employment with the academy trust. The Headteacher and other staff directors only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff members under their contracts of employment, and not in respect of their services as directors.

The value of directors remuneration and other benefits was as follows:

M Cahill (Headteacher):

- Remuneration £85,000 - £90,000 (2015: £90,000-£95,000)
- Employer's pension contributions £5,000 - £10,000 (2015: £5,000 - £10,000)

E Carter-McQueen (staff):

- Remuneration £20,000 - £25,000 (2015: £45,000-£50,000)
- Employer's pension contributions £nil - £5,000 (2015: £5,000 - £10,000)

During the year, travel and subsistence payments totalling £447 (2015: £703) were reimbursed to one director (2015: 2 directors).

Other related party transactions involving the directors are set out within the related parties note.

#### 10 Directors 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.

#### 11 Tangible fixed assets

	Land and buildings £'000	Computer equipment £'000	Total £'000
<b>Cost</b>			
At 1 September 2015 and 31 August 2016	2,787	11	2,798
<b>Depreciation</b>			
At 1 September 2015	43	1	44
Charge for the year	35	2	37
At 31 August 2016	78	3	81
<b>Net book value</b>			
At 31 August 2016	2,709	8	2,717
At 31 August 2015	2,744	10	2,754

Included in the cost of land and buildings is land valued at £889,000 (2015: £889,000) which is not depreciated.

# NEW HAW COMMUNITY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2016

12 Debtors	2016 £'000	2015 £'000
VAT recoverable	11	9
Prepayments and accrued income	28	47
	<u>39</u>	<u>56</u>
	<u><u>39</u></u>	<u><u>56</u></u>
13 Creditors: amounts falling due within one year	2016 £'000	2015 £'000
Accruals and deferred income	16	15
	<u>16</u>	<u>15</u>
	<u><u>16</u></u>	<u><u>15</u></u>
14 Deferred income	2016 £'000	2015 £'000
Deferred income is included within:		
Creditors due within one year	7	4
	<u>7</u>	<u>4</u>
	<u><u>7</u></u>	<u><u>4</u></u>
Deferred income at 1 September 2015	4	4
Released from previous years	(4)	(4)
Amounts deferred in the year	7	4
	<u>7</u>	<u>4</u>
<b>Deferred income at 31 August 2016</b>	<b><u><u>7</u></u></b>	<b><u><u>4</u></u></b>

At the balance sheet date, the Academy Trust was holding funds received in advance for trips and after School Clubs occurring next year and reimbursed rates relating to next year.

15 Funds	Balance at 1 September 2015 £'000	Incoming resources £'000	Resources expended £'000	Gains, losses & transfers £'000	Balance at 31 August 2016 £'000
<b>Restricted general funds</b>					
General Annual Grant	65	1,247	(1,286)	-	26
Other DfE / EFA grants	-	98	(90)	-	8
Other government grants	-	62	(62)	-	-
Other restricted funds	-	4	(4)	-	-
	<u>65</u>	<u>1,411</u>	<u>(1,442)</u>	<u>-</u>	<u>34</u>
Funds excluding pensions	65	1,411	(1,442)	-	34
Pension reserve	(533)	-	(23)	(147)	(703)
	<u>(468)</u>	<u>1,411</u>	<u>(1,465)</u>	<u>(147)</u>	<u>(669)</u>
	<u><u>(468)</u></u>	<u><u>1,411</u></u>	<u><u>(1,465)</u></u>	<u><u>(147)</u></u>	<u><u>(669)</u></u>

# NEW HAW COMMUNITY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

### 15 Funds (Continued)

#### Restricted fixed asset funds

General Fixed Assets	2,754	-	(37)	-	2,717
	<u>          </u>				

<b>Total restricted funds</b>	2,286	1,411	(1,502)	(147)	2,048
	<u>          </u>				

#### Unrestricted funds

General funds	145	138	(31)	-	252
	<u>          </u>				

<b>Total funds</b>	2,431	1,549	(1,533)	(147)	2,300
	<u>          </u>				

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

General Annual Grant: Income received from the EFA to cover the normal running costs of the Academy.

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.

Other DFE/EFA grants: This includes the pupil premium, rates relief, sports funding and the devolved formula capital grant.

Local Authority grants: This includes SEN funding and additional pupil premium, and NSS Bursary funding.

Other restricted funds: This includes amounts received from the PTA for various school resources.

### 16 Analysis of net assets between funds

	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total 2016 £'000
<b>Fund balances at 31 August 2016 are represented by:</b>				
Tangible fixed assets	-	-	2,717	2,717
Current assets	252	50	-	302
Creditors falling due within one year	-	(16)	-	(16)
Defined benefit pension liability	-	(703)	-	(703)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
	252	(669)	2,717	2,300
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

# NEW HAW COMMUNITY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2016

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#### 17 Pensions and similar obligations

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Surrey County Council. Both are multi-employer 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 that of the LGPS related to the period ended 31 March 2013.

There were no understanding 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 the TPS in the period amounted to £90k (2015: £87k).

# NEW HAW COMMUNITY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2016

#### 17 Pensions and similar obligations

(Continued)

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 contributions are as noted below. The agreed contribution rates for future years are 26.4% for employers and 5.5 - 12.8% for employees. The estimated value of employer contributions for the forthcoming year is £86k.

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.

<b>Total contributions made</b>	<b>2016</b>	<b>2015</b>
	<b>£'000</b>	<b>£'000</b>
Employer's contributions	89	74
Employees' contributions	21	18
	<u>          </u>	<u>          </u>
Total contributions	110	92
	<u>          </u>	<u>          </u>

<b>Principal actuarial assumptions</b>	<b>2016</b>	<b>2015</b>
	<b>%</b>	<b>%</b>
Rate of increases in salaries	2.4	4.1
Rate of increase for pensions in payment	2.1	2.7
Discount rate	2.1	3.8
Inflation assumption (CPI)	2.1	3.0
	<u>          </u>	<u>          </u>

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

	<b>2016</b>	<b>2015</b>
	<b>Years</b>	<b>Years</b>
Retiring today		
- Males	22.5	22.5
- Females	24.6	24.6
Retiring in 20 years		
- Males	24.5	24.5
- Females	26.9	26.9
	<u>          </u>	<u>          </u>

# NEW HAW COMMUNITY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

17 Pensions and similar obligations	(Continued)	
<b>The academy trust's share of the assets in the scheme</b>	<b>2016</b>	<b>2015</b>
	<b>Fair value</b>	<b>Fair value</b>
	<b>£'000</b>	<b>£'000</b>
Equities	443	300
Bonds	100	69
Cash	12	8
Property	36	28
	<hr/>	<hr/>
Total market value of assets	591	405
	<hr/> <hr/>	<hr/> <hr/>
Actual return on scheme assets - gain/(loss)	76	(11)
	<hr/> <hr/>	<hr/> <hr/>
<b>Amounts recognised in the statement of financial activities</b>	<b>2016</b>	<b>2015</b>
	<b>£'000</b>	<b>£'000</b>
Current service cost (net of employee contributions)	91	82
Net interest cost	21	5
	<hr/>	<hr/>
Total operating charge	112	87
	<hr/> <hr/>	<hr/> <hr/>
<b>Changes in the present value of defined benefit obligations</b>	<b>2016</b>	<b>2015</b>
	<b>£'000</b>	<b>£'000</b>
Obligations at 1 September 2015	938	820
Current service cost	91	82
Interest cost	38	32
Employee contributions	21	18
Actuarial loss	206	(14)
	<hr/>	<hr/>
At 31 August 2016	1,294	938
	<hr/> <hr/>	<hr/> <hr/>
<b>Changes in the fair value of the academy trust's share of scheme assets</b>	<b>2016</b>	<b>2015</b>
	<b>£'000</b>	<b>£'000</b>
Assets at 1 September 2015	405	302
Interest income	17	13
Return on plan assets (excluding amounts included in net interest):		
Actuarial gain	59	(2)
Employer contributions	89	74
Employee contributions	21	18
	<hr/>	<hr/>
At 31 August 2016	591	405
	<hr/> <hr/>	<hr/> <hr/>

# NEW HAW COMMUNITY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

### 17 Pensions and similar obligations (Continued)

18 Reconciliation of net income to net cash flows from operating activities	2016 £'000	2015 £'000
Net income for the reporting period	16	850
Adjusted for:		
Net deficit/(surplus) transferred on conversion	-	(738)
Capital grants from DfE/EFA and other capital income	-	(5)
Defined benefit pension costs less contributions payable	2	8
Defined benefit pension net finance cost/(income)	21	5
Depreciation of tangible fixed assets	37	36
(Increase)/decrease in debtors	17	3
Increase/(decrease) in creditors	1	(8)
<b>Net cash provided by operating activities</b>	<b>94</b>	<b>151</b>

### 19 Contingent liabilities

During the period of the Funding Agreement, in the event of the sale or disposal by other means of any asset for which a Government capital grant was received, the Academy is required either to re-invest the proceeds or to repay to the Education Funding Agency the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State.

Upon termination of the Funding Agreement, whether as a result of the Secretary of State or the Academy serving notice, the Academy shall repay to the Secretary of State sums determined by reference to:

- the value at that time of the Academy's site and premises and other assets held for the purpose of the Academy; and
- the extent to which expenditure incurred in providing those assets was met by payments by the Secretary of State under the Funding Agreement.

### 20 Commitments under operating leases

At 31 August 2016 the total future minimum lease payments under non-cancellable operating leases were as follows:

	2016 £'000	2015 £'000
Amounts due within one year	5	5
Amounts due in two and five years	5	10
	<u>10</u>	<u>15</u>

# NEW HAW COMMUNITY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

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### 21 Related party transactions

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

G Oates, a director of the academy, provided IT network service amounting to £18,428 (2015: £18,428). His company . Protime Sports Europe also provided the school with uniform amounting to £nil (2015: £1,499). There were no amounts outstanding at the year end. The academy made the purchase at arms' length in accordance with it's financial regulations. In entering into the transaction the academy has complied with the requirements of the EFA's Academies Financial Handbook.

### 22 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 or she is a member, or within one year after he or she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he or she ceases to be a member.

### 23 Reconciliations on adoption of FRS 102

#### Reconciliation of funds for the previous financial period

	1 September 2014 £'000	31 August 2015 £'000
Funds as reported under previous UK GAAP and under FRS 102	1,583	2,431
	=====	=====

#### Reconciliation of net income for the previous financial period

	Notes	2015 £'000
Net income as reported under previous UK GAAP		843
Adjustments arising from transition to FRS 102:		
Change in recognition of LGPS interest cost	i	7
Net income reported under FRS 102		850
		=====

#### Notes to reconciliations on adoption of FRS 102

##### (i) Change in recognition of LGPS interest cost

Under previous UK GAAP the trust recognised an expected return on defined benefit plan assets in income/expense. Under FRS 102 a net interest expense, based on the net defined benefit liability, is recognised in income/expense. There has been no change in the defined benefit liability at either 1 September 2014 or 31 August 2015. The effect of the change has been to reduce the credit to expenses by £7K and increase the debit in other recognised gains and losses in the SoFA by an equivalent amount.