

Henry Hinde School

Governors report and financial statements

For the Year Ended 31 August 2017

Henry Hinde School
(A company limited by guarantee)

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Henry Hinde School
(A company limited by guarantee)

Reference and administrative details
For the Year Ended 31 August 2017

Members	S Crosson E Roberts M Soley
Governors (Trustees)	M Soley, Chair S Crosson, Vice Chair K Clarke, Staff Trustee (resigned 19 September 2017) E Cox (resigned 19 September 2017) J Higham, Head Teacher and Accounting Officer P Martins, Staff Trustee C Morgan (resigned 19 September 2017) J Newbon (resigned 19 September 2017) C Newson (appointed 1 October 2016) Y Newson (resigned 1 October 2016) E Roberts M Roberts, Staff Trustee S Ruddle (resigned 1 October 2016) T Sikabofori
Company registered number	07988497
Company name	Henry Hinde School
Principal and registered office	Grenville Close Bilton Rugby Warwickshire CV22 7JQ
Head Teacher	J Higham
Senior leadership team	F Edwards, Deputy Head Teacher M Roberts, School Business Manager
Independent auditors	Dains LLP 15 Colmore Row Birmingham B3 2BH
Bankers	Lloyds TSB 14 Church Street Rugby Warwickshire CV22 7JT

Henry Hinde School
(A company limited by guarantee)

Governors' report
For the Year Ended 31 August 2017

The Governors present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2016 to 31 August 2017. The Annual report serves the purposes of both a Governors' report, and a Directors' report under company law.

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

Structure, governance and management

a. Constitution

The Academy is a charitable company limited by guarantee and an exempt charity.

The charitable company's Memorandum of Association, dated 13 March 2012, is the primary governing document of the Academy.

The Governors of Henry Hinde School are also the directors of the charitable company for the purpose of company law.

The charitable company trades as Henry Hinde Infant School.

Details of the Governors who served during the year are included in the Reference and administrative details on page 1.

b. Members' liability

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

c. Method of recruitment and appointment or election of Governors

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

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

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

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

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

e. Organisational structure

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

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

f. Pay policy for key management personnel

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

Objectives and Activities

a. Objects and aims

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

There has been no change to the principal object since the last Annual report.

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

The main objectives of the school during the year ended 31 August 2017 are summarised below:

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

b. Objectives, strategies and activities

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

Learning Comes First

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

Learning About Learning

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

Learning Today for Tomorrow

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

Learning to Live Together

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

c. Public benefit

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

Further raise progress and attainment in Maths, esp. in mental fluency:

- Increase Reception attainment in Mathematics to at least 82% working at expected or above (from 77%);
- (At least) maintain Year Two attainment in Mathematics at 85% working at the expected standard;
- Increase Year Two attainment in Mathematics to at least 30% working at greater depth.

Further embed mastery in learning, especially in the foundation subjects:

- 90% of Year Two children are working at the expected standard in foundation subjects;
- 25% of Year Two children are working at greater depth within foundation subjects;
- Reception and Year One outcomes in the foundation subjects show that children are on track to achieve 90%/25%.

Further raise attainment in writing by improving spelling:

- At least 90% of children in Year 2 can spell age-related common exception words;
- At least 90% of children in Year 1 can spell age-related common exception words;
- At least 80% of children in Year 2 reach the expected standard in writing;
- At least 25% of children in Year 2 are working at greater depth in writing;
- At least 75% of children in Reception are working at the expected standard in writing.

Further improve children's ability to work scientifically:

- Achieve Primary Science Quality Mark;
- Increase Reception attainment in Understanding the World to 88% working at expected or above (from 83%);
- Increase Year Two attainment in Science to 91% working at the expected standard (from 87%).

Strategic report

Achievements and performance

a. Key performance indicators and Review of activities

The key performance indicators for the school are the results from Key Stage 1 201, as follows:

Reading:

Expected Standard: School 78%, National 76%

Greater Depth: School 35%, National 25%

Writing:

Expected Standard: School 73%, National 68%

Greater Depth: School 22%, National 16%

Maths:

Expected Standard: School 75%, National 75%

Greater Depth: School 27%, National 21%

Science:

Expected Standard: School 85%, National 83%

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

b. Going concern

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

Financial review

a. Review of financial performance and position

Most of the Academy's income is obtained from the DfE in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2017 and the associated expenditure are shown as restricted funds in the statement of financial activities.

During the year ended 31 August 2017, total expenditure of £846,753 (excluding pension reserve adjustments and depreciation) was covered by recurrent grant funding from the Education and Skills Funding Agency together with other incoming resources. The excess of income over expenditure for the year was £23,177, before transfers. A transfer of £7,982 has then been made from revenue to capital in respect of fixed asset additions in the year.

At 31 August 2017 the net book value of fixed assets was £1,373,730 and movements in tangible fixed assets are shown in note 14 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the school.

The Academy held fund balances at 31 August 2017 of £1,044,113 comprised of £1,373,730 restricted fixed asset funds, £24,383 unrestricted funds and a pension reserve deficit of £354,000.

b. Reserves policy

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

c. Principal risks and uncertainties

The Governors have assessed the major risks to which the Academy is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the school and its finances. The Governors have implemented a number of systems to assess risks that the school faces, especially in the operational areas (in relation to teaching, health and safety etc.) and in relation to the control of finance. They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors), and internal financial controls in order to minimise risk. Adequate insurance cover is in place. The school has an effective system of internal financial controls.

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

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

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

Plans for future periods

a. Future developments

Learning Comes First

- How can we increase the % of children with EYFS Emerging to reach EXS or more by the end of KS1?
- How can we increase the % of Disadvantaged children working at greater depth by the end of KS1?
- How can we more accurately identify 'on-track' children mid-year?

Learning About Learning

- How can creativity be more effectively delivered within the curriculum?
- How can the appraisal process more effectively facilitate personal professional growth?

Learning to Live Together

- How can we deepen the impact of reflective practice to raise standards?

Learning Today for Tomorrow

- How can subject leaders further develop connectivity/purpose across the curriculum?
- How can we improve attendance of Disadvantaged children?

Multi-Academy Trust

From 1 September 2017 the school will form a partnership as a founding school with Ashlawn School in Hillmorton to create a Multi Academy Trust (MAT). Together, we will jointly establish the ethos and values of the MAT and then work together to identify schools that will join the MAT.

Governors' report (continued)
For the Year Ended 31 August 2017

Disclosure of information to auditors

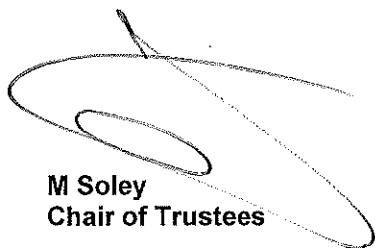
Insofar as the Governors are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Governors have taken all the steps that ought to have been taken as a Governor in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

Auditors

The auditors, Dains LLP, have indicated their willingness to continue in office. The Designated Governors will propose a motion re-appointing the auditors at a meeting of the Governors.

The Governors' report, incorporating a strategic report, was approved by order of the Board of Governors, as the company directors, on 15 November 2017 and signed on its behalf by:



M Soley
Chair of Trustees



J Higham
Head Teacher and Accounting Officer

Governance Statement

Scope of Responsibility

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

The Board of Governors has delegated the day-to-day responsibility to the Head Teacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Henry Hinde School and the Secretary of State for Education. They are also responsible for reporting to the Board of Governors any material weaknesses or breakdowns in internal control.

Governance

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

Governor	Meetings attended	Out of a possible
M Soley, Chair	3	3
S Crosson	2	3
K Clarke (resigned 19 September 2017)	3	3
E Cox (resigned 19 September 2017)	2	3
J Higham	3	3
P Martins	3	3
C Morgan (resigned 19 September 2017)	1	3
J Newbon (resigned 19 September 2017)	3	3
C Newson (appointed 1 October 2016)	3	3
Y Newson (resigned 1 October 2016)	0	0
E Roberts	2	3
M Roberts	3	3
S Ruddle (resigned 1 October 2016)	0	0
T Sikabofori	2	3

The composition of the Governing Body has remained the same and no particular challenges have arisen as a consequence.

The Finance Committee is a sub-committee of the main Board of Governors. Its key purposes are to:

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

Attendance at meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
T Sikabofori, Chair	1	3
E Cox	3	3
P Martins	3	3
M Roberts	3	3

Governance Statement (continued)

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

Attendance at meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
S Crosson, Chair	3	3
J Newbon	3	3
C Morgan	1	3

Review of Value for Money

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

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

Improving educational results:

- Continued employment of a Learning Mentor to target specific children's improvement and narrow the achievement gap between FSM and non-FSM pupils;
- Consistent and regular monitoring of impact of all interventions;
- Use of private Speech and Language Therapist to target children most in need of one to one support;
- Allocation of funds to a specific budget to fund shared training with cluster at a reduced rate;
- Continued reviews of the Learning Improvement Plan, Pupil Premium and Sports Funding reports ensure in depth analysis of cost of initiative versus impact;
- Individual staff awarded range of professional statuses including Teaching Leaders (e.g. SLE, LLE), NPQML and Mathematics Mastery

Financial Governance and oversight:

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

Better purchasing:

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

Governance Statement (continued)

Maximising income generation:

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

Reviewing controls and managing risks:

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

Lessons Learned:

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

The Purpose of the System of Internal Control

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

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 Governors;
- regular reviews by the finance committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

Governance Statement (continued)

The Board of Governors has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Governors have appointed E Cox, a Governor, to carry out a programme of internal checks.

The appointee's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. In particular the checks carried out in the current period included:

- testing of payroll systems.

On an annual basis, the appointee reports to the Board of Governors on the operation of the systems of control and on the discharge of the Board of Governors' financial responsibilities.

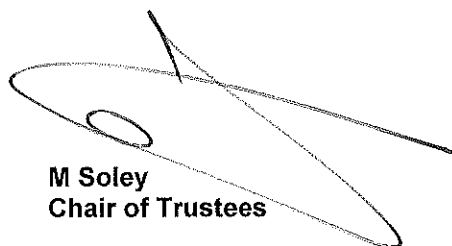
Review of Effectiveness

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

- the work of the Responsible Officer;
- the work of the external auditors;
- the work of the school business manager and finance officer within the Academy who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the Board of Governors on 15 November 2017 and signed on their behalf, by:



M Soley
Chair of Trustees



J Higham
Accounting Officer

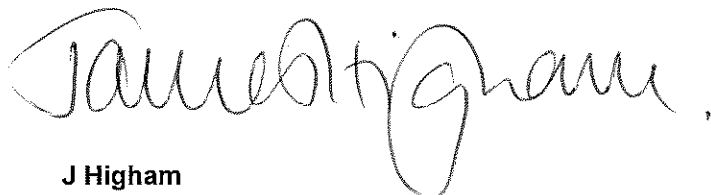
Henry Hinde School
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Statement on Regularity, Propriety and Compliance

As Accounting Officer of Henry Hinde School I have considered my responsibility to notify the Academy Board of Governors 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 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 Board of Governors are able to identify any material irregular or improper use of funds by the Academy, or material non-compliance with the terms and conditions of funding under the Academy'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 Governors and ESFA.

A handwritten signature in black ink, appearing to read 'J Higham', with a large, stylized loop at the end.

J Higham
Accounting Officer

Date: 15 November 2017

Statement of Governors' responsibilities
For the Year Ended 31 August 2017

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

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

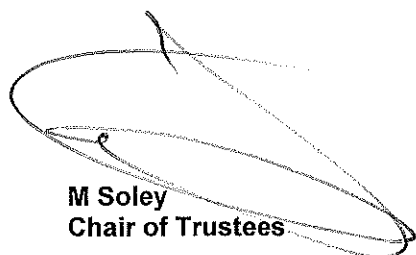
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting 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 Governors are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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

Approved by order of the members of the Board of Governors on 15 November 2017 and signed on its behalf by:



M Soley
Chair of Trustees

Independent auditors' report on the financial statements to the members of Henry Hinde School

Opinion

We have audited the financial statements of Henry Hinde School for the year ended 31 August 2017 which comprise the Statement of financial activities incorporating income and expenditure account, 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 Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy 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 Auditor's 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 Governors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Governors 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.

Independent auditors' report on the financial statements to the members of Henry Hinde School

Other information

The Governors are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditor's report thereon. Our opinion on the financial statements does not cover the 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 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 Governors' report including the Strategic report for which the financial statements are prepared is consistent with the financial statements.
- the Governors' 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 Governors' report including the Strategic 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 Governors' remunerations specified by law not 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 Governors' responsibilities, the Governors (who are also the directors of the Academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Governors 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 Governors 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 Governors either intend to liquidate the Academy's or to cease operations, or have no realistic alternative but to do so.

Independent auditors' report on the financial statements to the members of Henry Hinde 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 Auditor's 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 Auditor's report.



Andrew Morris FCA (Senior statutory auditor)

for and on behalf of

Dains LLP

Statutory Auditor
Chartered Accountants

Birmingham
15 November 2017

Henry Hinde School
(A company limited by guarantee)

Independent reporting accountants' assurance report on regularity to Henry Hinde School and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 11 August 2014 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 Henry Hinde 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 Henry Hinde School and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Henry Hinde School and the 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 Henry Hinde School and the ESFA, for our work, for this report, or for the conclusion we have formed.

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

The Accounting Officer is responsible, under the requirements of Henry Hinde School's funding agreement with the Secretary of State for Education dated 27 March 2012, and the Academies Financial Handbook extant from 1 September 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.

Henry Hinde School
(A company limited by guarantee)

Independent reporting accountants' assurance report on regularity to Henry Hinde 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.



Dains LLP

Statutory Auditor
Chartered Accountants

Birmingham

15 November 2017

Henry Hinde School
(A company limited by guarantee)

Statement of financial activities incorporating income and expenditure account
For the Year Ended 31 August 2017

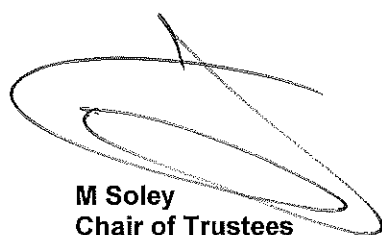
	Note	Unrestricted funds 2017 £	Restricted general funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
Income from:						
Donations and capital grants	2	23,719	-	10,142	33,861	16,275
Charitable activities:	3					
Funding for the Academy's educational operations		-	819,328	-	819,328	824,232
Other trading activities	4	16,829	9,966	-	26,795	19,659
Investments	5	88	-	-	88	40
Total income		40,636	829,294	10,142	880,072	860,206
Expenditure on:						
Raising funds	7	5,130	7,434	-	12,564	4,415
Academy's educational operations		1,727	873,462	40,889	916,078	910,388
Total expenditure	6	6,857	880,896	40,889	928,642	914,803
Net income / (expenditure) before transfers		33,779	(51,602)	(30,747)	(48,570)	(54,597)
Transfers between Funds	17	(18,584)	10,602	7,982	-	-
Net income / (expenditure) before other recognised gains and losses		15,195	(41,000)	(22,765)	(48,570)	(54,597)
Actuarial gains/(losses) on defined benefit pension schemes	14	-	201,000	-	201,000	(178,000)
Net movement in funds		15,195	160,000	(22,765)	152,430	(232,597)
Reconciliation of funds:						
Total funds brought forward		9,188	(514,000)	1,396,495	891,683	1,124,280
Total funds carried forward		24,383	(354,000)	1,373,730	1,044,113	891,683

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

Balance sheet
As at 31 August 2017

	Note	£	2017 £	£	2016 £
Fixed assets					
Tangible assets	14		1,373,730		1,396,495
Current assets					
Debtors	15	30,234		21,812	
Cash at bank and in hand		86,050		63,634	
		<u>116,284</u>		<u>85,446</u>	
Creditors: amounts falling due within one year	16	(91,901)		(76,258)	
Net current assets			<u>24,383</u>		<u>9,188</u>
Total assets less current liabilities			<u>1,398,113</u>		<u>1,405,683</u>
Defined benefit pension scheme liability	21	(354,000)		(514,000)	
Net assets including pension scheme liabilities			<u><u>1,044,113</u></u>		<u><u>891,683</u></u>
Funds of the academy					
Restricted income funds:					
Restricted income funds	17	-		-	
Pension reserve	17	(354,000)		(514,000)	
Restricted fixed asset funds	17	<u>1,373,730</u>		<u>1,396,495</u>	
Total restricted income funds			<u>1,019,730</u>		<u>882,495</u>
Unrestricted income funds	17		<u>24,383</u>		<u>9,188</u>
Total funds			<u><u>1,044,113</u></u>		<u><u>891,683</u></u>

The financial statements on pages 19 to 42 were approved by the Governors, and authorised for issue, on 15/11/17 and are signed on their behalf, by:


M Soley
Chair of Trustees

Henry Hinde 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/(used in) operating activities	19	<u>34,425</u>	<u>(9,417)</u>
Cash flows from investing activities:			
Interest receivable		88	40
Purchase of tangible fixed assets		(18,124)	(15,509)
Capital grants from DfE/ESFA and other capital income		<u>6,027</u>	<u>6,030</u>
Net cash used in investing activities		<u>(12,009)</u>	<u>(9,439)</u>
Change in cash and cash equivalents in the year		22,416	(18,856)
Cash and cash equivalents brought forward		<u>63,634</u>	<u>82,490</u>
Cash and cash equivalents carried forward	20	<u><u>86,050</u></u>	<u><u>63,634</u></u>

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, 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 the ESFA, the Charities Act 2011 and the Companies Act 2006.

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

1.2 Going concern

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

Notes to the financial statements
For the Year Ended 31 August 2017

1. Accounting policies (continued)

1.3 Income

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

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

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

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

Donations are recognised on a receivable basis (where there are no performance-related conditions) 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.

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 is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity.

Expenditure on raising funds includes all expenditure incurred by the Academy to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

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.

Notes to the financial statements
For the Year Ended 31 August 2017

1. Accounting policies (continued)

1.5 Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance sheet at cost and depreciated over their expected useful economic life. 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 land	-	over the lease term
Long term leasehold property	-	2% straight line
Leasehold Improvements	-	4% straight line
Fixtures, fittings and furniture	-	10% straight line
Computer equipment	-	25% straight line

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

1.6 Interest receivable

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

1.7 Operating leases

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

1.8 Debtors

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

1.9 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.

Notes to the financial statements
For the Year Ended 31 August 2017

1. Accounting policies (continued)

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

1.11 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 15. 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 16. 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.

1.12 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. Accounting policies (continued)

1.13 Pensions

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

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

The LGPS is a funded scheme and the assets are held separately from those of the Academy in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability 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 Governors.

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

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

Notes to the financial statements
For the Year Ended 31 August 2017

1. Accounting policies (continued)

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost 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.

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

2. Income from donations and capital grants

	Unrestricted funds 2017 £	Restricted general funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
Donations	23,719	-	4,115	27,834	10,245
Capital Grants	-	-	6,027	6,027	6,030
	<u>23,719</u>	<u>-</u>	<u>10,142</u>	<u>33,861</u>	<u>16,275</u>
Total 2016	<u>6,658</u>	<u>-</u>	<u>9,617</u>	<u>16,275</u>	

Notes to the financial statements
For the Year Ended 31 August 2017

3. Funding for Academy's educational operations

	Unrestricted funds 2017 £	Restricted general funds 2017 £	Total funds 2017 £	Total funds 2016 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	691,761	691,761	694,006
Pupil Premium	-	39,837	39,837	37,875
Rates Income	-	1,777	1,777	1,657
Sports Funding	-	8,595	8,595	8,605
Universal Infant Free Schools Meals	-	62,422	62,422	62,710
	-	804,392	804,392	804,853
Other government grants				
Special Needs	-	11,480	11,480	17,569
	-	11,480	11,480	17,569
Other funding				
Catering income	-	1,123	1,123	1,710
Insurance claim income	-	2,333	2,333	100
	-	3,456	3,456	1,810
	-	819,328	819,328	824,232
<i>Total 2016</i>	-	824,232	824,232	

Henry Hinde School
(A company limited by guarantee)

Notes to the financial statements
For the Year Ended 31 August 2017

4. Other trading activities

	Unrestricted funds 2017 £	Restricted general funds 2017 £	Total funds 2017 £	Total funds 2016 £
Extra Curricular Clubs	-	9,966	9,966	6,335
Hiring of Facilities	16,829	-	16,829	13,324
	<u>16,829</u>	<u>9,966</u>	<u>26,795</u>	<u>19,659</u>
<i>Total 2016</i>	<u>13,324</u>	<u>6,335</u>	<u>19,659</u>	

5. Investment income

	Unrestricted funds 2017 £	Restricted general funds 2017 £	Total funds 2017 £	Total funds 2016 £
Bank interest	88	-	88	40
	<u>40</u>	<u>-</u>	<u>40</u>	
<i>Total 2016</i>	<u>40</u>	<u>-</u>	<u>40</u>	

6. Expenditure

	Staff costs 2017 £	Premises 2017 £	Other costs 2017 £	Total 2017 £	Total 2016 £
Expenditure on raising funds	-	-	12,564	12,564	4,415
Academy's Educational Operations:					
Direct costs	565,741	21,019	134,638	721,398	714,521
Support costs	93,136	45,851	55,693	194,680	195,867
	<u>658,877</u>	<u>66,870</u>	<u>202,895</u>	<u>928,642</u>	<u>914,803</u>
<i>Total 2016</i>	<u>638,158</u>	<u>69,907</u>	<u>206,738</u>	<u>914,803</u>	

Notes to the financial statements
For the Year Ended 31 August 2017

7. Costs of raising funds

	Unrestricted funds 2017 £	Restricted general funds 2017 £	Total funds 2017 £	Total funds 2016 £
Educational visits	5,130	-	5,130	2,415
Extra curricular clubs	-	7,434	7,434	2,000
	<u>5,130</u>	<u>7,434</u>	<u>12,564</u>	<u>4,415</u>
<i>Total 2016</i>	<u>2,415</u>	<u>2,000</u>	<u>4,415</u>	

8. Direct costs

	Total 2017 £	Total 2016 £
LGPS finance cost	11,000	12,000
Curriculum supplies	17,214	19,443
Catering costs	68,100	66,859
Staff training	6,062	8,408
Other educational costs	12,392	16,715
Supply teacher costs	20,078	2,064
Wages and salaries	419,351	437,009
National insurance	24,438	27,265
Pension cost	101,874	81,422
Depreciation	40,889	43,336
	<u>721,398</u>	<u>714,521</u>
<i>At 31 August 2016</i>	<u>714,521</u>	

Henry Hinde School
(A company limited by guarantee)

Notes to the financial statements
For the Year Ended 31 August 2017

9. Support costs

	Total 2017 £	Total 2016 £
Maintenance of premises	19,465	23,580
Heat and light	20,694	17,820
Rates	1,800	1,660
Equipment costs	2,211	3,511
Technology costs	14,953	15,598
Printing, postage and stationery	638	3,458
Telephone and fax	645	596
Other educational costs	10,553	6,390
Subscriptions	466	2,531
Insurance	9,934	10,194
Governance cost	20,184	20,131
Wages and salaries	77,990	76,096
National insurance	2,684	2,462
Pension cost	12,463	11,840
	<u>194,680</u>	<u>195,867</u>
<i>At 31 August 2016</i>	<u>195,867</u>	

10. Net income/(expenditure)

This is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets:		
- owned by the Academy	40,889	43,336
Operating lease costs	23,915	20,877
Auditor's remuneration	5,500	5,500
	<u>70,304</u>	<u>70,713</u>

Notes to the financial statements
For the Year Ended 31 August 2017

11. Staff costs

Staff costs were as follows:

	2017 £	2016 £
Wages and salaries	497,341	513,105
Social security costs	27,122	29,727
Operating costs of defined benefit pension schemes	114,336	93,262
	<u>638,799</u>	<u>636,094</u>
Supply teacher costs	20,078	2,064
	<u>658,877</u>	<u>638,158</u>

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

	2017 No.	2016 No.
Management	3	3
Teachers	7	7
Teaching Assistants	11	10
Midday Supervisors	5	10
Cleaners/Caretaker	4	1
Administration Staff	2	2
	<u>32</u>	<u>33</u>

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

The key management personnel of the Academy comprise key Trustees and key members of the management team. The total amount of employee benefits (including employer pension contributions and employer's national insurance) received by key management personnel for their services to the Academy was £138,760 (2016 - £130,974).

Notes to the financial statements
For the Year Ended 31 August 2017

12. Governors' remuneration and expenses

One or more Governors has been paid remuneration or has received other benefits from an employment with the Academy. The Head Teacher and other staff Governors 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 Governors. The value of Governors' remuneration and other benefits was as follows:

		2017 £	2016 £
J Higham	Remuneration	55,000-60,000	55,000-60,000
	Pension contributions paid	5,000-10,000	5,000-10,000
P Martins	Remuneration	10,000-15,000	10,000-15,000
	Pension contributions paid	0-5,000	0-5,000
K Clarke	Remuneration	15,000-20,000	15,000-20,000
	Pension contributions paid	0-5,000	0-5,000
M Roberts	Remuneration	15,000-20,000	15,000-20,000
	Pension contributions paid	0-5,000	0-5,000

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

During the year ended 31 August 2017, no Trustees received any reimbursement of expenses incurred in carrying out their role as a Trustee (2016 - £NIL).

13. Governors' and Officers' Insurance

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

Notes to the financial statements
For the Year Ended 31 August 2017

14. Tangible fixed assets

	Long term leasehold property £	Leasehold improvements £	Fixtures, fittings and furniture £	Computer equipment £	Total £
Cost					
At 1 September 2016	1,314,754	105,076	103,248	33,180	1,556,258
Additions	-	2,015	9,987	6,122	18,124
At 31 August 2017	1,314,754	107,091	113,235	39,302	1,574,382
Depreciation					
At 1 September 2016	92,837	12,236	28,755	25,935	159,763
Charge for the year	21,019	4,223	10,595	5,052	40,889
At 31 August 2017	113,856	16,459	39,350	30,987	200,652
Net book value					
At 31 August 2017	1,200,898	90,632	73,885	8,315	1,373,730
At 31 August 2016	1,221,917	92,840	74,493	7,245	1,396,495

15. Debtors

	2017 £	2016 £
Trade debtors	-	373
VAT recoverable	11,917	9,426
Prepayments and accrued income	18,317	12,013
	30,234	21,812

Notes to the financial statements
For the Year Ended 31 August 2017

16. Creditors: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	31,811	21,343
Other taxation and social security	8,149	-
Accruals and deferred income	51,941	54,915
	<u>91,901</u>	<u>76,258</u>
	2017 £	2016 £
Deferred income		
Deferred income at 1 September 2016	46,606	41,703
Resources deferred during the year	42,604	46,606
Amounts released from previous years	(46,606)	(41,703)
Deferred income at 31 August 2017	<u>42,604</u>	<u>46,606</u>

At the balance sheet date the Academy was holding grant funding in advance of the Academic year 2017/18 including Universal Infant Free School Meals grant income and Devolved Capital grant funding.

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Notes to the financial statements
For the Year Ended 31 August 2017

17. Statement of funds

Statement of funds - current year

	Brought Forward	Income	Expenditure	Transfers in/(out)	Gains/ (Losses)	Balance at 31 August 2017
	£	£	£	£	£	£
Unrestricted funds						
General Funds	9,188	40,636	(6,857)	(18,584)	-	24,383
Restricted funds						
General Annual Grant (GAG)	-	691,761	(695,210)	3,449	-	-
Pupil Premium	-	39,837	(39,837)	-	-	-
Other DfE/ESFA Grants	-	72,794	(10,372)	(62,422)	-	-
Other government grants	-	11,480	(11,480)	-	-	-
Catering	-	1,123	(68,100)	66,977	-	-
Other income	-	12,299	(14,897)	2,598	-	-
Pension reserve	(514,000)	-	(41,000)	-	201,000	(354,000)
	<u>(514,000)</u>	<u>829,294</u>	<u>(880,896)</u>	<u>10,602</u>	<u>201,000</u>	<u>(354,000)</u>
Restricted fixed asset funds						
DfE/ESFA capital grants	20,533	6,027	(601)	-	-	25,959
Gift from Local Authority	1,230,531	-	(36,030)	-	-	1,194,501
Capital expenditure from GAG	47,582	-	(1,393)	7,982	-	54,171
Other fixed assets	6,907	4,115	(202)	-	-	10,820
Capital Maintenance Grant	90,942	-	(2,663)	-	-	88,279
	<u>1,396,495</u>	<u>10,142</u>	<u>(40,889)</u>	<u>7,982</u>	<u>-</u>	<u>1,373,730</u>
Total restricted funds	<u>882,495</u>	<u>839,436</u>	<u>(921,785)</u>	<u>18,584</u>	<u>201,000</u>	<u>1,019,730</u>
Total of funds	<u>891,683</u>	<u>880,072</u>	<u>(928,642)</u>	<u>-</u>	<u>201,000</u>	<u>1,044,113</u>

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Notes to the financial statements
For the Year Ended 31 August 2017

17. Statement of funds (continued)

Statement of funds - prior year

	Brought Forward £	Income £	Expenditure £	Transfers in/(out) £	Gains/ (Losses) £	Balance at 31 August 2016 £
Unrestricted funds						
General Funds	13,186	20,022	(2,415)	(21,605)	-	9,188
	<u>13,186</u>	<u>20,022</u>	<u>(2,415)</u>	<u>(21,605)</u>	<u>-</u>	<u>9,188</u>
Restricted funds						
General Annual Grant (GAG)	-	694,006	(711,715)	17,709	-	-
Pupil Premium	-	37,875	(37,875)	-	-	-
Other DfE/ESFA Grants	-	72,972	(10,262)	(62,710)	-	-
Other government grants	-	17,569	(17,569)	-	-	-
Catering	-	1,710	(66,858)	65,148	-	-
Other income	-	6,435	(2,000)	(4,435)	-	-
Pension reserve	(314,000)	-	(22,000)	-	(178,000)	(514,000)
	<u>(314,000)</u>	<u>830,567</u>	<u>(868,279)</u>	<u>15,712</u>	<u>(178,000)</u>	<u>(514,000)</u>
Restricted fixed asset funds						
DfE/ESFA capital grants	15,519	6,030	(1,016)	-	-	20,533
Gift from Local Authority	1,253,682	-	(23,151)	-	-	1,230,531
Capital expenditure from GAG	51,888	-	(10,199)	5,893	-	47,582
Other fixed assets	6,327	3,587	(3,007)	-	-	6,907
Capital Maintenance Grant	97,678	-	(6,736)	-	-	90,942
	<u>1,425,094</u>	<u>9,617</u>	<u>(44,109)</u>	<u>5,893</u>	<u>-</u>	<u>1,396,495</u>
Total restricted funds	<u>1,111,094</u>	<u>840,184</u>	<u>(912,388)</u>	<u>21,605</u>	<u>(178,000)</u>	<u>882,495</u>
Total of funds	<u>1,124,280</u>	<u>860,206</u>	<u>(914,803)</u>	<u>-</u>	<u>(178,000)</u>	<u>891,683</u>

Notes to the financial statements
For the Year Ended 31 August 2017

17. Statement of funds (continued)

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

Restricted general fund

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

Pension reserve

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

Restricted fixed asset fund

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

Transfer between funds

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

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2017.

Notes to the financial statements
For the Year Ended 31 August 2017

18. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2017 £	Restricted general funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	1,373,730	1,373,730
Current assets	116,284	-	-	116,284
Creditors due within one year	(91,901)	-	-	(91,901)
Provisions for liabilities and charges	-	(354,000)	-	(354,000)
	<u>24,383</u>	<u>(354,000)</u>	<u>1,373,730</u>	<u>1,044,113</u>

Analysis of net assets between funds - prior year

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

19. 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)	(48,570)	(54,597)
Adjustment for:		
Depreciation charges	40,889	43,337
Interest receivable	(88)	(40)
Loss on the sale of fixed assets	-	772
(Increase)/decrease in debtors	(8,422)	10,750
Increase/(decrease) in creditors	15,643	(25,609)
Capital grants from DfE/ESFA and other capital income	(6,027)	(6,030)
Defined benefit pension scheme adjustments	41,000	22,000
Net cash provided by/(used in) operating activities	<u>34,425</u>	<u>(9,417)</u>

Notes to the financial statements
For the Year Ended 31 August 2017

20. Analysis of cash and cash equivalents

	2017 £	2016 £
Cash in hand	86,050	63,634
Total	<u>86,050</u>	<u>63,634</u>

21. Pension commitments

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

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

Notes to the financial statements
For the Year Ended 31 August 2017

21. Pension commitments (continued)

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 £46,000 (2016 - £48,000).

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 £49,000 (2016 - £46,000), of which employer's contributions totalled £39,000 (2016 - £37,000) and employees' contributions totalled £10,000 (2016 - £9,000). The agreed contribution rates for future years are 20.5% 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	2.50 %	2.10 %
Rate of increase in salaries	3.00 %	4.10 %
Rate of increase for pensions in payment / inflation	2.40 %	2.10 %

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	22.5 years	22.4 years
Females	24.7 years	24.4 years
Retiring in 20 years		
Males	24.3 years	24.3 years
Females	26.7 years	26.6 years

Notes to the financial statements
For the Year Ended 31 August 2017

21. Pension commitments (continued)

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

	Fair value at 31 August 2017 £	Fair value at 31 August 2016 £
Equities	427,050	296,400
Corporate bonds	144,540	104,880
Property	72,270	50,160
Cash and other liquid assets	13,140	4,560
Total market value of assets	<u>657,000</u>	<u>456,000</u>

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

	2017 £	2016 £
Current service cost	(69,000)	(47,000)
Interest income	10,000	14,000
Interest cost	(21,000)	(26,000)
Total	<u>(80,000)</u>	<u>(59,000)</u>

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

	2017 £	2016 £
Opening defined benefit obligation	970,000	659,000
Current service cost	69,000	47,000
Interest cost	21,000	26,000
Employee contributions	10,000	9,000
Benefits paid	(9,000)	(4,000)
Actuarial (gains)/losses	(50,000)	233,000
Closing defined benefit obligation	<u>1,011,000</u>	<u>970,000</u>

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	456,000	345,000
Return on plan assets	151,000	55,000
Interest income	10,000	14,000
Employee contributions	10,000	9,000
Benefits paid	(9,000)	(4,000)
Employer contributions	39,000	37,000
	<hr/>	<hr/>
Closing fair value of scheme assets	657,000	456,000
	<hr/>	<hr/>

22. Operating lease commitments

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

	2017 £	2016 £
Amounts payable:		
Within 1 year	18,197	24,079
Between 1 and 5 years	58,405	62,908
After more than 5 years	27,390	41,085
	<hr/>	<hr/>
Total	103,992	128,072
	<hr/>	<hr/>

23. 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.

24. Related party transactions

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