Registered number: 07512962

PRINCE HENRY'S HIGH SCHOOL

PARVA MAGNA CRESCUNT

THE PRINCE HENRY'S HIGH SCHOOL ACADEMY TRUST

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2015

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REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS MEMBERS/ TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 AUGUST 2015

Trustees

Stephen Butcher, Chair of Governors / Partnership Governor[1,2,3,4]
Stephen Cook, Community Governor[1,3]
Alan Harris, Partnership Governor[1,2]
John Painter, Partnership Governor[1,2]
Dr Anthony Evans, Staff Governor / Head Teacher / Accounting Officer
Keith Watson, Parent Governor / Vice Chair[1,4]
Lorrin Campbell, LA Governor[1,3]
James Curran, Community Governor[1,3]
Paul Jones, Parent Governor (resigned 6 September 2014)[1,3]
Edward Pillar, Community Governor[1,4]
Maureen Spinks, Parent Governor[1,4]
Sophie Thorner, Staff Governor (resigned 6 September 2014)[1,2]
Neil Townshend, LA Governor (resigned 10 October 2015)[1,4]
Linda Walker, Staff Governor[1,3]
Diana Stubbs, Parent Governor[1,2]
Sarah Giles, Parent Governor (resigned 10 September 2014)[1,3]
Ginette Getting, Parent Governor (appointed 17 December 2014)
Clare Rimell, Parent Governor (appointed 17 December 2014)
Michael Thompson, Staff Governor (appointed 26 November 2014)
Dr V Hardwick (appointed 14 October 2015)

[1] Full Governors
[2] Finance and General Purposes
[3] Property and Development
[4] Academic and Pastoral

Company registered number

07512962

Principal and registered office

Victoria Avenue
Evesham
Worcestershire
WR11 4QH

Clerk to the Governors

Mrs Susan Jennings

Head Teacher

Dr Anthony Evans

Senior management team

Dr Anthony Evans, Headteacher
Zoe Smith, Business Manager (retired)
Valerie Butler, Deputy Headteacher
Alan Roberts, Deputy Headteacher

REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS MEMBERS/ TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 AUGUST 2015

Administrative details (continued)

Karen Holyoak, Assistant Headteacher
Antonia Lungley, Assistant Headteacher
Helen Wood, Deputy Headteacher
Benjamin Freeman, Assistant Headteacher

Independent auditors

Randall & Payne LLP
Chargrove House
Shurdington Road
Cheltenham
Gloucestershire
GL51 4GA

Bankers

The Royal Bank of Scotland Plc
5 Church Street
Sheffield
South Yorkshire
S1 1HF

Solicitors

Browne Jacobson
44 Castle Gate
Nottingham
Nottinghamshire
NG1 7BJ

Trustees and members

Keith Watson
Michael Amies
Stephen Butcher
Stephen Cook
John Painter

GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2015

The trustees present their annual report together with the audited financial statements of the Prince Henry's High School Academy Trust (the Academy) for the period from 1 September 2014 to 31 August 2015. The annual report serves the purposes of both a trustees' report, and a directors' report including a strategic report under company law.

The trust operates an educational academy for pupils aged 13 to 18 serving a catchment area in Evesham and the outlying area. It has a pupil capacity of 1,377 and had a roll of 1,248 in the school census on 2nd October 2014.

Structure, governance and management

a. 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 the Academy are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as The Prince Henry's High School Academy Trust.

The articles of association state that the Members of the Academy comprise the signatories of the memorandum, one person appointed by the Secretary of State, the Chairman of the Governors and any person appointed under Article 16.

The Academy and the group is constituted under a Memorandum of Association.dated 1 February 2011.

There have been no changes in the objectives since the last annual report. Details of the governors who served throughout the period except as noted are included in the Reference and Administrative Details on pages 1 & 2.

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.

The Academy provides indemnity insurance to cover the liability of Governors which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default, breach of trust or breach of duty of which they may be guilty in relation to the Academy.

c. METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF GOVERNORS

A minimum of three and a maximum of four Governors are elected by the parental body as Parent Governors.
The Head of the school is a Governor.
Two of the Governors are elected by the staff of the school as Staff Governors.
A minimum of three and a maximum of six Governors are nominated by the members as Community Governors.
A minimum of two and a maximum of four Governors are nominated by the members as Partnership Governors.

For any Governor, other than Staff Governors, prior to taking up the post, references will be sought by the Clerk and presented to the Governor Appointments Committee. This is to ensure that students are further safeguarded and potential conflicts of interest are avoided.

d. POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF GOVERNORS

Training and induction for Governors will depend on their prior experience and/or knowledge. Most induction is carried out "in house", but external trainers may be brought in, or Governors may attend external training provision as appropriate. Governors are provided with copies of all the documents that they will need to undertake their role.

e. ORGANISATIONAL STRUCTURE

The Governing Body is responsible for managing the Academy on behalf of the Trust. It provides oversight and strategic direction for the Academy and does so through a robust governance and decision making process which includes regular meetings, debate, review of working papers and strategy discussions. Financial Management and oversight is managed through strict adherence to the guidance provided by the Educational Funding Agency (EFA) through the latest version of its Academies Financial Handbook and by following the relevant guidance provided by the Charities Commission.

The Governing Body continues to be advised by their legal representatives Browne Jacobson to ensure that the Articles of Association remain up to date and appropriate bearing in mind potential changes to both national and local educational structures.

The key responsibilities of the Governing Body are to:

- Ensure the quality of educational provision
- Challenge, monitor and support the performance of the Academy
- Manage the Trust's finances and property
- Manage the Headteacher
- Exercise reasonable skill and care in carrying out their duties
- Ensure that the Academy Trust complies with charity and company law
- Operate the Academy in accordance with the Funding Agreement that has been signed with the Secretary of State

To deliver to these broad responsibilities the Governing Body delegates, through explicit Terms of Reference, a number of its responsibilities to its three key Committees as follows:

- Finance and General Purposes
- Property and Development
- Academic, Pastoral and Teaching

Other Committees which meet as required are:

- Audit and Risk Committee
- Strategic Consultation Group
- Governor Appointments Committee
- Salaries & Appointments Committee
- Staff Committee
- Pupil Admissions Committee

The Statutory Appeal Committees which meet as necessary are: Pupil Discipline, Staff Appeals and Independent Appeals Panel.

All Committees report to the Governing Body as set out in their Terms of Reference, and those that meet on an agreed schedule report on a regular basis and where necessary, ask the Governing Body to approve decisions made in the Committees.

The Governing Body delegates executive responsibilities for maintaining, running and developing the Academy to the Head and his Senior Leadership Team. All delegated Leadership responsibilities are articulated in appropriate job descriptions and formal authority documents. All delegated Leadership responsibilities are recorded formally through the weekly Senior Leadership Team meetings. These are monitored through the Academy's System and Control procedures, its Risk Management structures and Internal Control Framework and are subject to regular scrutiny and audit.

f. CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS

During the period the Academy did not have any connected organisations. There were some related party relationships which are acknowledged at the Governors' meetings through the pecuniary interests forms, and the financial transactions are disclosed in the notes to the accounts .

Since February 2012, the Academy has had in place a trading company, and this is a wholly owned subsidiary of the Academy.

g. RISK MANAGEMENT

The Governors have assessed the major risks to which the Academy and the group is exposed, in particular those related to the operations and finances of the Academy and the group, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

h. GOVERNORS' INDEMNITIES

The Academy Trust provides indemnity insurance to cover the liability of Governors which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default, breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust.

i. PRINCIPAL ACTIVITIES

The principal object and activity of the Academy Trust is to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing an academy offering a broad curriculum with a strong emphasis on, but in no way limited to modern foreign languages, mathematics and computing.

Objectives and Activities

a. OBJECTIVES, STRATEGIES AND ACTIVITIES

The overall 2015 achievements were exceptionally positive at GCSE, AS and A2 Level. During the Autumn Term 2014, the school learned that it had been awarded Artsmark Gold accreditation, and the School Games Gold award was re-accredited for the third consecutive year.

The school was visited by HMI in relation to a national survey into provision for more able students. The school featured very favourably in the final report which was published in March 2015.

The school has surpassed all targets for the first year of Teaching School, and was reaccredited with second year funding during the summer 2015.

An external audit into teacher appraisal was successfully undertaken.

Academy Orders were granted for the conversion to a Multi-Academy Trust in October 2014. We hope to convert in late 2015, along with a number of schools from within the Prince Henry's pyramid.

The school is due to complete a £1.9 million new build programme, creating 14 additional classrooms, and the school was successful in a bid to the EFA for the refurbishment of Science laboratories.

The school has successfully implemented its staffing succession plan, and embedding this is a priority for next year.

The school's aims now are:-

- To manage the budget through the Fair Funding Formula turbulences and ensure that the difficulties experienced by the school are communicated to the EFA, the Local Authority and our Member of Parliament representatives.
- To ensure that the new Senior Leadership Team and pastoral team structures are embedded effectively.
- Despite the significant cuts to core budgets, to continue to focus intensely upon student outcomes, particularly for Disadvantaged Students, so that their outcomes are maximised.
- To ensure that the school is ready for conversion to Multi-Academy Status.
- To ensure that the new build project is completed and that the refurbishment project commences successfully.
- To further enhance the quality of teaching and learning, and the curriculum via the school's Teaching School Status.
- To enhance the school buildings through capital bid projects via the EFA.
- To further improve the quality and sustainability of the staff through appropriate and/or targeted professional development.

Finally, the Academy has maintained in practice its commitment to its own equal opportunities policy and remains proud of the regular acknowledgement by outside agencies (eg Traveller Service) of its record in this regard.

b. ACTIVITIES FOR ACHIEVING OBJECTIVES

The main achievement has been the maintenance of high academic standards, as evidenced by the published public examination results. A Level results were again outstanding and amongst the best in the country. More than 70% of students progressed to higher education, of whom over 29% went to Oxford, Cambridge, a Russell Group university or another of the universities in the Times' top 20 university list. More importantly, nearly every individual student progressed to a higher education course which is the right one for them.

GCSE results were excellent. There is very strong evidence of pupils making very significant progress in terms of levels between national curriculum key stages.

c. PUBLIC BENEFIT

IIn setting the objectives, the Trustees have given careful consideration to the charity commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education.

During the year the school 2014-15, 1,248 pupils attended the Academy from a catchment area which included:-

1. Evesham north of the Avon ("the old town").
2. Evesham south of the Avon and west of the Isbourne ("Hampton").
3. Villages north of Evesham (Norton, Lenchwick, Harvington, Abbots Morton, Radford, the Lenches).
4. Villages round Bredon Hill (principally Charlton, Cropthorne, Elmley Castle, Bricklehampton, Eckington, Bredon, Kinsham, Bredons Norton, Westmancote, Overbury, Kemerton, Conderton, Beckford, Ashton).
5. South-eastern villages (Hinton, Sedgeberrow, Aston Somerville, Childswickham, Broadway).

The majority of students come from St Egwin's CE Middle School (which serves 1, 2 and 3 above) and from Bredon Hill Middle School (which serves 4 and 5).

Group Strategic Report

Achievements and performance

a. 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 Accounting Policies note of the financial statements.

Achievements and Performance

The main achievement has been the maintenance of high academic standards, as evidenced by the published public examination results. A Level results were again outstanding and amongst the best in the country. More than 70% of students progressed to higher education, of whom over 29% went to Oxford, Cambridge, a Russell Group university or another of the universities in the Times' top 20 university list. More importantly, nearly every individual student progressed to a higher education course which is the right one for them.

GCSE results were excellent. There is very strong evidence of pupils making very significant progress in terms of levels between national curriculum key stages.

Some key results were as follows:-

Priority	Target for 2013/2014	Achieved in 2013/2014	Target for 2014/2015	Achieved in 2014/2015
GCSE: percentage of students achieving 5+ A* to C inc Eng and Maths	72%	69%	74%	70%
GCSE: percentage of students making at 3 levels of progress in English	79%	75%	80%	80%

GCSE: percentage of students making four levels of progress in English	43%	34%	40%	40%
GCSE: capped APS	366	345	345	346
GCSE: percentage of students making at 3 levels of progress in Maths	76%	82%	80%	79%
GCSE: percentage of students making four levels of progress in Maths	40%	47%	45%	42%
A Level: percentage of students achieving A* to E grades	100%	100%	100%	100%

Historical Profile

Criterion	2011	2012	2013	2014	2015	Comparator or source
% 5+ A* to C inc Eng and Maths	62	69	70	69	70	RAISEonline 2011 Nat ave = 57 2012 Nat ave = 58 2013 Nat ave = 60 2014 Nat ave = 56
% 5+ A* to C	88	84	87	77	77	RAISEonline 2011 Nat ave = 79 2012 Nat ave = 82 2013 Nat ave = 86 2014 Nat ave = 65
% 5+ A* to G	99	97	97	99	98	RAISEonline 2011 Nat ave = 94 2012 Nat ave = 95 2013 Nat ave = 95
Capped APS (best 8)	352	349	349	345	346	RAISEonline 2011 Nat ave = 335.1 2012 Nat ave = 339.5 2013 Nat ave = 338.3
KS2 – 4 Value Added		1003.2	1003.7	1020.2		RAISEonline 2011 Nat ave = 1000 2012 Nat ave = 1000 2013 Nat ave = 1000
% EBacc	32	36	34	39	35	RAISEonline 2011 Nat ave = 15 2012 Nat ave = 16 2013 Nat ave = 22
Overall: % A*/A	29	30	28	31	29	RAISEonline 2011 Nat ave = 23 2012 Nat ave = 22 2013 Nat ave = 21
English: %A* to C	81	73	72	76	75	RAISEonline 2011 Nat ave = 68 2012 Nat ave = 66 2013 Nat ave = 67
English: % A*/A	24	26	23	20	20	RAISEonline 2011 Nat ave = 17 2012 Nat ave = 15 2013 Nat ave = 14

English: % of students making 3 levels of progress	90	76	76	75	80	RAISEonline 2011 Nat ave = 71 2012 Nat ave = 67 2013 Nat ave = 69
English: % of students making 4 levels of progress		41	41	33	40	RAISEonline 2011 Nat ave = 29 2012 Nat ave = 28 2013 Nat ave = 30
English APS (EBACC)		41.2	41.5	42.2		RAISEonline 2011 Nat ave = 38.8 2012 Nat ave = 38.5 2013 Nat ave = 38.8
Maths: % A* to C	66	79	81	78	76	RAISEonline 2011 Nat ave = 64 2012 Nat ave =68 2013 Nat ave = 70
Maths: % A*/A	23	26	18	26	24	RAISEonline 2011 Nat ave = 16 2012 Nat ave = 15 2013 Nat ave = 15
Maths: % of students making 3 levels of progress	70	82	81	82	79	RAISEonline 2011 Nat ave = 64 2012 Nat ave =68 2013 Nat ave = 70
Maths: % of students making 4 levels of progress		49	39	47	42	RAISEonline 2011 Nat ave = 32 2012 Nat ave =31 2013 Nat ave = 32
Maths APS (EBACC)		41.6	40.7	42.1		RAISEonline 2011 Nat ave = 38.1 2012 Nat ave = 38.6 2013 Nat ave = 38.8

Key Stage 4 progress and attainment (disadvantaged students v non disadvantaged students)
The school's Pupil Premium statement for disadvantaged students can be viewed on the schools website.

Criterion	2012	2013	2014	2015	Comparator or source
% 5+ A* to C inc Eng and Maths (disadv)	29	30	28	34	RAISEonline 2012 Nat ave = 38 2013 Nat ave = 40
% 5+ A* to C inc Eng and Maths (non disadv)	75	77	72	77	RAISEonline 2012 Nat ave = 64 2013 Nat ave = 67
% 5+ A* to G (disadv)	88	94	91	92	RAISEonline
% 5+ A* to G (non disadv)	99	99	100	100	RAISEonline
Value added (disadv)	960.3	968.4	964		RAISEonline 2012 Nat ave = 981.6 2013 Nat ave = 983.4
Value added (non disadv)	1009.8	1010.5	1027		RAISEonline 2012 Nat ave = 1005.5 2013 Nat ave = 1005.7

Capped APS (disadv)	272.9	287.9	263.9	266	RAISEonline 2012 Nat ave = 301.4 2013 Nat ave = 303.9
Capped APS (non disadv)	362.0	360.6	353.8	364	RAISEonline 2012 Nat ave = 352.3 2013 Nat ave = 350.9
English: % of students making 3 levels of progress (disadv)	46	37	44	58	RAISEonline 2011 Nat ave = 54 2012 Nat ave = 53 2013 Nat ave = 56
English: % of students making 3 levels of progress (non disadv)	80	82	78	84	RAISEonline 2011 Nat ave = 74 2012 Nat ave = 72 2013 Nat ave = 74
English: % of students making 4 levels of progress (disadv)	8	16	9	14	RAISEonline
English: % of students making 4 levels of progress (non disadv)	46	45	36	46	RAISEonline
Maths: % of students making 3 levels of progress (disadv)	41	44	41	42	RAISEonline 2011 Nat ave = 44 2012 Nat ave = 51 2013 Nat ave = 54
Maths: % of students making 3 levels of progress (non disadv)	88	87	87	86	RAISEonline 2011 Nat ave = 67 2012 Nat ave = 73 2013 Nat ave = 76
Maths: % of students making 4 levels of progress (disadv)	11	16	28	12	RAISEonline
Maths: % of students making 4 levels of progress (non disadv)	55	42	49	48	RAISEonline

b. KEY PERFORMANCE INDICATORS

The Academy uses the attainment of 5 A*-C GCSE grades inclusive of English and Maths, 5 A*-A grades and a capped 8 point score as the main KPIs for the delivery of its primary attainment objective. The Academy also closely monitors the percentage of A*-A, A*-B, A*-C grades at GCSE, AS and A2 Level, together with retaining outstanding reports from Ofsted visits. Financially the Academy uses the number of students in the Academy as a key KPI along with the level of reserves available to continue the improvement of the site and facilities.

The KPI's which the Governing Body review and scrutinise on a regular basis are:

- **Attainment and Achievement Targets and Outcomes** as detailed in the School Improvement Plan. As well as internal assessments, important outcomes which are monitored by the Academic and Pastoral committee include cumulative percentages of grades at GCSE, AS and A2; published benchmark measures at A2, AS and GCSE; Progress Levels (3 & 4) at GCSE; outcomes by students in receipt of Pupil Premium, outcomes by students with identified Special Needs.
- **The quality of behaviour and discipline**, monitored through engagement in the curriculum, lesson observations, attendance figures to school, exclusion rates, positive rewards and behaviour referrals.

- **The quality of the curriculum and provision**, including the information and guidance provided to match the needs of our students from Year 9 through to Year 13. This is monitored through the Academic, Pastoral and Teaching Committee.
- The **use of our financial resources** to provide value for money and a high quality learning environment through management and investment in ; our school site, the curriculum provision on offer, the quality of teaching and the social and community dimensions that the school provides. This is monitored through the Property and Development Committee and Finance & General Purposes Committee.
- The **performance of colleagues** managed through Continuing Professional Development, Peer observation and Appraisal. This is reported to the Finance and General Purposes Committee and Salaries and Appointments Committee.
- The **School Improvement Plan and Self Evaluation** of Prince Henry's High School. This is led by the Senior Leadership Team and scrutinised by the Strategic Consultation Group of Governors

Detailed information on the above targets are included within the School Improvement Plan and Self Evaluation documents, copies of which are available for scrutiny.

c. FINANCIAL REVIEW

The accounting period runs from the 1st September 2014 to 31st August 2015. The majority of the Academies income is obtained from the EFA in the form of recurrent grants the use of which is restricted to particular purposes. The grants received from the EFA during the period ended 31 August 2015 and the associated expenditure are shown as restricted funds in the statement of financial activities.

The Board of Governors would like to thank the sponsors: the John Martin Charity for their kind donations to the academy. In accordance with the Charities statement of recommended practise 'Accounting activities by Charities' (SORP 2005) such grants are shown in the Statement of financial activities as restricted income in the fixed asset fund, the restricted fixed asset fund balance will be reduced by annual depreciation charges over the expected useful life of the assets concerned.

d. INVESTMENT POLICY AND PERFORMANCE

The Operations Manager together with the Finance Manager will ensure that any surplus funds are deposited to maximise interest whilst maintaining a safe and secure investment strategy. This is actively monitored through the Senior Leadership Team and Finance and General Purposes Committee.

Financial review

a. FINANCIAL AND RISK MANAGEMENT OBJECTIVES AND POLICIES

To support the conversion to an Academy new accounting software was introduced to support enhanced reporting needs, this has now been fully integrated into the academy's financial and management report systems and controls. The Financial Regulations Manual was reviewed, for appropriateness, external advice was obtained to assist in the conversion process and to help identify risks for the Academy, and the Statutory

Auditors were appointed. The Governors have adopted the Risk Registers based around those in the Academy's handbook and existing prior to the conversion.

Since conversion the Governors have further reviewed all aspects of governance and received a confirmed 'Good' rating from the Education Funding Agency (EFA) following the submission of the Financial and Management Governance Evaluation (FMGE) The assurance the EFA obtain from academies' FMGE returns is essential in demonstrating the robustness of academies' finance to the National Audit Office (NAO).The future Financial and Risk Management of the Academy will be in accordance with the guidance published in the EFA's

'Academies Financial Handbook' republished every year in September.

The Academy has an ongoing risk management process. Overall responsibility for risk management rests with the Governing Body. The Finance and General Purposes Committee regularly monitors the type of risk the Academy faces, monitoring any changing levels of risk and identifying newly emerging risks. Current areas for close monitoring include:-

- The newly proposed Fair Funding formula which potentially adversely affects Evesham schools
- Reductions in post-16 funding
- The volatility of student numbers for demographic reasons, both at entry Year 9 and post-16
- Provision for alternative curriculum
- The age of some of the school buildings

Day to day managing and monitoring of risk is delegated to the Head and the Senior Leadership Team (SLT). The team handle this process through the use of the Academy's Risk Register which has been prepared through wide consultation with all interested parties and using expert external resource. It is subject to regular scrutiny at both executive and non-executive levels. It is updated quarterly and is formally scrutinised by the Finance & General Purposes Committee. The role of the Committee is to challenge the SLT on the identification of risks, the management action taken and the residual risks. The Finance & General Purposes Committee reports the Risk Register to the full Governing Body, giving its views.

The school has a Business Continuity Plan in place and has worked with Biscon Planning Limited to ensure a particular focus on Business Continuity following physical loss or damage to school property.

b. PRINCIPAL RISKS AND UNCERTAINTIES

The Academy continues to monitor the government's intention to introduce a national funding formula. Until Worcestershire is funded at the national median, Prince Henry's High School, along with schools in the Evesham pyramid will be funded proportionately less than most schools in the country. Prince Henry's has been extremely active in voicing our concerns to Worcestershire County Council and local MPs. The County Council has also elected to use a local funding formula which does not support schools such as Prince Henry's in a proportionate way. The application of this formula, together with the low funding base for Worcestershire and recent reductions to Sixth Form funding all combine to represent the Academy's greatest risk,

Other risk areas are the protection of pupils, staff and assets as well as maintaining pupil numbers in order to manage the financial risks. Systems and procedures to minimise these are constantly being reviewed and updated.

c. RESERVES POLICY

The governors in conjunction with the main board of governors need to review the resources of the Academy and recognise the need to have sufficient reserves to protect against possible reductions in the funding. The reserves will be held in line with the DfE guidelines. The policy will aim to carry forward sufficient funds to meet the Academy's long term aims and objectives, ensuring that this does not affect its current operational activities.

d. PRINCIPAL FUNDING

The accounting period runs from the 1st September 2014 to 31st August 2015. The majority of the Academies income is obtained from the EFA in the form of recurrent grants the use of which is restricted to particular purposes. The grants received from the EFA during the period ended 31 August 2015 and the associated expenditure are shown as restricted funds in the statement of financial activities.

The Board of Governors would like to thank the sponsors: the John Martin Charity for their kind donations to the academy. In accordance with the Charities statement of recommended practise 'Accounting activities by

Charities' (SORP 2005) such grants are shown in the Statement of financial activities as restricted income in the fixed asset fund, the restricted fixed asset fund balance will be reduced by annual depreciation charges over the expected useful life of the assets concerned.

Plans for future periods

a. FUTURE DEVELOPMENTS

We are currently developing plans:-

- To obtain pupil outcomes and academic results as detailed in our School Improvement Plan
- To examine curriculum provision in light of new curriculum changes
- To prepare the school for changes to assessment so that each pupil's Progress 8 and Attainment 8 measure is maximised.
- To continue to improve the school site to create a better learning environment for our students. This requires significant funding and we are currently preparing further bids to submit to the EFA in support of this.
- To continue to develop our alternative provision in school.
- To enhance Prince Henry's as a Teaching School, as detailed in the Teaching School Year Two application.
- To further improve further the quality and purpose of one to one teaching and booster sessions.
- To continue to improve processes for developing self-evaluation and school improvement.
- To develop our ICT and network infrastructure.
- To continue to focus intensely upon student outcomes, particularly for Disadvantaged Students, so that their outcomes are maximised.
- To ensure that the school is ready for conversion to Multi-Academy Status.
- To ensure that the new build project is completed and that the refurbishment project commences successfully.
- To further improve the quality and sustainability of the staff through appropriate or targeted professional development.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The Academy does not hold any funds as custodian Trustee on behalf of others.

DISCLOSURE OF INFORMATION TO AUDITORS

In so far as the trustees are aware:

- there is no relevant audit information of which the Charitable Company's auditor is 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 auditor is aware of that information.

This report, incorporating the Group Strategic Report, was approved by order of the board of trustees, as the company directors, on 10 December 2015 and signed on the board's behalf by:

Stephen Butcher
Chair of Trustees

Dr Anthony Evans
Accounting Officer

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

The board of trustees has delegated the day-to-day responsibility to the Principal, 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 The Prince Henry's High School Academy Trust 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 Governors' Report and in the Governors' Responsibilities Statement. The board of trustees has formally met 4 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Governor	Meetings attended	Out of a possible
Stephen Butcher, Chair of Governors / Partnership Governor	4	4
Stephen Cook, Community Governor	4	4
Alan Harris, Partnership Governor	4	4
John Painter, Partnership Governor	2	4
Dr Anthony Evans, Staff Governor / Head Teacher / Accounting Officer	3	4
Keith WatsonCommunity Governor / Vice Chair	4	4
Lorrin Campbell, LA Governor	2	4
James Curran, Community Governor	3	4
Paul Jones, Parent Governor	0	4
Edward Pillar, Community Governor	2	4
Maureen Spinks, Community Governor	3	4
Sophie Thorner, Staff Governor	0	4
Neil Townshend, Community Governor	2	4
Linda Walker, Staff Governor	4	4
Diana Stubbs, Parent Governor	4	4
Sarah Giles, Parent Governor	0	4
Ginette Getting, Parent Governor	3	3
Clare Rimell, Parent Governor	3	3
Michael Thompson, Staff Governor	2	3
Dr V Hardwick	4	4

The Full Governing Body meets formally four times per year. Discussions are held and decisions are made or ratified as appropriate. There are three main committees which meet three or four times per year: Finance and General Purposes; Property and Development; Academic, Pastoral and Teaching. The Audit and Planning Committee meets at least twice a year.

Updated Articles of Association, approved by the Secretary of State for Education were approved by the full governing body on 26th November 2014.

The governing body has approved the Members, potential Directors and Executive Headteacher for the proposed Prince Henry's Multi-Academy Trust.

GOVERNANCE STATEMENT (continued)

During the year these committees met to discuss adherence to plan, to debate developing operational, financial and strategic issues and to support and challenge the Senior Management Team in their ongoing management of the direction and strategy of the Academy. Specific work was in the areas of policy development and strategy with a particular focus on the planning and communication processes associated with the formation of a Muti Academy Trust.

Interim decisions are reached at committee for ratification at Full Governing Body meetings. The day to day running of the Academy is delegated to the senior management team who report back to the Governors' committees as appropriate.

Governance reviews:

During the year the Governing Body considered in detail it's constitution and make up and the terms of reference of it's Committees. During their visit in 2013 OFSTED interviewed a number of the Governors, reviewed minutes and supporting documents and in their report commented 'The very experienced governing body is exceptionally effective. Governors provide both support and challenge for the school and are committed to its continued improvement".

In 2014 following a survey visit, Ofsted also made the comment "Leaders at all levels of the school, including governors, are heavily involved in the planning, monitoring and evaluating of this aspect of the school's work".

PLC Education, the Academy's School Improvement Partner, also commented on the "high levels of knowledge and understanding demonstrated by members of this governing body " and conclude that the Academy "enjoys an outstanding level of governance". October 2014.
The Academy intends to build on this strong position and will further review and test it's governance structures and effectiveness when making the change to a Multi Academy Trust."

The Finance and General Purposes Committee

This a sub-committee of the main board of governors as highlighted above. In addition to the Governors, the Academy Business Manager attends all the meetings.

Attendance at meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
Stephen Butcher	3	3
John Painter	2	3
Dr Anthony Evans, Head Teacher	2	3
Alan Harris, Chair	3	3
Michael Thompson	2	2
Diana Stubbs	0	3
Ginette Getting	2	2

The Audit and Planning Committee

Attendance at meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
Stephen Butcher	2	2
John Painter, Chair	2	2
Dr Anthony Evans, Head Teacher	2	2
Alan Harris	2	2

REVIEW OF VALUE FOR MONEY

As accounting officer, the Principal has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.
The accounting officer considers how the trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where available. The accounting officer for the academy trust has delivered improved value for money during the year by:

- Achieving Key Performance Indicators (page 11) to ensure that it is delivering "value for money".

- Targeted improvement: The Trust has kept its staffing structure under review and deployed staff efficiently to support an improved curriculum, or to target areas of the curriculum in need of development. This has been applicable especially given the sizable cuts to the budget the trust encountered as a result of unintended consequences of the funding formula. This was also coupled with cuts to the Sixth Form budget.

  This is monitored through weekly Senior Leadership Team meetings, Termly Governors' Academic and Pastoral meetings and twice yearly Governors' Staffing and Appointments meetings. There is a yearly Trustees' meeting which also oversees everything that has been mentioned.

- Focus on individual pupils: The Trust has managed the differing needs of pupils, such as those requiring one to one support, and those requiring more stretch.

  This is monitored by the Special Needs Coordinator, Assistant Head in Charge of Alternative Curriculum, Deputy Head - Curriculum, Senior Leadership Team, Academic and Pastoral Governors' meetings. Ofsted 2013 acknowledged the school is making effective use of our Pupil Premium funding. Ofsted 2014 positively acknowledged that the school chooses appropriate placements for students requiring an alternative provision.

- Collaboration: The Trust has engaged with other educational providers and experts to share delivery or good practice, and to drive up standards for the least cost. The Trust is also focused upon becoming a Multi-Academy Trust to achieve greater economies of scale in the future.

  This is monitored by Senior Leadership Team meetings, Governors' Finance and General Purposes Committee. We work closely with our feeder Middle and First Schools to share resources eg Education Welfare Officer (EWO). This has worked effectively, efficiently and we have seen every single school involved with our EWO have an improvement in attendance. We work with our LA to ensure the best services for the best price are provided for the Academy. In addition, the school has access to all the communication available to all the Worcestershire Heads.

  As a result of Teaching School Status, the school is now offering reduced cost, high quality CPD provision to our partner schools. We are also engaging in the formation of a Multi Academy Trust. At the time of writing this report Academy Orders have been granted for ourselves and eight schools wishing to join our MAT. We have received a Primary Chains Grant to enable this collaboration to occur effectively.

- New initiatives: The Trust made the following changes to its budget to accommodate additional activities whilst living within its means in 2014-15:-

- Allocation of Spending to Pupil Premium: Monitored by Assistant Headteacher - Alternative Curriculum, Headteacher and Ofsted (2013).

- Teaching School: Funds have been received via Teaching School for School-to-School Support. We have delivered NPQH, NPQSL and NPQML programmes.

GOVERNANCE STATEMENT (continued)

- Fair Funding Formula: In light of Fair Funding Formula proposals for 2014/15, adjustments were made to the ICT budget, and various curriculum areas.

- Staff Restructuring: As part of a succession planning programme, the Leadership Team has been restructured, leading to some restructuring of teaching staff. The admin and support staff have again been restructured.

- EFA Grants: The school has achieved EFA grants (2014/15) to support building development.

- Quantifying improvements: The outcomes obtained by our pupils in 2015 were exemplary. Nearly every pupil went to a university of their first choice in 2015. Also, we achieved our best ever attendance record. Pupils' educational attainment, behaviour and attendance records over time are available through the DfE website. A link to this can be found from our website in the Statutory Information Section. The financial performance of the Trust can be found on our website Trustee's report to Governors 2014.

  Independent monitoring: Ofsted 2013: The School is providing an "outstanding" quality of education; Ofsted 2014: Alternative provision survey; Ofsted 2015: More Able Pupils national report; RAISEonline Dec 2014; Trustees' financial report prepared by Auditors Randall and Payne 2014; regular review and meetings with School Improvement Partner.

- Financial governance and oversight: Good level of Financial Governance as outlined by Ofsted 2013 and Report to Governors by Randall and Payne 2015.

- Better purchasing: The Trust has achieved the following to "get more for its money".

  Options appraisal: Different options have been considered before making purchases, including an assessment of the costs and benefits of the alternatives over the longer term. Tendering has been used appropriately and effectively (eg tendering for the new MFL build project)

  Economies of scale: The Trust has also taken opportunities to work collaboratively with others to reduce and share services and administration- eg Website & marketing provision across the pyramid.

  Best value": through evaluation of contracts throughout the year by its Business Manager, scrutinised prior to expiry, ready for negotiation or re-tendering the service for the school (and recently the wider community/ feeder schools). Contracts are set to achieve maximum efficiency and best fit for our needs, whether this is annually, bi-annually or longer, with options to extend or terminate at the end. Best value is considered at all times, with all services and suppliers and monitored through our finance office and annual independent audit. This is monitored through weekly Senior Leadership Team meetings, Termly Governors' Finance and General Purposes meeting, Annual Audit by Randall and Payne.

- Fitness for purpose: Services and contracts have been appraised or renegotiated to get the best mix of quality and effectiveness for the least cost.

  Any contracts put out for tender are processed through two independent companies, ensuring full compliance with EU regulations, and best value for money. This may not be considered by the Trust to be the cheapest, but is the most effective for the needs of the school and relevant stakeholders. The Trust always prides itself on choosing the best and most fit for purpose companies to work with. This is monitored through Senior Leadership Team, Finance and General Purposes and Appointments, Staffing and Salaries Committees.

- Benchmarking: The Trust has benchmarked (2014) its costs against similar organisations in relation to its staffing structure which obviously forms the largest part of the budget.

  This is monitored through Senior Leadership Team, Finance and General Purposes and Appointments, Staffing and Salaries Committees.

- Better income generation: Income is now generated through extended school services ie EWO and Technical Support, at a cost deemed fair to stakeholders/feeder schools and organisations to support the Trust's ongoing good relations. This is monitored through Senior Leadership Team, Finance and General Purposes and Appointments, Staffing and Salaries Committees. We also generate an income through lettings of the Sports Hall and Arts Centre facilities.

- Reviewing controls and managing risks: The Trust has organised its internal controls to maximise its use of assets. The Senior Team and Governors receive monthly budget reports. The budget is closely monitored to utilise spare resources and prevent waste.

  The Trust reviews its controls and managing risk through Senior Leadership Meetings, termly Finance and General Purposes and Property and Development Committee meetings. Separate Audit and Planning meetings are held twice a year. The Risk Register is annually reviewed, as are the Critical Incident Plan, school's insurance, handbooks and financial procedures. Bank balances are monitored monthly and when necessary higher interest accounts are used for the accumulation of slightly higher interest rates. The Responsible Officer reports, reviews and gives recommendations on the above.The Trust has implemented a Business Continuity Plan after working with Biscon Planning Ltd during the last academic year.

- Lessons learned: Prince Henry's High School discusses and reviews all aspects of financial spending and risk through Trustee and Committee meetings. Monthly cashflow and Governors' reports are circulated to all members of the Senior Leadership Team and Finance & General Purposes Committee. The School Development Plan is directly linked to the finances of the Trust and is closely monitored for changes within the school and from external factors such as the Fair Funding Formula. Finally, any advice is sought from the Responsible Officer.

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 The Prince Henry's High School Academy Trust for the year 1 September 2014 to 31 August 2015 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 2014 to 31 August 2015 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The Trust has organised its internal controls to maximise its use of assets. The Senior Team and Governors receive monthly budget reports. The budget is closely monitored to utilise spare resources and prevent waste. The Trust reviews its controls and managing risk through Senior Leadership Meetings, termly Finance and General Purposes and Property and Development Committee meetings. Separate Audit and Planning meetings are held twice a year. The Risk Register is annually reviewed, as are the Critical Incident Plan, school's insurance, handbooks and financial procedures. Bank balances are monitored monthly and when necessary higher interest accounts are used for the accumulation of slightly higher interest rates. The Responsible Officer reports, reviews and gives recommendations on the above.

The Trust has implemented a Business Continuity Plan after working with Biscon Planning Ltd during the last academic year.

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 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 Governors have appointed Randall & Payne LLP, the external auditors, to perform additional checks.

The auditors' 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:

On a quarterly basis, 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.
The external auditors have performed the additional checks as requested by the board of governors and reported to the board on each occasion. Where necessary improvements have been made to the systems following these reports.

REVIEW OF EFFECTIVENESS

As accounting officer, the Principal 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 financial management and governance self-assessment process;
- the work of the executive managers within the Academy who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Finance and General Purposes Committee and Audit and Planning 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 10 December 2015 and signed on its behalf, by:

Stephen Butcher
Chair of Trustees

Dr Anthony Evans
Accounting Officer

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of The Prince Henry's High School Academy Trust I have considered my responsibility to notify the Academy board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Academy and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook (2014).

I confirm that I and the Academy board of trustees 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 (2014).

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

Dr Anthony Evans
Accounting Officer

Date: 10 December 2015

GOVERNORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 AUGUST 2015

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

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

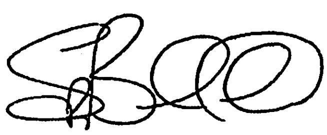
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material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

The Governors are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company and the group's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and the group 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 the group 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 and the group applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from EFA/DfE have been applied for the purposes intended.

The Governors are responsible for the maintenance and integrity of the corporate and financial information included on the charitable group'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 on10 December 2015 and signed on its behalf by:



Stephen Butcher
Chair of Trustees

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE PRINCE HENRY'S HIGH SCHOOL ACADEMY TRUST

We have audited the financial statements of The Prince Henry's High School Academy Trust for the year ended 31 August 2015 which comprise the group Statement of Financial Activities, the group and Academy Balance Sheets, the group Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

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

RESPECTIVE RESPONSIBILITIES OF GOVERNORS AND AUDITORS

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

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

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

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

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable Academy's affairs as at 31 August 2015 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE PRINCE HENRY'S HIGH SCHOOL ACADEMY TRUST

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

Robert Stokes FCCA (Senior Statutory Auditor)

for and on behalf of

Randall & Payne LLP

Chartered Accountants & Statutory Auditors

Chargrove House
Shurdington Road
Cheltenham
Gloucestershire
GL51 4GA
10 December 2015

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO THE PRINCE HENRY'S HIGH SCHOOL ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 29 October 2013 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Prince Henry's High School Academy Trust during the year 1 September 2014 to 31 August 2015 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 The Prince Henry's High School Academy Trust and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The Prince Henry's High School Academy Trust and EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than The Prince Henry's High School Academy Trust and EFA, for our work, for this report, or for the conclusion we have formed.

RESPECTIVE RESPONSIBILITIES OF THE PRINCE HENRY'S HIGH SCHOOL ACADEMY TRUST'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The accounting officer is responsible, under the requirements of The Prince Henry's High School Academy Trust's funding agreement with the Secretary of State for Education dated 1 March 2011, and the Academies Financial Handbook extant from 1 September 2014, 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 2014 to 2015. 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 2014 to 31 August 2015 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 2014 to 2015 issued by EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken during the audit included:

- Consideration and corroboration of the evidence supporting the accounting officers statement on regularity, propriety and compliance;

- Evaluation of the general control environment of the academy trust, extending the procedures required for financial statements to include regularity;

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO THE PRINCE HENRY'S HIGH SCHOOL ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY (continued)

- Discussions with and representations from the Accounting Officer and other Key management personnel;
- An extension of substantive testing from our audit of the financial statements to cover matters pertaining to regularity, propriety and compliance in particular checking that selected items were appropriately authorised, and appropriate.

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 2014 to 31 August 2015 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Randall - Payne LLP

Randall & Payne LLP

Chartered Accountants & Statutory Auditors

Chargrove House
Shurdington Road
Cheltenham
Gloucestershire
GL51 4GA

10 December 2015

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating Income and Expenditure Account and Statement of Total Recognised Gains and Losses)
FOR THE YEAR ENDED 31 AUGUST 2015

	Note	Unrestricted funds 2015 £000	Restricted funds 2015 £000	Restricted fixed asset funds 2015 £000	Total funds 2015 £000	*Total funds 2014 £000*
INCOMING RESOURCES						
Incoming resources from generated funds:						
Voluntary income	2	-	69	-	69	*43*
Activities for generating funds	3,4	128	153	-	281	*303*
Investment income	5	8	-	-	8	*8*
Incoming resources from charitable activities	6	-	6,269	52	6,321	*8,386*
TOTAL INCOMING RESOURCES		136	6,491	52	6,679	*8,740*
RESOURCES EXPENDED						
Costs of generating funds:						
Fundraising expenses and other costs	4	63	-	-	63	*69*
Charitable activities		61	6,689	247	6,997	*6,816*
Governance costs	8	-	20	-	20	*16*
TOTAL RESOURCES EXPENDED	11	124	6,709	247	7,080	*6,901*
NET INCOMING / (OUTGOING) RESOURCES BEFORE TRANSFERS		12	(218)	(195)	(401)	*1,839*

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (continued) FOR THE YEAR ENDED 31 AUGUST 2015

	Note	Unrestricted funds 2015 £000	Restricted funds 2015 £000	Restricted fixed asset funds 2015 £000	Total funds 2015 £000	*Total funds 2014 £000*
Transfers between Funds	21	(100)	(39)	139	-	-
NET INCOME / (EXPENDITURE) FOR THE YEAR		(88)	(257)	(56)	(401)	*1,839*
Actuarial gains and losses on defined benefit pension schemes		-	(98)	-	(98)	*(200)*
NET MOVEMENT IN FUNDS FOR THE YEAR		(88)	(355)	(56)	(499)	*1,639*
Total funds at 1 September 2014		*559*	*(952)*	*17,830*	*17,437*	*15,798*
TOTAL FUNDS AT 31 AUGUST 2015		471	(1,307)	17,774	16,938	*17,437*

All activities relate to continuing operations.

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 31 to 53 form part of these financial statements.

CONSOLIDATED BALANCE SHEET
AS AT 31 AUGUST 2015

	Note	£000	2015 £000	*£000*	*2014 £000*
FIXED ASSETS					
Tangible assets	18		17,026		*16,174*
CURRENT ASSETS					
Debtors	19	523		*1,927*	
Cash at bank and in hand		2,346		*1,260*	
		2,869		*3,187*	
CREDITORS: amounts falling due within one year	20	(1,404)		*(500)*	
NET CURRENT ASSETS			1,465		*2,687*
TOTAL ASSETS LESS CURRENT LIABILITIES			18,491		*18,861*
Defined benefit pension scheme liability	27		(1,553)		*(1,424)*
NET ASSETS INCLUDING PENSION SCHEME LIABILITY			16,938		*17,437*
FUNDS OF THE ACADEMY					
Restricted funds:					
Restricted funds	21	246		*472*	
Restricted fixed asset funds	21	17,774		*17,830*	
Restricted funds excluding pension liability		18,020		*18,302*	
Pension reserve		(1,553)		*(1,424)*	
Total restricted funds			16,467		*16,878*
Unrestricted funds	21		471		*559*
SHAREHOLDERS' AND CHARITY'S FUNDS			16,938		*17,437*

The financial statements were approved by the Trustees, and authorised for issue, on 10 December 2015 and are signed on their behalf, by:

Stephen Butcher
Chair of Trustees

Dr Anthony Evans
Accounting Officer

The notes on pages 31 to 53 form part of these financial statements.

ACADEMY BALANCE SHEET
AS AT 31 AUGUST 2015

	Note	£000	2015 £000	£000	2014 £000
FIXED ASSETS					
Tangible assets	18		17,026		16,174
CURRENT ASSETS					
Debtors	19	649		2,037	
Cash at bank and in hand		2,180		1,142	
		2,829		3,179	
CREDITORS: amounts falling due within one year	20	(1,372)		(491)	
NET CURRENT ASSETS			1,457		2,688
TOTAL ASSETS LESS CURRENT LIABILITIES			18,483		18,862
Defined benefit pension scheme liability	27		(1,553)		(1,424)
NET ASSETS INCLUDING PENSION SCHEME LIABILITY			16,930		17,438
FUNDS OF THE ACADEMY					
Restricted funds:					
Restricted funds	21	246		456	
Restricted fixed asset funds	21	17,774		17,847	
Restricted funds excluding pension asset		18,020		18,303	
Pension reserve		(1,553)		(1,424)	
Total restricted funds			16,467		16,879
Unrestricted funds	21		463		559
TOTAL FUNDS			16,930		17,438

The financial statements were approved by the Governors, and authorised for issue, on 10 December 2015 and are signed on their behalf, by:

Stephen Butcher
Chair of Trustees

Dr Anthony Evans
Accounting Officer

The notes on pages 31 to 53 form part of these financial statements.

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2015

	Note	2015 £000	*2014* *£000*
Net cash flow from operating activities	23	2,124	*(1,631)*
Returns on investments and servicing of finance	24	8	*8*
Capital expenditure and financial investment	24	(1,046)	*1,524*
INCREASE/(DECREASE) IN CASH IN THE YEAR		1,086	*(99)*

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS
FOR THE YEAR ENDED 31 AUGUST 2015

	2015 £000	*2014* *£000*
Increase/(Decrease) in cash in the year	1,086	*(99)*
MOVEMENT IN NET FUNDS IN THE YEAR	1,086	*(99)*
Net funds at 1 September 2014	1,260	*1,359*
NET FUNDS AT 31 AUGUST 2015	2,346	*1,260*

The notes on pages 31 to 53 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, the Academies Accounts Direction 2014 to 2015 issued by EFA, applicable accounting standards and the Companies Act 2006.

The Statement of Financial Activities (SOFA) and Balance Sheet consolidate the financial statements of the Academy and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

No separate SOFA has been presented for the Academy alone as permitted by section 408 of the Companies Act 2006 and paragraph 397 of the SORP.

1.2 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 and include grants from the Department for Education.

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

1.3 Incoming resources

All incoming resources are included in the Statement of Financial Activities when the Academy has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

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 year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund.

Capital grants are recognised when receivable 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.

Sponsorship income provided to the Academy which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable, where there is certainty of receipt and it is measurable.

1. ACCOUNTING POLICIES (continued)

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

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

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

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 Resources expended

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

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

Charitable activities are costs incurred in the Academy's educational operations.

Governance costs include the costs attributable to the Academy's compliance with constitutional and statutory requirements, including audit, strategic management and Governors' meetings and reimbursed expenses.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

All resources expended are inclusive of irrecoverable VAT.

1.5 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 one year from the date of approval of the financial statements. The academy has a funding agreement in place with the Secretary of State for Education which is for 7 years, with a 7 year notice period.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

1. ACCOUNTING POLICIES (continued)

1.6 Basis of consolidation

The financial statements consolidate the accounts of The Prince Henry's High School Academy Trust and all of its subsidiary undertakings ('subsidiaries').

The Academy has taken advantage of the exemption contained within 408 of the Companies Act 2006 not to present its own Income and Expenditure Account.

The income and expenditure account for the year dealt with in the accounts of the Academy was £206,000 *(2014 - £95,000)*.

1.7 Tangible fixed assets and depreciation

All assets costing more than £500 are capitalised.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and are carried forward in the Balance Sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy's depreciation policy.

The policy with respect to impairment reviews of fixed assets 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.

Tangible fixed assets are stated at cost less depreciation. Depreciation is not charged on freehold land. Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost of those assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	120 Years Straight Line (Buildings) & 10 Years Straight Line (Temporary Structures)
Plant and machinery	-	7 Years Straight Line
Fixtures and fittings	-	5 Years Straight Line
Computer equipment	-	4 Years Straight Line

1.8 Operating leases

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

1. ACCOUNTING POLICIES (continued)

1.9 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.

1.10 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 and the assets are held separately from those of the Academy.

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 quinquennial valuations using a prospective benefit method. As stated in note 27, the TPS is a multi-employer scheme and the Academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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 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 gains and losses on the settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

2. VOLUNTARY INCOME

	Unrestricted funds 2015 £000	Restricted funds 2015 £000	Total funds 2015 £000	*Total funds 2014 £000*
Donations	-	69	69	*43*

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

3. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds 2015 £000	Restricted funds 2015 £000	Total funds 2015 £000	*Total funds 2014 £000*
Music tuition	52	-	52	*46*
Sports Co-ordinator and other staff recharges	-	62	62	*112*
Examination fees	-	11	11	*11*
Insurance income	-	-	-	*31*
Other	-	57	57	*15*
Education Welfare Officer	-	23	23	*-*
	52	153	205	*215*

4. TRADING ACTIVITIES

	Unrestricted funds 2015 £000	Restricted funds 2015 £000	Total funds 2015 £000	*Total funds 2014 £000*
Charity trading income				
Charity trading income	76	-	76	*88*
Fundraising trading expenses				
Music Fees	37	-	37	*53*
Trading company costs	26	-	26	*16*
	63	-	63	*69*
Net income from trading activities	13	-	13	*19*

5. INVESTMENT INCOME

	Unrestricted funds 2015 £000	Restricted funds 2015 £000	Total funds 2015 £000	*Total funds 2014 £000*
Investment income	8	-	8	*8*

6. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2015 £000	Restricted funds 2015 £000	Total funds 2015 £000	*Total funds 2014 £000*
Educational Operations Direct	-	6,321	6,321	*8,386*

FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2015 £000	Restricted funds 2015 £000	Total funds 2015 £000	*Total funds 2014 £000*
DfE/EFA revenue grants				
General Annual Grant	-	5,971	5,971	*6,308*
Other DfE/EFA Grants	-	267	267	*142*
Local Authority Grants	-	19	19	*29*
Special Educational Project	-	-	-	*7*
Devolved Formula Capital Grants	-	52	52	*-*
ACMF Grants	-	-	-	*1,900*
Teaching School Income	-	12	12	*-*
	-	6,321	6,321	*8,386*

7. EXPENDITURE BY CHARITABLE ACTIVITY

SUMMARY BY FUND TYPE

	Unrestricted funds 2015 £000	Restricted funds 2015 £000	Total funds 2015 £000	*Total funds 2014 £000*
Educational Operations Direct	61	6,936	6,997	*6,816*

SUMMARY BY EXPENDITURE TYPE

	Staff costs 2015 £000	Depreciation 2015 £000	Other costs 2015 £000	Total 2015 £000	*Total 2014 £000*
Educational Operations Direct	5,238	247	1,512	6,997	*6,816*

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

8. GOVERNANCE COSTS

	Unrestricted funds 2015 £000	Restricted funds 2015 £000	Total funds 2015 £000	*Total funds 2014 £000*
Governance Auditors' remuneration	-	7	7	*7*
Governance Auditors' non audit costs	-	13	13	*8*
Legal and Professional Fees	-	-	-	*1*
	-	20	20	*16*

9. DIRECT COSTS

	Educational Operations Direct £000	Total 2015 £000	*Total 2014 £000*
Administration expenses	38	38	*-*
Educational supplies	225	225	*254*
Examination Fees	181	181	*179*
Staff Development	25	25	*13*
Other Direct Costs	46	46	*47*
Wages and salaries	3,750	3,750	*3,735*
National insurance	283	283	*280*
Pension cost	516	516	*519*
Depreciation	247	247	*190*
	5,311	5,311	*5,217*

10. SUPPORT COSTS

	Educational Operations Direct £000	Total 2015 £000	*Total 2014 £000*
Pension net cost	42	42	*44*
Maintenance of premises and equipment	300	300	*284*
Recruitment and Support	13	13	*15*
Cleaning	129	129	*128*
Rates and Rent	50	50	*49*
Insurance	43	43	*63*
Security and Transport	35	35	*58*
Other Support Costs	111	111	*109*
Technology costs	134	134	*105*
Energy costs	112	112	*110*
Catering	18	18	*26*
Legal and Professional Fees	10	10	*-*
Wages and salaries	539	539	*498*
National insurance	27	27	*30*
Pension cost	123	123	*81*
	1,686	1,686	*1,600*

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

11. RESOURCES EXPENDED

	Staff costs	Non Pay Expenditure		Total	*Total*
		Premises	Other costs		
	2015	2015	2015	2015	*2014*
	£000	£000	£000	£000	*£000*
Fundraising expenses	-	-	63	63	*69*
Costs of generating funds	-	-	63	63	*69*
Educational Operations Direct	4,549	-	762	5,311	*5,216*
Support costs - Educational Operations Direct	689	633	364	1,686	*1,556*
Charitable activities	5,238	633	1,126	6,997	*6,772*
Governance	-	-	20	20	*16*
	5,238	633	1,209	7,080	*6,857*

Included within resources expended are the following transactions. Individual transactions exceeding £5,000 are identified separately:

	Total £	Individual items above £5,000	
		Amount £	Reason
Ex-gratia/compensation payment 1	28,000	28,000	Compromise agreement
Ex-gratia/compensation payment 2	26,982	26,982	Compromise agreement

12. ANALYSIS OF RESOURCES EXPENDED BY ACTIVITIES

	Activities undertaken directly 2015 £000	Support costs 2015 £000	Total 2015 £000	*Total 2014 £000*
Educational Operations Direct	5,311	1,686	6,997	*5,753*
Educational Operations Allocated	-	-	-	*988*
Total	5,311	1,686	6,997	*6,741*

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

13. NET INCOMING / (OUTGOING) RESOURCES

This is stated after charging:

	2015 £000	*2014 £000*
Depreciation of tangible fixed assets:		
- owned by the charitable group	246	*190*
Auditors' remuneration	7	*7*
Operating lease rentals:		
- other operating leases	26	*13*
Auditor - other services	13	*6*

14. STAFF

a. Staff costs

Staff costs were as follows:

	2015 £000	*2014 £000*
Wages and salaries	4,233	*4,233*
Social security costs	310	*310*
Other pension costs (Note 27)	639	*601*
	5,182	*5,144*
Compensation payments	55	-
	5,237	*5,144*

b. Staff severance payments

Included in staff costs are non-statutory/ compensation payments totalling £54,982 (2014: £nil). Both of the non-statutory payments exceeded £5,000 individually and these were £28,000 and £26,982 (2014: £nil).

c. Staff numbers

The average number of persons employed by the Academy during the year expressed as full time equivalents was as follows:

	2015 No.	*2014 No.*
Teachers	81	*82*
Administration and support	38	*43*
Management	6	*5*
	125	*130*

14. STAFF (continued)

d. Higher paid staff

The number of employees whose emoluments fell within the following bands was:

	2015	*2014*
In the band £60,001 - £70,000	2	*0*
In the band £70,001 - £80,000	0	*2*
In the band £80,001 - £90,000	1	*0*
In the band £90,001 - £100,000	0	*1*
In the band £100,001 - £110,000	1	*0*

All of the above employees participated in the Teachers Pension Scheme. During the year ended 31 August 2015, pension contributions for these staff amounted to £39,706 (2014: £30,789). The above bandings include the individuals total gross salary and employer's pension contributions.

15. GOVERNORS' REMUNERATION AND EXPENSES

During the year retirement benefits were accruing to 3 Governors *(2014 - 3)* in respect of defined benefit pension schemes.

One or more Governors has been paid remuneration or has received other benefits from an employment with the academy trust. The Principal 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:

	2015 £000	*2014* *£000*
Dr Anthony Evans - Headteacher (Salary)	95-100	*80-85*
Dr Anthony Evans - Headteacher (Pension)	10-15	*10-15*
Sophie Thorner - Staff Governor (Salary)	40-45	*35-40*
Sophie Thorner - Staff Governor (Pension)	5-10	*5-10*
Linda Walker - Staff Governor (Salary)	40-45	*35.40*
Linda Walker - Staff Governor (Pension)	5-10	*5-10*

During the year, no Governors received any reimbursement of expenses (2014 - £NIL).

16. GOVERNORS' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2015 was £2,310 *(2014 - £2,310)*. The cost of this insurance is included in the total insurance cost.

17. OTHER FINANCE INCOME

	2015 £000	*2014 £000*
Expected return on pension scheme assets	44	*34*
Interest on pension scheme liabilities	(86)	*(77)*
	(42)	*(43)*

18. TANGIBLE FIXED ASSETS

Group	Freehold property £000	Fixtures and fittings £000	Plant & machinery £000	Computer equipment £000	Assets under constructio n £000	Total £000
Cost						
At 1 September 2014	16,157	89	122	204	231	16,803
Additions	44	6	27	15	1,006	1,098
Transfer between classes	300	29	-	-	(329)	-
At 31 August 2015	16,501	124	149	219	908	17,901
Depreciation						
At 1 September 2014	456	42	7	124	-	629
Charge for the year	149	24	21	52	-	246
At 31 August 2015	605	66	28	176	-	875
Net book value						
At 31 August 2015	15,896	58	121	43	908	17,026
At 31 August 2014	*15,701*	*47*	*115*	*80*	*231*	*16,174*

Included in land and buildings is freehold land at valuation of £2,480,000 (*2014 - £2,840,000*), (cost £Nil (*2014 - £Nil*) which is not depreciated.

Academy	Freehold property £000	Fixtures and fittings £000	Plant & machinery £000	Computer equipment £000	Other fixed assets £000
Cost					
At 1 September 2014	16,157	89	122	204	231
Additions	44	6	27	15	1,006
Transfer between classes	300	29	-	-	(329)
At 31 August 2015	16,501	124	149	219	908
Depreciation					
At 1 September 2014	456	42	7	124	-

18. TANGIBLE FIXED ASSETS (continued)

Charge for the year	149	24	21	52	-
At 31 August 2015	605	66	28	176	-
Net book value					
At 31 August 2015	15,896	58	121	43	908
At 31 August 2014	*15,701*	*47*	*115*	*80*	*231*

	Total £000
Academy	
Cost	
At 1 September 2014	16,803
Additions	1,098
Transfer between classes	-
At 31 August 2015	17,901
Depreciation	
At 1 September 2014	629
Charge for the year	246
At 31 August 2015	875
Net book value	
At 31 August 2015	17,026
At 31 August 2014	*16,174*

19. DEBTORS

	Group		Academy	
	2015 £000	*2014 £000*	2015 £000	*2014 £000*
Trade debtors	19	*21*	14	*16*
Amounts owed by group undertakings	-	-	133	*115*
Other debtors	79	*95*	77	*95*
Prepayments and accrued income	425	*1,811*	425	*1,811*
	523	*1,927*	649	*2,037*

20. CREDITORS:
Amounts falling due within one year

	Group		Academy	
	2015	*2014*	**2015**	*2014*
	£000	*£000*	**£000**	*£000*
Trade creditors	334	*161*	320	*158*
Other taxation and social security (see below)	89	*89*	89	*88*
Other creditors	82	*80*	81	*80*
Accruals and deferred income	899	*170*	882	*165*
	1,404	*500*	1,372	*491*

Other taxation and social security

	Group		Academy	
	2015	*2014*	**2015**	*2014*
	£000	*£000*	**£000**	*£000*
PAYE/NI control	89	*88*	89	*88*
VAT control	-	*1*	-	-
	89	*89*	89	*88*

	Group	Academy
	£000	**£000**
Deferred income		
Deferred income at 1 September 2014	17	17
Resources deferred during the year	639	639
Amounts released from previous years	(17)	(17)
Deferred income at 31 August 2015	639	639

Deferred income related to the Teaching School Grant, Multi-Academy Trust funding and charitable trading activities paid in advance.

21. STATEMENT OF FUNDS

	Brought Forward £000	Incoming resources £000	Resources Expended £000	Transfers in/out £000	Gains/ (Losses) £000	Carried Forward £000
Unrestricted funds						
General Funds - all funds	559	136	(124)	(100)	-	471

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

21. STATEMENT OF FUNDS (continued)

Restricted funds						
General Annual Grant (GAG)	472	5,957	(6,157)	(39)	-	233
Other DfE/EFA Grants	-	204	(204)	-	-	-
Donations	-	70	(70)	-	-	-
LA grants	-	19	(19)	-	-	-
Other	-	153	(153)	-	-	-
Teaching School	-	88	(75)	-	-	13
Pension reserve	(1,424)	-	(31)	-	(98)	(1,553)
	(952)	6,491	(6,709)	(39)	(98)	(1,307)
Restricted fixed asset funds						
Fixed asset fund	16,172	-	(247)	1,101	-	17,026
ACMF grant - Language block	1,658	-	-	(1,010)	-	648
Devolved Formula Capital (DFC)	-	52	-	(52)	-	-
Science Block Contribution	-	-	-	100	-	100
	17,830	52	(247)	139	-	17,774
Total restricted funds	16,878	6,543	(6,956)	100	(98)	16,467
Total of funds	17,437	6,679	(7,080)	-	(98)	16,938

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

The restricted general fund includes grants receivable from the DfE/EFA, Local Authority and other government grants to be used for the primary activity of the charitable company.
The restricted fixed asset fund relates to the grants received and assets transferred in and are held for the charitable company's primary activity.

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 2015.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

SUMMARY OF FUNDS

	Brought Forward £000	Incoming resources £000	Resources Expended £000	Transfers in/out £000	Gains/ (Losses) £000	Carried Forward £000
General funds	559	136	(124)	(100)	-	471
Restricted funds	(952)	6,491	(6,709)	(39)	(98)	(1,307)
Restricted fixed asset funds	17,830	52	(247)	139	-	17,774
	17,437	6,679	(7,080)	-	(98)	16,938

22. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2015 £000	Restricted funds 2015 £000	Restricted fixed asset funds 2015 £000	Total funds 2015 £000	*Total funds 2014 £000*
Tangible fixed assets	-	-	17,026	17,026	*16,173*
Current assets	471	1,646	748	2,865	*3,185*
Creditors due within one year	-	(1,400)	-	(1,400)	*(497)*
Provisions for liabilities and charges	-	(1,553)	-	(1,553)	*(1,424)*
	471	(1,307)	17,774	16,938	*17,437*

23. NET CASH FLOW FROM OPERATING ACTIVITIES

	2015 £000	*2014 £000*
Net incoming resources before revaluations	(401)	*1,839*
Returns on investments and servicing of finance	(8)	*(8)*
Depreciation of tangible fixed assets	246	*192*
Capital grants from DfE	(52)	*(1,900)*
Decrease/(increase) in debtors	1,404	*(1,736)*
Increase/(decrease) in creditors	904	*(43)*
FRS 17 adjustments	31	*25*
Net cash inflow/(outflow) from operations	2,124	*(1,631)*

24. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2015 £000	*2014 £000*
Returns on investments and servicing of finance		
Interest received	8	*8*

	2015 £000	*2014 £000*
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(1,098)	*(383)*
Sale of tangible fixed assets	-	*7*
Capital grants from DfE	52	*1,900*
Net cash (outflow)/inflow capital expenditure	(1,046)	*1,524*

25. ANALYSIS OF CHANGES IN NET FUNDS

	1 September 2014 £000	Cash flow £000	Other non-cash changes £000	31 August 2015 £000
Cash at bank and in hand:	1,260	1,086	-	2,346
Net funds	1,260	1,086	-	2,346

26. CAPITAL COMMITMENTS

At 31 August 2015 the group and Academy had capital commitments as follows:

	Group		Academy	
	2015 £000	*2014 £000*	2015 £000	*2014 £000*
Contracted for but not provided in these financial statements	-	*12*	-	*12*

27. PENSION COMMITMENTS

The group'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 Worcestershire County Council. Both are defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2004 and of the LGPS 31 March 2010.

Contributions amounting to £77,646 were payable to the scheme at 31 August 2015 (2014 - 82,410) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%);
- total scheme liabilities (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 year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4% from September 2015, which will be payable during the implementation period until the next valuation as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

27. PENSION COMMITMENTS (continued)

The pension costs paid to TPS in the period amounted to £464,000 (2014: £463,000).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The group has accounted for its contributions to the scheme as if it were a defined contribution scheme. The group 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 2015 was £215,000, of which employer's contributions totalled £172,000 and employees' contributions totalled £43,000. The agreed contribution rates for future years are 21.2% for employers and 6% 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.

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

	Expected return at 31 August 2015 %	Fair value at 31 August 2015 £000	*Expected return at 31 August 2014 %*	*Fair value at 31 August 2014 £000*
Equities	6.50	739	*7.00*	*572*
Bonds	3.60	51	*3.80*	*40*
Property	6.10	-	*6.20*	*-*
Cash	0.50	8	*0.50*	*7*
Other	6.50	29	*7.00*	*-*
Government Bonds	2.50	1	*2.90*	*-*
Total market value of assets		828		*619*
Present value of scheme liabilities		(2,381)		*(2,043)*
Deficit in the scheme		(1,553)		*(1,424)*

The amounts recognised in the Balance Sheet are as follows:

	2015 £000	*2014 £000*
Present value of funded obligations	(2,381)	*(2,043)*
Fair value of scheme assets	828	*619*
Net liability	(1,553)	*(1,424)*

27. PENSION COMMITMENTS (continued)

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

	2015 £000	*2014 £000*
Current service cost	(161)	*(138)*
Interest on obligation	(86)	*(77)*
Expected return on scheme assets	44	*34*
Total	(203)	*(181)*
Actual return on scheme assets	(3)	*50*

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

	2015 £000	*2014 £000*
Opening defined benefit obligation	2,043	*1,682*
Current service cost	161	*138*
Interest cost	86	*77*
Contributions by scheme participants	43	*40*
Actuarial Losses	51	*179*
Benefits paid	(3)	*(73)*
Closing defined benefit obligation	2,381	*2,043*

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

	2015 £000	*2014 £000*
Opening fair value of scheme assets	619	*483*
Expected return on assets	44	*34*
Actuarial gains and (losses)	(47)	*(21)*
Contributions by employer	172	*156*
Contributions by employees	43	*40*
Benefits paid	(3)	*(73)*
	828	*619*

The cumulative amount of actuarial gains and losses recognised in the Statement of Total Recognised Gains and Losses was £421,000 loss *(2014 - £323,000 loss).*

The group expects to contribute £180,000 to its Defined Benefit Pension Scheme in 2016.

27. PENSION COMMITMENTS (continued)

Principal actuarial assumptions at the Balance Sheet date (expressed as weighted averages):

	2015	*2014*
Discount rate for scheme liabilities	4.00 %	*4.00 %*
Rate of increase in salaries	3.80 %	*3.70 %*
Rate of increase for pensions in payment / inflation	2.30 %	*2.20 %*
Inflation assumption (CPI)	2.30 %	*2.20 %*
Commutation of pensions to lump sums	50.00 %	*50.00 %*

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

	2015	*2014*
Retiring today		
Males	23.4	*23.3*
Females	25.8	*25.7*
Retiring in 20 years		
Males	25.6	*25.5*
Females	28.1	*28.0*

Amounts for the current and previous three periods are as follows:

Defined benefit pension schemes

	2015 £000	*2014* *£000*	*2013* *£000*	*2012* *£000*
Defined benefit obligation	(2,381)	*(2,043)*	*(1,453)*	*(1,123)*
Scheme assets	828	*619*	*250*	*94*
Deficit	(1,553)	*(1,424)*	*(1,203)*	*(1,029)*
Experience adjustments on scheme liabilities	(51)	*(179)*	*(151)*	*-*
Experience adjustments on scheme assets	(47)	*(21)*	*(1)*	*(6)*

28. OPERATING LEASE COMMITMENTS

At 31 August 2015 the group had annual commitments under non-cancellable operating leases as follows:

	Land and buildings			Other
	2015	*2014*	2015	*2014*
Group	£000	*£000*	£000	*£000*
Expiry date:				
Within 1 year	-	-	1	*3*
Between 2 and 5 years	-	-	12	-

At 31 August 2015 the Academy had annual commitments under non-cancellable operating leases as follows:

	Land and buildings			Other
	2015	*2014*	2015	*2014*
Academy	£000	*£000*	£000	*£000*
Expiry date:				
Within 1 year	-	-	1	*3*
Between 2 and 5 years	-	-	12	-

29. RELATED PARTY TRANSACTIONS

Owing to the nature of the Academy's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which a governors has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy's financial regulations and normal procurement procedures.

The following transactions took place in the period of account:

St Egwin's C of E Middle School - in which Rev E Pillar a trustee is also a school governor.
Staff services for IT and EWO were invoiced for £17,544 and other transactions £3,473 totalling £21,017. Staffing costs were also invoiced totalling £3,000. There were no amounts outstanding at 31 August 2015. The services were invoiced at the normal commercial rate.

Westacre Middle School - in which the wife of trustee Dr A Evans is a governor.
Staff services for IT and EWO were invoiced for £3,400 and other transactions £1,325 totalling £4,725. There were no amounts outstanding at 31 August 2015. The services were invoiced at the normal commercial rate.

Bredon Hill School - in which Ginny Getting, a trustee is also a school governor.
Staff services for EWO were invoiced for £6,552. There were no amounts outstanding at 31 August 2015. The services were invoiced at the normal commercial rate.

Cropthorne with Charlton First School - in which Ginny Getting, a trustee is also a school governor.
Staff costs were invoiced for £3,000. There were no amounts outstanding at 31 August 2015. The services were invoiced at the normal commercial rate.

30. PRINCIPAL SUBSIDIARIES

Company name	Country	Percentage Shareholding	Description
PHHS Trading Company Limited	UK	100	Trading subsidiary