

Company Registration Number: 07763421 (England & Wales)

HENLEAZE JUNIOR SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

**HENLEAZE JUNIOR SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

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**HENLEAZE JUNIOR SCHOOL
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**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2017**

Members and Trustees

Adam Barber, Headteacher^{1,2,3}
David Cooper, Chair²
Annabel Corbett³
Heidi Hughes (appointed 17 May 2017)³
Tamsin Alexander^{1,2}
Adrian Jones, Vice Chair²
Sylvie Jones, Staff Trustee³
Ewen MacGregor (appointed 22 March 2017)³
Dario Palmiero (appointed 5 October 2016)^{1,2,3}
Jonathan Rees, Chair (resigned 31 August 2017)¹
Nicola O'Brien, Staff Trustee^{1,2}
Sarah-Jane Ribeiro (resigned 31 August 2017)³
John Worthington^{1,3}

¹ Finance and Premises and Health and Safety Committee

² Staff and Wellbeing Committee

³ Pupil Progress and Curriculum Committee

Company registered number 07763421

Company name Henleaze Junior School

Principal and Registered office Park Grove
Henleaze
Bristol
BS9 4LG

Company secretary Nicola O'Brien

Accounting Officer Adam Barber

Senior leadership team Adam Barber
Jonathan Parr, Headteacher
Deputy Headteacher
Nicola O'Brien, Business Manager

Independent auditors Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
16 Queen Square
Bristol
BS1 4NT

**HENLEAZE JUNIOR SCHOOL
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**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2017**

The Trustees present their annual report together with the financial statements and auditors' report of the Charitable Company for the year ended 31 August 2017. The annual report serves the purpose of both a Trustees' report, and a Directors' report under company law.

The Trust operates an academy for pupils aged 7 to 11 in Henleaze, Bristol. It has a pupil capacity of 360 and had a roll of 384 in the school census on 19 January 2017.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy 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.

The Trustees of Henleaze Junior School are also the directors of the Charitable Company for the purposes of company law.

Details of the Trustees 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 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 they ceased to be a member.

Trustees' Indemnities

Trustees benefit from indemnity insurance purchased at the Academy Trust's expense to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust, provided that any such insurance shall not extend to any claim arising from any act or omission which the Trustees knew to be a breach of trust or breach of duty or which was committed by the Trustees in reckless disregard to whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the Trustees in their capacity as Directors of the Academy Trust. The limit of this indemnity is £10,000,000.

TRUSTEES

Method of Recruitment and Appointment or Election of Trustees

On 1 October 2011, the Trustees appointed all those Governors that served the predecessor school to be Trustees of the newly formed Academy. These Trustees were appointed for a term of office that would end when their original term at the predecessor school would have ended, thus ensuring a staggered re-election or replacement process.

The Academy's Board of Trustees comprises the Headteacher, a minimum of 2 Parent Trustees, Staff Trustees (providing that the total number of Trustees, including the Headteacher, who are employees of the Academy Trust, does not exceed one third of the total number of Trustees) and up to 3 other Trustees.

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

The Academy shall have the following Trustees as set out in its Articles of Association and funding agreement:

- Up to 7 Trustees who are appointed by members;
- A minimum of 2 and a maximum of 5 Parent Trustees who are elected by Parents of registered pupils at the Academy;
- Staff Trustees appointed by members;
- Up to 3 Community Trustees who are appointed by members;
- The Headteacher who is treated for all purposes as being an ex officio Governor.

Trustees are appointed for a four year period, except that this time limit does not apply to the Headteacher. Subject to remaining eligible to be a particular type of Trustee, any Trustee can be re-appointed or re-elected.

When appointing new Trustees, the Board will give consideration to the skills and experience mix of existing Trustees in order to ensure that the Board has the necessary skills to contribute fully to the Academy's development.

Policies and Procedures Adopted for the Induction and Training of Trustees

The Academy has a Trustee Recruitment, Induction and Training policy available from the Clerk to the Trustees.

The training and induction provided for new Trustees will depend upon their existing experience but would always include a tour of the Academy and a chance to meet staff and pupils. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees. As there are normally only two or three new Trustees a year, induction tends to be done informally and is tailored specifically to the individual. Advantage is taken of specific courses offered by the Local Authority and other bodies.

A Trustees' day is organised each year when all Trustees spend the day in school to gain a better understanding of how the school operates and the impact of their roles and responsibilities.

Organisational Structure

The Board of Trustees normally meets once each term. The Board establishes an overall framework for the governance of the Academy and determines membership, terms of reference and procedures of Committees and other groups. It receives reports including policies from its Committees for ratification. It monitors the activities of the Committees through the minutes of their meetings. The Board may from time to time establish Working Groups to perform specific tasks over a limited timescale.

There are 3 committees as follows:

- **Finance and Premises and Health and Safety Committee** - this meets at least six times a year and is responsible for monitoring, evaluating and reviewing policy and performance in relation to financial management, compliance with reporting and regulatory requirements and reporting, receiving reports on internal controls from the external auditors and drafting the annual budget including setting staffing levels. It incorporates the role of an audit committee. It is responsible for the repair and maintenance of the premises. This committee will also monitor, evaluate and review Academy policy, practice and performance in relation to Health and Safety;
- **Pupil Progress and Curriculum Committee** - this meets once a term to monitor, evaluate and review Academy policy, practice and performance in relation to curriculum planning, communications, target setting and assessment, examinations and all pastoral and welfare issues; and,
- **Staffing and Wellbeing Committee** – responsible for overseeing policies relating to HR, pay and conditions, recruitment, training, performance management and working conditions.

**HENLEAZE JUNIOR SCHOOL
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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

The following decisions are reserved to the Board of Trustees; to consider any proposals for changes to the status or constitution of the Academy and its committee structure, to appoint or remove the Chairman and/or Vice Chairman, to appoint the Headteacher and Clerk to the Trustees, to approve the Annual Development Plan and budget.

The Trustees are responsible for setting general policy, adopting an annual plan and budget, approving the statutory accounts, monitoring the Academy by the use of budgets and other data, and making major decisions about the direction of the Academy, capital expenditure and staff appointments.

The Academy has a leadership structure which consists of the Trustees and The Senior Leadership Team. The aim of the leadership structure is to devolve responsibility and encourage involvement in decision making at all levels.

The Headteacher is the Accounting Officer.

Arrangements for Setting Pay and Remuneration of Key Management Personnel

The Trustees consider the Board of Trustees and the Senior Leadership Team comprise the key management personnel of the Academy in charge of directing and controlling, running and operating the Trust on a day to day basis. All Trustees give their time freely and no Trustee received remuneration in the year, other than for their roles as members of staff.

Details of Trustees' expenses and related party transactions are disclosed in the notes to the accounts.

The pay of key management personnel is reviewed annually and normally increased in accordance with School Teachers' Pay and Conditions guidance and National Joint Council pay award for school support staff.

Connected Organisations, including Related Party Relationships

The Academy has strong collaborative links with Henleaze Infant School and Claremont Special School, with a Campus Collaboration Committee comprised of governors from all three schools overseeing matters of common interest.

The Academy administers the income and expenditure of the NW24 Teaching and Learning Partnership, an informal collective arrangement including local schools.

HENSA (Henleaze Junior School Parent Teacher Association) is associated with the Academy.

There are no related parties which either control or significantly influence the decisions and operations of Henleaze Junior School.

OBJECTIVES AND ACTIVITIES

Objects and Aims

The principal object and activity of the Academy is to advance for the public benefit education in the United Kingdom, in particular by establishing, maintaining, carrying on, managing and developing a school, offering a broad range of curriculum for pupils of different abilities.

The principal object and activity of the Charitable Company is the operation of Henleaze Junior School to provide free education and care for pupils of different abilities between the ages of 7 and 11.

The aims of the Academy during the year ended 31 August 2017 are summarised below:

- To continue to raise the standard of educational attainment and achievement of all pupils;
- To provide a broad and balanced curriculum, including extra-curricular activities;
- To develop students as more effective learners;
- To develop the Academy site so that it enables students to achieve their full potential;
- To ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care;

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

- 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 conduct the Academy's business in accordance with the highest standards of integrity, probity and openness.

At Henleaze Junior School we aim to get the best for, and from, each child. We intend to enable each child to realise his or her full academic, creative and physical potential and to develop positive social and moral values. Our Academy is a community in which children, staff and parents should be part of a happy and caring environment, where they can all enjoy learning together.

Objectives, Strategies and Activities

- To have a broad and balanced curriculum that reflects our concern for the progress of every individual;
- To have high expectations for all;
- To equip children with the tools and attitudes that will enable them to become confident individuals, responsible citizens and lifelong learners;
- To value the environment and to use it with care as a tool for learning;
- To work with our school community and the community at large in order to improve opportunities for all;
- To be a fair employer with commitment to equal opportunities and to the professional development of all staff, recognising and celebrating their dedication and commitment;
- To work with others in the education community in mutual support for the improvement of children's learning; and,
- To enrich the learning of all those with whom we work.

Goals

Ongoing Priorities

These have been and will continue to be the means by which Henleaze Junior School establishes itself as a distinctive, outstanding school serving its local community:

- Maintain high standards of attainment in core subjects;
- Deliver an exciting, relevant, broad, enriched curriculum;
- Recognise achievement in all its manifestations;
- All teaching should be good or better, with an increasing consistency of outstanding teaching resulting in outstanding progress;
- Identification of and provision for children with special educational needs (including the more able) should be smart, responsive and transparent;
- Maintain high levels of pupil involvement in all aspects of school life;
- Continue to develop community links and extended services;
- Enhance pupil and staff wellbeing and pastoral care.

New Priorities

- Ensure a smooth transition to the new National Curriculum, strengthening links between curriculum teams and their KS1 and KS3 colleagues;
- Focus on quality first teaching, including attention to stretch and challenge and specific support strategies;
- Monitor, evaluate, review and refine our approach to assessment;
- Assist all staff in achieving outstanding outcomes through appropriate training, and productive partnerships.

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

Public Benefit

The Trustees confirm that they have complied with the duty in Section 17(5) of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Academy's aims and objectives and in planning its future activities.

As an Academy we have a duty to support other schools. The Academy is a member of a number of groups throughout Bristol and in particular a member of NW24 Teaching and Learning Partnership. We work collaboratively with other schools in these groups by sharing best practice across a wide range of areas.

The Academy provides facilities for recreational and other leisure time occupation for the community at large in the interests of social welfare and with the interest of improving the life of the said community.

STRATEGIC REPORT

Achievements and Performance

The Academy is in its sixth year of operation. The total number of students in the year ended 31 August 2017 was 384. The Academy is full in all year groups and has a waiting list in operation.

All children continue to make very good progress, as endorsed by an OFSTED inspection in May 2013. Teachers set challenging targets, and many children exceed the targets set in each year group.

Most of the children in the school have participated in extra-curricular activities or inter-school competition. The school's teams regularly compete in and win tournaments in a range of sports.

During this year, the school has used capital funds to enhance our ICT equipment.

Key Performance Indicators

The main financial performance indicator is the level of reserves held at the Balance Sheet date. In particular, the management of spending against School Budget Share (SBS)/General Annual Grant (GAG) requires special attention. In period under review, £172,996 was carried forward representing 13% of GAG income.

As funding is based on pupil numbers this is also a key performance indicator. Pupil numbers for 2017 were 384.

Another key financial performance indicator is staffing costs as a percentage of GAG. For 2017, this was 90%, compared to 85% in 2016.

The following KPI's were set at the start of the year:

KPIs		Target	Actual
Student attendance %		97%	97%
SATS 2016-17		2017 Actual	2016 Actual
Reading/Writing/Maths combined	meeting standards	77%	73%
	not meeting standards	23%	27%
Reading	meeting standards	83%	86%
	not meeting standards	17%	14%
Writing	meeting standards	85%	87%
	not meeting standards	15%	13%
Maths	meeting standards	85%	81%
	not meeting standards	15%	19%

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

No targets were set for SATS 2016-17, as the national framework for assessing children's work changed significantly in 2015 and is in transition to a new framework. In this interim period no school level targets have been set.

The school continues to see very high levels of attendance which contributes to our children becoming successful learners.

Going Concern

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

FINANCIAL REVIEW

Financial Review

Most of the Academy's income is obtained from the DfE via the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2017 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 DfE which are shown in the Statement of Financial Activities as restricted income in the Fixed Asset Fund. The Restricted Fixed Asset Fund balance is reduced by annual depreciation charges over the useful life of the assets concerned, as defined in the Academy's accounting policies.

During the year ended 31 August 2017, the Academy received total income of £1,591,012 and incurred total expenditure of £1,693,150 (excluding fixed asset funds). The additional expenditure was funded from reserves.

At 31 August 2017 the net book value of fixed assets was £2,773,980 and movements in tangible fixed assets are shown in note 13 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

Reserves Policy

The Trustees 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 Trustees take into consideration the future plans of the Academy, the uncertainty over future income streams and other key risks identified during the risk review.

The Trustees have determined that the appropriate level of free cash reserves should be approximately £150,000. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. The Academy's current level of reserves (total funds less the amount held in fixed assets and non GAG restricted funds) is £423,716, of which £250,720 is unrestricted reserves and £172,996 is GAG reserves.

The Trustees plan to build reserves to support funding options for critical infrastructure projects, including replacement classrooms and a new heating system and have allocated the majority of the surplus for this purpose.

The defined benefit pension scheme reserve has a negative balance. The effect of the deficit position of the pension scheme is that the Academy Trust is paying higher employers' pension contributions over a period of years. The higher employers' pension contributions will be met from the Academy Trust's budgeted annual income. Whilst the deficit will not be immediately eliminated, there should be no actual cash flow deficit on the fund, nor any direct impact on the free reserves of the Academy Trust.

The reserves policy is reviewed annually to ensure that it is appropriate for the needs of the school.

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

Investment Policy

All funds surplus to immediate requirements are invested to optimal effect. On a daily basis this is achieved by automatic transfer of surplus funds to overnight deposit. Where cash flow allows, sums in excess of £100,000 may be invested on deposit for extended periods.

Due to the nature and timing of receipt of funding, the Academy may at times hold cash balances surplus to its short term requirements. The Trustees have authorised the opening of additional short term bank investment accounts to take advantage of higher interest rates. No other form of investment is authorised.

Trustees are committed to ensuring that all funds under their control are managed in such a way as to maximise return whilst minimising risk. Any cash not required for operating expenses is placed on deposit at the most favourable rate available from providers covered by the Financial Services Compensation Scheme. Day to day management of the surplus funds is delegated to the Headteacher and Finance Director within strict guidelines approved by the Board of Trustees.

Principal Risks And Uncertainties

The Board of Trustees has reviewed the major 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 principal risks and uncertainties facing the Academy are as follows:

Financial - the Academy has considerable reliance on continued Government funding through the ESFA. In the last year 88.7% of the Academy's incoming resources were ultimately Government funded and whilst this level is expected to continue, there is no assurance that Government Policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

Failures in governance and/or management - the risk in this area arises from potential failure to effectively manage the Academy's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks.

Reputational - the continuing success of the Academy is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Trustees ensure that student success and achievement are closely monitored and reviewed.

Safeguarding and child protection - the Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health and safety and discipline.

Staffing - the success of the Academy is reliant upon the quality of its staff and so the Trustees monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.

Fraud and mismanagement of funds - The Academy's internal assurance carries out checks on financial systems and records as required by the Academies Financial Handbook. All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area.

The Academy has continued to strengthen its risk management process throughout the year by improving the process and ensuring staff awareness. A risk register is maintained and reviewed and updated by the Trustees on a regular basis.

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

The Academy has agreed a Risk Management Strategy, a Risk Register and a Risk Management Plan. These have been discussed by Trustees and include the financial risks to the Academy. The register and plan are regularly reviewed in light of any new information and formally reviewed annually.

The Trustees have assessed the major risks to which the Academy is exposed, in particular those relating to its finances, teaching, facilities and other operational areas. The Trustees have implemented a number of systems to assess and minimise those risks, including internal controls described elsewhere. Where significant financial risk still remains they have ensured they have adequate insurance cover.

Whilst the Academy is over-subscribed, risks to revenue funding from a falling roll are small. However, the freeze on the Government's overall education budget, significant reductions in funding for High Needs and increasing employment and premises costs mean that budgets will be increasingly tight in coming years.

The Trustees examine the financial health formally every term. They review performance against budgets and overall expenditure by means of regular update reports at all Board and Finance Committee meetings. The Trustees also regularly review cash flow forecasts and ensure sufficient funds are held to cover all known and anticipated commitments.

At the year end, the Academy had no significant liabilities arising from trade creditors or debtors where there would be a significant effect on liquidity.

The Board of Trustees recognises that the defined benefit scheme deficit (Local Government Pension Scheme), which is set out in Note 21 to the financial statements, represents a significant potential liability. However as the Trustees consider that the Academy is able to meet its known annual contribution commitments for the foreseeable future, this risk from this liability is minimised.

PLANS FOR FUTURE PERIODS

The Academy will continue to strive to provide outstanding education and improve the levels of performance of its pupils at all levels. The Academy will continue to aim to attract high quality teachers and support staff in order to deliver its objectives.

The Academy will continue to work with partner schools to improve the educational opportunities for students in the wider community and continue to support and participate in NW24 Teaching & Learning Partnership.

Full details of our plans for the future are given in our Academy Development Plan, which is available on our website or from the Clerk to the Trustees.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The Academy and its Trustees do not act as the Custodian Trustees of any other Charity.

AUDITORS

In so far as the Trustees are aware:

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

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

The auditors, Bishop Fleming LLP, are willing to continue in office and a resolution to appoint them will be proposed at the annual general meeting.

Trustees' Report, incorporating a strategic report, approved by order of the Board of Trustees, as company directors, on 5 December 2017 and signed on the board's behalf by:



**David Cooper
Chair of Trustees**

**HENLEAZE JUNIOR SCHOOL
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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As Trustees, we acknowledge we have overall responsibility for ensuring that Henleaze Junior 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 Trustees has delegated the day-to-day responsibility to the Headteacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Henleaze Junior School and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 5 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Adam Barber, Headteacher	4	5
David Cooper, Chair	4	5
Annabel Corbett	4	5
Heidi Hughes	2	2
Tamsin Alexander	5	5
Adrian Jones, Vice Chair	4	5
Sylvie Jones, Staff Trustee	3	5
Ewen MacGregor	2	3
Dario Palmiero	5	5
Jonathan Rees, Chair	5	5
Nicola O'Brien, Staff Trustee	5	5
Sarah-Jane Ribeiro	3	5
John Worthington	4	5

Dario Palmiero, Heidi Hughes and Ewen MacGregor were all appointed to the Board in 2016-17.

Governance Reviews

- Governors developed the Governors Development Plan for 2015-16, which was reviewed by committees during 2016-17
- Governors reviewed the Risk Register and the approach to risk management taken by the school.

The Finance and Premises and Health and Safety is a sub-committee of the main Board of Trustees. Its purpose is to assist the decision making of the Board of Trustees, by enabling more detailed consideration to be given to the best means of fulfilling the Board of Trustees's responsibility to ensure sound management of the Academy's finances and resources, including proper planning, monitoring and probity. To make appropriate comments and recommendations on such matters, to the governing body on a regular basis. Major issues will be referred to the full governing body for ratification.

Membership

The committee will be at least three Trustees, one of whom ideally will be the Chair of Trustees. The Headteacher will be an automatic member. The School Business Manager to attend meetings as an advisor. Additional non-voting members may be co-opted as considered necessary. Associate members have the right to attend any meeting in a non-voting capacity. Each committee has the power to co-opt associate members as it sees fit.

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GOVERNANCE STATEMENT (continued)

Quorum

The quorum for each meeting shall be three, of which the Headteacher must be one.

Meetings

Meetings to be at least once per seasonal term and otherwise as required, using the terms of reference as a guide to agenda setting. These will generally be in the two weeks prior to the Board of Trustees Meetings. Notice of at least one week must be given when convening a meeting.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Adam Barber	4	6
Jonathan Rees	6	6
Nicola O'Brien	6	6
Tamsin Alexander	5	6
Dario Palmiero	3	3
John Worthington	4	6

The Finance and Premises and Health and Safety Committee is also the Audit Committee.

REVIEW OF VALUE FOR MONEY

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

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

- Ensuring that financial governance is strong, supported by regular internal assurance checks.
- Ensuring that the Trustees review expenditure against budget each term.
- Ensuring that plans for expenditure are linked to the School Development Plan, are costed and presented to Trustees/Senior Leaders for debate.
- Ensuring that the Scheme of Delegation is adhered to, so that appropriate quotes/tenders are obtained. For example, a written tendering process was undertaken to appoint contractors for pipework repairs.
- Ensuring that procurement of goods and services benefits from economies of scale and group discounts wherever possible.
- Cashflow forecasts are used to identify and invest surplus cash balances to maximise bank interest receivable.

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Henleaze Junior School for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The Board of Trustees has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks, that has been in place for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of

GOVERNANCE STATEMENT (continued)

Trustees.

THE RISK AND CONTROL FRAMEWORK

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

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

The Board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed Bishop Fleming LLP, the external auditors, to perform additional checks.

The auditors's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems.

Three times a year, the auditors report to the Board of Trustees on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities. No matters of significance have been reported to the Board of Trustees.

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 external auditors;
- the work of the executive managers within the Academy who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance and Premises and Health and Safety 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 Board of Trustees on 5 December 2017 and signed on their behalf, by:



David Cooper
Chair of Trustees



Adam Barber
Accounting Officer

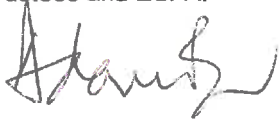
**HENLEAZE JUNIOR SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Henleaze Junior School I have considered my responsibility to notify the academy trust Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA 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 2016.

I confirm that I and the academy trust Board of Trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2016.

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 ESFA.



**Adam Barber
Accounting Officer**

Date: ~~5 December 2017~~

29 November 2017

**HENLEAZE JUNIOR SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2017**

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

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the 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 Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 Trustees 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 Trustees are responsible for ensuring that in its conduct and operation the Charitable Company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from ESFA/DfE have been applied for the purposes intended.

The Trustees 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 Trustees and signed on its behalf by:



David Cooper
Chair of Trustees

Date: ~~5 December 2017~~

29 November 2017

**HENLEAZE JUNIOR SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
HENLEAZE JUNIOR SCHOOL**

OPINION

We have audited the financial statements of Henleaze Junior School for the year ended 31 August 2017 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

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

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2017 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

BASIS OF OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Academy in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Academy's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

OTHER INFORMATION

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in

**HENLEAZE JUNIOR SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
HENLEAZE JUNIOR SCHOOL**

doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report (incorporating the Directors' Report and Strategic Report) for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of our knowledge and understanding of the Academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remunerations specified by law have not been made; or
- we have not received all the information and explanations we require for our audit.

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees (who are also the directors of the Academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Academy's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Academy or to cease operations, or have no realistic alternative but to do so.

**HENLEAZE JUNIOR SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
HENLEAZE JUNIOR SCHOOL**

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. The description forms part of our Auditors' Report.



Joseph Scaife FCA DChA (Senior Statutory Auditor)
for and on behalf of
Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
16 Queen Square
Bristol
BS1 4NT
Date: 12/12/17

**HENLEAZE JUNIOR SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO HENLEAZE JUNIOR SCHOOL AND THE EDUCATION AND SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 13 November 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Henleaze Junior School during the year 1 September 2016 to 31 August 2017 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 Henleaze Junior School and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Henleaze Junior School and the ESFA 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 Henleaze Junior School and the ESFA, for our work, for this report, or for the conclusion we have formed.

RESPECTIVE RESPONSIBILITIES OF HENLEAZE JUNIOR SCHOOL'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The Accounting Officer is responsible, under the requirements of Henleaze Junior School's funding agreement with the Secretary of State for Education dated 12 October 2011, and the Academies Financial Handbook extant from 1 September 2016, 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 2016 to 2017. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2016 to 31 August 2017 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 2016 to 2017 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

Our work on regularity included a review of the internal controls policies and procedures that have been implemented and an assessment of their design and effectiveness to understand how the academy complied with the framework of authorities. We also reviewed the reports commissioned by the trustees to assess the internal controls throughout the year.

We performed detailed testing based on our assessment of the risk of material irregularity, impropriety and non-compliance. This work was integrated with our audit on the financial statements where appropriate and included analytical review and detailed substantive testing of transactions.

HENLEAZE JUNIOR SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO HENLEAZE JUNIOR SCHOOL AND THE EDUCATION AND SKILLS FUNDING AGENCY (continued)

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2016 to 31 August 2017 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Bishop Fleming LLP

Joseph Scaife FCA DChA (Reporting Accountant)

Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
16 Queen Square
Bristol
BS1 4NT

Date:

12/12/17

**HENLEAZE JUNIOR SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2017**

	Note	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
INCOME FROM:						
Donations and capital grants	2	5,811	76,009	8,286	90,106	110,486
Charitable activities	3	92,944	1,410,950	-	1,503,894	1,567,020
Other trading activities	4	4,792	-	-	4,792	2,306
Investments	5	506	-	-	506	706
TOTAL INCOME		104,053	1,486,959	8,286	1,599,298	1,680,518
EXPENDITURE ON:						
Charitable activities		77,603	1,515,934	99,613	1,693,150	1,707,854
TOTAL EXPENDITURE	6	77,603	1,515,934	99,613	1,693,150	1,707,854
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS						
Transfers between Funds	16	26,450	(28,975)	(91,327)	(93,852)	(27,336)
		-	(20,195)	20,195	-	-
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES						
		26,450	(49,170)	(71,132)	(93,852)	(27,336)
Actuarial gains/(losses) on defined benefit pension schemes	21	-	38,000	-	38,000	(221,000)
NET MOVEMENT IN FUNDS		26,450	(11,170)	(71,132)	(55,852)	(248,336)
RECONCILIATION OF FUNDS:						
Total funds brought forward		224,270	(427,834)	2,845,112	2,641,548	2,889,884
TOTAL FUNDS CARRIED FORWARD		250,720	(439,004)	2,773,980	2,585,696	2,641,548

The notes on pages 24 to 43 form part of these financial statements.

HENLEAZE JUNIOR SCHOOL
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER: 07763421

BALANCE SHEET
AS AT 31 AUGUST 2017

	Note	£	2017 £	£	2016 £
FIXED ASSETS					
Tangible assets	13		2,773,980		2,845,112
CURRENT ASSETS					
Debtors	14	45,199		70,823	
Cash at bank and in hand		498,082		388,015	
		<u>543,281</u>		<u>458,838</u>	
CREDITORS: amounts falling due within one year	15	(119,565)		(57,402)	
NET CURRENT ASSETS			<u>423,716</u>		<u>401,436</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>3,197,696</u>		<u>3,246,548</u>
Defined benefit pension scheme liability	21	(612,000)		(605,000)	
NET ASSETS			<u><u>2,585,696</u></u>		<u><u>2,641,548</u></u>
FUNDS OF THE ACADEMY TRUST					
Restricted funds:					
General funds	16	172,996		177,166	
Fixed asset funds	16	2,773,980		2,845,112	
		<u>2,946,976</u>		<u>3,022,278</u>	
Restricted funds excluding pension liability					
Pension reserve		(612,000)		(605,000)	
		<u></u>		<u></u>	
Total restricted funds			<u>2,334,976</u>		<u>2,417,278</u>
Unrestricted funds	16		<u>250,720</u>		<u>224,270</u>
TOTAL FUNDS			<u><u>2,585,696</u></u>		<u><u>2,641,548</u></u>

The financial statements on pages 21 to 43 were approved by the Trustees, and authorised for issue, on 5 December 2017 and are signed on their behalf, by:



Adam Barber, Headteacher



David Cooper, Chair

The notes on pages 24 to 43 form part of these financial statements.

**HENLEAZE JUNIOR SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2017**

	Note	2017 £	2016 £
Cash flows from operating activities			
Net cash provided by operating activities	18	<u>129,756</u>	<u>65,360</u>
Cash flows from investing activities:			
Interest received		506	706
Purchase of tangible fixed assets		(28,481)	(35,246)
Capital grants from DfE/ESFA		8,286	8,264
Net cash used in investing activities		<u>(19,689)</u>	<u>(26,276)</u>
Change in cash and cash equivalents in the year		110,067	39,084
Cash and cash equivalents brought forward		<u>388,015</u>	<u>348,931</u>
Cash and cash equivalents carried forward	19	<u><u>498,082</u></u>	<u><u>388,015</u></u>

The notes on pages 24 to 43 form part of these financial statements.

**HENLEAZE JUNIOR SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

1. ACCOUNTING POLICIES

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

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Henleaze Junior School constitutes a public benefit entity as defined by FRS 102.

1.2 GOING CONCERN

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

1.3 INCOME

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES (continued)

1.4 EXPENDITURE

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

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

All expenditure is inclusive of irrecoverable VAT.

1.5 TANGIBLE FIXED ASSETS AND DEPRECIATION

All assets costing more than £1,000 are capitalised.

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

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

Long term leasehold buildings	-	50 years straight line
Long term leasehold land	-	Over the life of the lease
Office equipment	-	8 to 10 years straight line
Computer equipment	-	4 years straight line

On conversion the Academy was granted a 125 year lease from the Local Authority for the land and buildings previously occupied by the local authority school. On conversion the long term leasehold property was recognised as a donation from the Local Authority and was valued using the depreciated replacement cost method.

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 OPERATING LEASES

Rentals under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

1.7 INTEREST RECEIVABLE

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

**HENLEAZE JUNIOR SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

1. ACCOUNTING POLICIES (continued)

1.8 TAXATION

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

1.9 DEBTORS

Trade and other debtors are recognised at the settlement amount. Prepayments are valued at the amount prepaid.

1.10 CASH AT BANK AND IN HAND

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

1.11 LIABILITIES AND PROVISIONS

Liabilities and provisions are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation.

1.12 FINANCIAL INSTRUMENTS

The Academy only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Academy and their measurement basis are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in note 15. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES (continued)

1.13 PENSIONS

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

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

The LGPS is a funded scheme and the assets are held separately from those of the academy 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 net income/expenditure 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.

1.14 FUND ACCOUNTING

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

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

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

Transfers are made between restricted funds and restricted fixed asset funds where restricted funds are used to purchase fixed assets.

1.15 AGENCY ARRANGEMENTS

The Academy acts as an agent in managing the income and expenditure of the NW24 Teaching and Learning Partnership. Payments received from local schools and subsequent expenditure from the Partnership are excluded from the Statement of Financial Activities as the Academy does not have control over the charitable application of the funds. The funds received, paid and any balances held at period end are disclosed in note 26.

HENLEAZE JUNIOR SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES (continued)

1.16 CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGMENT

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. 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.

The Academy obtains use of fixed assets as a lessee. The classification of such leases requires the Academy to determine, based on an evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset or liability to be recognised in the balance sheet.

2. DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
Donations	5,811	76,009	-	81,820	102,222
Capital Grants	-	-	8,286	8,286	8,264
	<u>5,811</u>	<u>76,009</u>	<u>8,286</u>	<u>90,106</u>	<u>110,486</u>
<i>Total 2016</i>	<u>8,057</u>	<u>102,429</u>	<u>-</u>	<u>110,486</u>	

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3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
DfE/ESFA grants				
General Annual Grant	-	1,317,957	1,317,957	1,338,032
Other DfE/ESFA grants	-	57,151	57,151	53,560
	<u>-</u>	<u>1,375,108</u>	<u>1,375,108</u>	<u>1,391,592</u>
Other Government grants				
High Needs	-	35,842	35,842	81,014
Other Government grants non capital	-	-	-	525
	<u>-</u>	<u>35,842</u>	<u>35,842</u>	<u>81,539</u>
Other funding				
Internal catering income	67,870	-	67,870	60,014
Income for hosting trainee teachers	684	-	684	3,000
School club income	13,455	-	13,455	16,166
Consultancy income	-	-	-	11,390
Other	10,935	-	10,935	3,319
	<u>92,944</u>	<u>-</u>	<u>92,944</u>	<u>93,889</u>
	<u>92,944</u>	<u>1,410,950</u>	<u>1,503,894</u>	<u>1,567,020</u>
<i>Total 2016</i>	<u>93,889</u>	<u>1,473,131</u>	<u>1,567,020</u>	

4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Lettings	4,792	-	4,792	2,306
	<u>4,792</u>	<u>-</u>	<u>4,792</u>	<u>2,306</u>
<i>Total 2016</i>	<u>2,306</u>	<u>-</u>	<u>2,306</u>	

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5. INVESTMENT INCOME

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Bank interest	506	-	506	706
<i>Total 2016</i>	706	-	706	

6. EXPENDITURE

	Staff costs 2017 £	Premises 2017 £	Other costs 2017 £	Total 2017 £	Total 2016 £
Education:					
Direct costs	1,051,067	89,075	170,570	1,310,712	1,337,899
Support costs	131,209	92,668	158,561	382,438	369,955
	<u>1,182,276</u>	<u>181,743</u>	<u>329,131</u>	<u>1,693,150</u>	<u>1,707,854</u>
<i>Total 2016</i>	<u>1,190,448</u>	<u>218,204</u>	<u>299,202</u>	<u>1,707,854</u>	

7. DIRECT COSTS

	Total 2017 £	Total 2016 £
Pension finance costs	9,000	10,500
Educational supplies	147,622	136,848
Staff development	5,828	7,129
Other costs	8,976	4,736
Supply teachers	43,011	39,406
Wages and salaries	783,535	825,700
National insurance	69,177	64,526
Pension cost	155,344	155,278
Depreciation	88,219	93,776
	<u>1,310,712</u>	<u>1,337,899</u>
<i>Total 2016</i>	<u>1,337,899</u>	

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8. SUPPORT COSTS

	Total 2017 £	Total 2016 £
Pension finance costs	4,000	2,500
Maintenance of premises and equipment	31,032	39,107
Cleaning	25,650	31,414
Rent and rates	14,125	11,064
Energy costs	13,080	14,523
Insurance	26,142	31,137
Security and transport	1,145	761
Catering	68,627	63,887
Office overheads	26,224	28,320
Legal and professional	16,314	22,362
Bank interest and charges	861	455
Governance	12,635	10,575
Wages and salaries	103,845	89,405
National insurance	5,023	3,944
Pension cost	22,341	12,189
Depreciation	11,394	8,312
	<u>382,438</u>	<u>369,955</u>
<i>Total 2016</i>	<u>369,955</u>	

9. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets:		
- owned by the charity	99,613	102,088
Auditors' remuneration - audit	6,825	6,650
Auditors' remuneration - other services	3,885	4,375
	<u>110,323</u>	<u>113,113</u>

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10. STAFF COSTS

Staff costs were as follows:

	2017 £	2016 £
Wages and salaries	887,380	915,105
Social security costs	74,200	68,470
Operating costs of defined benefit pension schemes	177,685	167,467
	<u>1,139,265</u>	<u>1,151,042</u>
Supply teacher costs	43,011	39,406
	<u>1,182,276</u>	<u>1,190,448</u>

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

	2017 No.	2016 No.
Teachers	19	20
Teaching Assistants	18	19
Administration and Support	5	2
Management	2	3
	<u>44</u>	<u>44</u>

Average headcount expressed as a full time equivalent:

	2017 No.	2016 No.
Teachers	15	15
Teaching Assistants	9	12
Administration and Support	3	2
Management	2	3
	<u>29</u>	<u>32</u>

The number of employees whose employee benefits (excluding employer's National Insurance contributions and employer pension costs) exceeded £60,000 was:

	2017 No.	2016 No.
In the band £60,001 - £70,000	0	1

The key management personnel of the Academy Trust comprise the trustees and the senior leadership team as listed on page 1. The total amount of employee benefits (including employer National Insurance contributions and employer pension contributions) received by key management personnel for their services to the Academy Trust was £175,934 (2016: £177,183).

As staff trustees are not remunerated in respect of their role as a trustee, where staff trustees do not form part of the senior leadership team other than in their role as trustee, their remuneration as set out in note 11 has not been included in the total benefits received by key management personnel above.

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11. TRUSTEES' REMUNERATION AND EXPENSES

During the year retirement benefits were accruing to 3 trustees (2016: 3) in respect of defined benefit pension schemes.

One or more Trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The Principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and other staff members under their contracts of employment, and not in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows: Adam Barber, Remuneration £50,000 - £55,000 (2016: £65,000 - £70,000), Employer's Pension Contributions £5,000 - £10,000 (2016: £10,000 - £15,000); Sylvie Jones, Remuneration £40,000 - £45,000 (2016: £40,000 - £45,000), Employer's Pension Contributions £5,000 - £10,000 (2016: £5,000 - £10,000); Nicola O'Brien, Remuneration £30,000 - £35,000 (2016: £30,000 - £35,000), Employer's Pension Contributions £0 - £5,000 (2016: £0 - £5,000).

During the year, no Trustees received any benefits in kind (2016: £NIL).

During the year ended 31 August 2017, no Trustees received any reimbursement of expenses (2016: £NIL to Trustees).

Other related party transactions involving the trustees are set out in note 23.

12. TRUSTEES' AND OFFICERS' INSURANCE

The academy trust has opted into the Department for 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.

13. TANGIBLE FIXED ASSETS

	Leasehold property £	Fixtures and fittings £	Computer equipment £	Total £
COST				
At 1 September 2016	2,924,283	268,813	98,366	3,291,462
Additions	19,885	-	8,596	28,481
At 31 August 2017	<u>2,944,168</u>	<u>268,813</u>	<u>106,962</u>	<u>3,319,943</u>
DEPRECIATION				
At 1 September 2016	232,756	141,712	71,882	446,350
Charge for the year	49,310	33,036	17,267	99,613
At 31 August 2017	<u>282,066</u>	<u>174,748</u>	<u>89,149</u>	<u>545,963</u>
NET BOOK VALUE				
At 31 August 2017	<u>2,662,102</u>	<u>94,065</u>	<u>17,813</u>	<u>2,773,980</u>
At 31 August 2016	<u>2,691,527</u>	<u>127,101</u>	<u>26,484</u>	<u>2,845,112</u>

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14. DEBTORS

	2017 £	2016 £
Trade debtors	2,344	4,684
VAT recoverable	28,715	38,587
Other debtors	-	1,200
Prepayments and accrued income	14,140	26,352
	<u>45,199</u>	<u>70,823</u>

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017 £	2016 £
Trade creditors	50,780	13,741
Other taxation and social security	18,847	19,928
Other creditors	31,268	17,733
Accruals and deferred income	18,670	6,000
	<u>119,565</u>	<u>57,402</u>
	2017 £	2016 £
Resources deferred during the year	<u>10,595</u>	<u>-</u>

Deferred income includes money received in advance for trips taking place in the 2017 Autumn term.

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16. STATEMENT OF FUNDS

	Brought forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried forward £
UNRESTRICTED FUNDS						
General Funds	224,270	104,053	(77,603)	-	-	250,720
RESTRICTED FUNDS						
	Brought forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried forward £
General Annual Grant (GAG)	177,166	1,317,957	(1,301,932)	(20,195)	-	172,996
High Needs Funding	-	35,842	(35,842)	-	-	-
Donations	-	76,009	(76,009)	-	-	-
Pupil Premium	-	42,935	(42,935)	-	-	-
Other DfE/ESFA grants	-	14,216	(14,216)	-	-	-
Pension reserve	(605,000)	-	(45,000)	-	38,000	(612,000)
	<u>(427,834)</u>	<u>1,486,959</u>	<u>(1,515,934)</u>	<u>(20,195)</u>	<u>38,000</u>	<u>(439,004)</u>
RESTRICTED FIXED ASSET FUNDS						
	Brought forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried forward £
Fixed assets transferred on conversion	2,520,769	-	(73,609)	-	-	2,447,160
Fixed assets purchased from GAG and other funds	324,343	8,286	(26,004)	20,195	-	326,820
	<u>2,845,112</u>	<u>8,286</u>	<u>(99,613)</u>	<u>20,195</u>	<u>-</u>	<u>2,773,980</u>
Total restricted funds	<u>2,417,278</u>	<u>1,495,245</u>	<u>(1,615,547)</u>	<u>-</u>	<u>38,000</u>	<u>2,334,976</u>
Total of funds	<u><u>2,641,548</u></u>	<u><u>1,599,298</u></u>	<u><u>(1,693,150)</u></u>	<u><u>-</u></u>	<u><u>38,000</u></u>	<u><u>2,585,696</u></u>

STATEMENT OF FUNDS - PRIOR YEAR

	Brought forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2016 £
UNRESTRICTED FUNDS						
General Funds	187,622	104,958	(68,310)	-	-	224,270
	<u>187,622</u>	<u>104,958</u>	<u>(68,310)</u>	<u>-</u>	<u>-</u>	<u>224,270</u>

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16. STATEMENT OF FUNDS (continued)

RESTRICTED FUNDS

	Balance at 1 September 2015 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2016 £
General Annual Grant (GAG)	134,033	1,341,412	(1,281,297)	(16,982)	-	177,166
High Needs Funding	-	81,539	(81,539)	-	-	-
Donations	13,275	84,165	(97,440)	-	-	-
Pupil Premium	-	40,285	(40,285)	-	-	-
Tree House Donation	-	10,000	-	(10,000)	-	-
Devolved Formula Capital	-	8,264	-	(8,264)	-	-
Other DfE/ESFA grants	-	9,895	(9,895)	-	-	-
Pension reserve	(357,000)	-	(27,000)	-	(221,000)	(605,000)
	<u>(209,692)</u>	<u>1,575,560</u>	<u>(1,537,456)</u>	<u>(35,246)</u>	<u>(221,000)</u>	<u>(427,834)</u>

RESTRICTED FIXED ASSET FUNDS

	Balance at 1 September 2015 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2016 £
Fixed assets transferred on conversion	2,867,499	-	(100,529)	-	-	2,766,970
Fixed assets purchased from GAG and other funds	44,455	-	(1,559)	35,246	-	78,142
	<u>2,911,954</u>	<u>-</u>	<u>(102,088)</u>	<u>35,246</u>	<u>-</u>	<u>2,845,112</u>
Total restricted funds	<u>2,702,262</u>	<u>1,575,560</u>	<u>(1,639,544)</u>	<u>-</u>	<u>(221,000)</u>	<u>2,417,278</u>
Total of funds	<u>2,889,884</u>	<u>1,680,518</u>	<u>(1,707,854)</u>	<u>-</u>	<u>(221,000)</u>	<u>2,641,548</u>

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16. STATEMENT OF FUNDS (continued)

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

RESTRICTED FUNDS

General Annual Grant (GAG) - This represents funding received from the Education Funding & Skills Agency (ESFA) during the period in order to fund the continuing activities of the school.

High needs funding - This is received from the Local Authority to cater for pupils with learning difficulties and other disabilities.

Donations represent monies received from parents in respect of educational outings and trips in the year.

Pupil Premium - This represents funding received from the ESFA for children that qualify for free school meals to enable the Academy to address the current underlying inequalities between those children and their wealthier peers.

Tree House Donation - Donation received to contribute to the purchase of a tree house.

Devolved formula capital - This represents funding from the ESFA to cover maintenance and purchase of the Academy's assets.

Other DfE/ESFA grants - These are grants received from the ESFA to cover the costs of completion of other statutory procedures during the year.

Pension reserve - This represents the School's share of the assets and liabilities in the Local Government Pension Scheme.

RESTRICTED FIXED ASSET FUNDS

Fixed assets transferred on conversion - This represents the buildings and equipment donated to the School from the Local Authority on conversion to an academy.

Fixed assets purchased from GAG and other funds - This represents funding from the ESFA and other sources to cover the purchase of the Academy's assets. The fixed asset fund balance at the year end represents the net book value of assets and any unspent grant amounts.

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 2017.

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	2,773,980	2,773,980
Current assets	250,720	292,561	-	543,281
Creditors due within one year	-	(119,565)	-	(119,565)
Pension scheme liability	-	(612,000)	-	(612,000)
	<u>250,720</u>	<u>(439,004)</u>	<u>2,773,980</u>	<u>2,585,696</u>

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17. ANALYSIS OF NET ASSETS BETWEEN FUNDS (continued)

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds	Restricted funds	Restricted fixed asset funds	Total funds
	2016	2016	2016	2016
	£	£	£	£
Tangible fixed assets	-	-	2,845,112	2,845,112
Current assets	224,270	234,568	-	458,838
Creditors due within one year	-	(57,402)	-	(57,402)
Provisions for liabilities and charges	-	(605,000)	-	(605,000)
	<u>224,270</u>	<u>(427,834)</u>	<u>2,845,112</u>	<u>2,641,548</u>

18. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2017 £	2016 £
Net expenditure for the year (as per Statement of Financial Activities)	(93,852)	(27,336)
Adjustment for:		
Depreciation charges	99,613	102,088
Interest received	(506)	(706)
Decrease/(increase) in debtors	25,624	(20,905)
Increase/(decrease) in creditors	62,163	(6,517)
Capital grants from DfE and other capital income	(8,286)	(8,264)
Defined benefit pension scheme cost less contributions payable	32,000	14,000
Defined benefit pension scheme finance cost	13,000	13,000
Net cash provided by operating activities	<u>129,756</u>	<u>65,360</u>

19. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2017 £	2016 £
Cash at bank and in hand	447,474	337,631
Notice deposits (less than 3 months)	50,608	50,384
	<u>498,082</u>	<u>388,015</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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20. FINANCIAL INSTRUMENTS

	2017 £	2016 £
Financial assets measured at amortised cost	<u>504,054</u>	<u>410,292</u>
Financial liabilities measured at amortised cost	<u>98,792</u>	<u>37,444</u>

Financial assets measured at amortised cost comprise of trade debtors, accrued income and cash at bank and in hand.

Financial liabilities measured at amortised cost comprise of trade creditors, other creditors and accruals.

21. PENSION COMMITMENTS

The Academy's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Avon Pension Fund. Both are Multi-Employer Defined Benefit Pension Schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

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

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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%)

NOTES TO THE FINANCIAL STATEMENTS
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21. PENSION COMMITMENTS (continued)

- 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 is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £99,576 (2016: £104,489).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2017 was £60,000 (2016: £63,000), of which employer's contributions totalled £47,000 (2016: £48,000) and employees' contributions totalled £13,000 (2016: £15,000). The agreed contribution rates for future years are 13.2% for employers and 5.5 - 12.5% for employees.

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

Principal actuarial assumptions:

	2017	2016
Discount rate for scheme liabilities	2.40 %	2.10 %
Expected return on scheme assets at 31 August	3.70 %	2.10 %
Rate of increase for pensions in payment / inflation	2.20 %	1.90 %
Inflation assumption (CPI)	2.20 %	1.80 %

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

	2017	2016
Retiring today		
Males	23.5 years	23.5 year
Females	26.0 years	26.0 years
Retiring in 20 years		
Males	26.0 years	25.9 years
Females	28.7 years	28.9 years

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21. PENSION COMMITMENTS (continued)

Sensitivity analysis	At 31 August 2017	At 31 August 2016
	£	£
Discount rate +0.1%	21,000	20,000
Mortality assumption - 1 year increase	(18,000)	(15,000)

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

	Fair value at 31 August 2017	Fair value at 31 August 2016
	£	£
Equities	170,000	134,000
Government bonds	38,000	33,000
Other bonds	26,000	26,000
Property	30,000	26,000
Cash/liquidity	12,000	(1,000)
Other	65,000	50,000
Total market value of assets	<u>341,000</u>	<u>268,000</u>

The actual return on scheme assets was £26,000 (2016: £32,000).

The amounts recognised in the Statement of Financial Activities are as follows:

	2017	2016
	£	£
Current service cost	(79,000)	(62,000)
Interest income	5,000	8,000
Interest cost	(18,000)	(21,000)
Total	<u>(92,000)</u>	<u>(75,000)</u>

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

	2017	2016
	£	£
Opening defined benefit obligation	873,000	547,000
Current service cost	79,000	62,000
Interest cost	18,000	21,000
Employee contributions	13,000	15,000
Actuarial (gains)/losses	(24,000)	244,000
Benefits paid	(6,000)	(16,000)
Closing defined benefit obligation	<u>953,000</u>	<u>873,000</u>

HENLEAZE JUNIOR SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

21. PENSION COMMITMENTS (continued)

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

	2017 £	2016 £
Opening fair value of scheme assets	268,000	190,000
Interest income	6,000	9,000
Actuarial losses	14,000	23,000
Employer contributions	47,000	48,000
Employee contributions	13,000	15,000
Benefits paid	(6,000)	(16,000)
Administration expenses	(1,000)	(1,000)
	<hr/>	<hr/>
Closing fair value of scheme assets	341,000	268,000
	<hr/> <hr/>	<hr/> <hr/>

22. OPERATING LEASE COMMITMENTS

At 31 August 2017 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2017 £	2016 £
AMOUNTS PAYABLE:		
Within 1 year	1,406	1,406
Between 1 and 5 years	2,109	3,515
	<hr/>	<hr/>
Total	3,515	4,921
	<hr/> <hr/>	<hr/> <hr/>

23. 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 organisation, 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 Trust's financial regulations and normal procurement procedures.

No such transactions have occurred during the period.

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. GENERAL INFORMATION

Henleaze Junior School is a company limited by guarantee, incorporated in England and Wales. The registered office is Park Grove, Henleaze, Bristol, BS9 4LG.

**HENLEAZE JUNIOR SCHOOL
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**NOTES TO THE FINANCIAL STATEMENTS
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26. AGENCY ARRANGEMENTS

The Academy administers the income and expenditure of the NW24 Teaching and Learning Partnership, an informal collective arrangement including local schools. In the year ended 31 August 2017 the Academy received £37,380 (2016: £46,990) and spent £23,845 (2016: £29,287) from the fund. As at the balance sheet date £13,535 (2016: £17,703) of remaining funds are included in other creditors.

