

Registered number: 07512962

PRINCE HENRY'S HIGH SCHOOL

An "Outstanding" Academy for Students aged 13-18



THE PRINCE HENRY'S HIGH SCHOOL ACADEMY TRUST

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2014

THE PRINCE HENRY'S HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

CONTENTS

	Page
Reference and Administrative Details of the Academy, its Trustees and Advisers	1 - 2
Trustees' Report	3 - 11
Governance Statement	12 - 15
Statement on Regularity, Propriety and Compliance	16
Trustees' Responsibilities Statement	17
Independent Auditors' Report	18 - 19
Independent Reporting Accountant's Assurance Report on Regularity	20 - 21
Consolidated Statement of Financial Activities	22 - 23
Consolidated Balance Sheet	24
Academy Balance Sheet	25
Consolidated Cash Flow Statement	26
Notes to the Financial Statements	27 - 48

THE PRINCE HENRY'S HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2014

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}
Jill Dyson-Orme, Community Governor (resigned 3 June 2014)^{1,3}
Paul Jones, Parent Governor (resigned 6 September 2014)^{1,3}
Caroline Jordan, Parent Governor (resigned 17 March 2014)^{1,4}
Edward Pillar, Community Governor^{1,4}
Maureen Spinks, Parent Governor^{1,4}
Sophie Thorne, Staff Governor^{1,2}
Neil Townshend, LA Governor^{1,4}
Linda Walker, Staff Governor^{1,3}
Diana Stubbs, Parent Governor^{1,2}
Sarah Giles, Parent Governor (resigned 10 September 2014)^{1,3}

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 Sue Jennings

Head Teacher

Dr Anthony Evans

Senior management team

Dr Anthony Evans, Headteacher
Zoe Smith, Business Manager
Valerie Butler, Deputy Headteacher
Alan Roberts, Deputy Headteacher
Karen Holyoak, Assistant Headteacher
Antonia Lungley, Assistant Headteacher
Helen Wood, Assistant Headteacher

THE PRINCE HENRY'S HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2014

Administrative details (continued)

Independent auditors

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

Bankers

The Royal Bank of Scotland Plc, 747 Attercliffe Road, Sheffield, South Yorkshire, S9 3RF

Solicitors

Browne Jacobson, 44 Castle Gate, Nottingham, Nottinghamshire, NG1 7BJ

Trustees and members

Keith Watson, Michael Amies, Stephen Butcher, Stephen Cook, John Painter

THE PRINCE HENRY'S HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2014

The trustees present their annual report together with the audited financial statements of the academy trust (academy) for the period from 1 September 2013 to 31 August 2014. 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 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 1244 in the school census on 3rd October 2013.

Structure, governance and management

a. CONSTITUTION

The Academy is a charitable company limited by guarantee and was set up by a Memorandum of Association dated 1 February 2011. The Charitable Company is known as The Prince Henry's High School Academy. 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.

c. METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF TRUSTEES

Seven of the 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.

One Governor is nominated by Worcestershire County Council.

Nine Governors are nominated by the members as either Partnership or Community 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 TRUSTEES

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.

THE PRINCE HENRY'S HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

e. ORGANISATIONAL STRUCTURE

The Governing Body is responsible for managing the Academy on behalf of the Academy 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 school
- Manage the Academy 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 and Pastoral

Other Committees which meet as required are:

- Audit and Planning Committee
- Strategic Consultation Group
- Governor Appointments Committee
- Salaries & Appointments Committee
- Staff Committee
- Governors 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 Academies System and Control procedures, its Risk Management structures and Internal Control Framework and are subject to regular scrutiny and audit.

THE PRINCE HENRY'S HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

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 Trustees 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 2014 achievements were exceptionally positive. The school was visited by HMI in relation to our Teaching School application, and Teaching School Status was awarded in May 2014. A survey visit by Ofsted, looking into alternative off-site curriculum provision took place in June 2014 and a very positive report was received. The aims now are:-

- To ensure that the foundations of the Academy Status are embedded. They are, and we are currently exploring Multi Academy Trust status with other schools within the Prince Henry's pyramid
- To further enhance the quality of teaching and learning, and the curriculum. This is now ongoing and being delivered through our Teaching School Status, which was obtained in May 2014.
- To enhance the school buildings through capital bid projects via the EFA. In April 2014, the school was awarded an EFA Capital Fund to rebuild our modern languages block.
- To further improve the quality and sustainability of the staff through appropriate or targeted professional development. Staff recruitment remains strong in all subject areas. We have readjusted staffing in relation to financial constraints as a result of the Fair Funding Formula.
- To improve the outcomes obtained by our students. 2014 saw outstanding outcomes at GCSE, AS and A2 Levels.

THE PRINCE HENRY'S HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

- To develop an alternative curriculum for a small percentage of students who find it difficult to access mainstream education. An Ofsted survey visit in June 2014 supported the impact of our work in this area.
- To improve ICT provision across the school. We received funding from the Wolfson Foundation to refurbish our IT block.
- To promote and market the school so that the successes of the school are celebrated appropriately. The school website is well embedded and fully reflects the range of activities undertaken across the school.

The Academy has also been determined to do everything possible to improve access for disabled persons. It has been actively engaged with the local Arts Association and improved the disabled toilet facility in the public use Arts Centre situated on the school site. In addition, site enabling works with proper disabled access were installed last summer in preparation for the new building.

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.

Page 6

THE PRINCE HENRY'S HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

GCSE	PHHS Result 2014	PHHS Result 2013	National Statistics 2014
5 A*-C	78%	87.2%	63%
5 A*-C inc En/Ma	69%	70.1%	53%
EBacc	39%	33.9%	-
5 A*/A	24%	25%	-
3 A*/A	36%	33%	-
2 GCSE Science	68% GCSE only	73.0% (61% GCSE only)	-
A*-C English	77%	72%	62%
A*-C Maths	79%	81%	62%
Overall Pass Rate	97%	99.7%	93%
% A*-A grades	31%	28%	21%
% A*-B grades	57%	51.4%	43%
% A*-C grades	80%	77.2%	69%
AS Level (total students: 186)	PHHS Result 2014	PHHS Result 2013	National Statistics 2014
% A	16%	15.6%	20%
% A-B	37%	36.4%	40%
% A-C	61%	63.0%	61%
Nº students 3 or more A grade	20	18	n/a
Nº students 3 or more B grade	57	53	n/a
A2 Level (total students: 144)	PHHS Result 2014	PHHS Result 2013	National Statistics 2014
% A*-A grades	22%	29%	26%
% A*-B grades	50%	57%	52%
% A*-C grades	83%	82%	77%
Nº students 3+ A grades:	12	22	-
Nº students 3+ B grades:	43	56	-
Nº students Oxbridge	1	2 (both Cambridge)	-
Nº students Russell Group	41	37	-
Nº students in placements	140/152	109 out of 144 students	-

c. PUBLIC BENEFIT

In 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 school year 2012-13, 1,261 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).

THE PRINCE HENRY'S HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

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.

b. KEY PERFORMANCE INDICATORS

The Academy uses the attainment of 5 A*-C GCSE grades inclusive of English and Maths as the main KPI for the delivery of its primary objective, 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 and Pastoral 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 2013 to 31st August 2014. The majority of the Academy's 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 2014 and the associated expenditure are shown as restricted funds in the statement of financial activities.

THE PRINCE HENRY'S HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

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 Business Manager together with the Finance Office 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 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' recently published in September 2013.

Risk Management

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
- Volatility of LGPS pension contributions

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 Committee reports the Risk Register to the full Governing Body, giving its views.

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

THE PRINCE HENRY'S HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

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 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 and support the establishment of a free school in Worcestershire.
- To establish Prince Henry's as a Teaching School, as detailed in the Teaching School 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 further refine processes for measuring student achievement and attainment, particularly for those students in receipt of the "pupil premium".
- To ensure the smooth transition to the new SEND Code of Practice and restructuring of the Learning Support department.
- To further strengthen our links with feeder schools so that pupil progress is maximised through the establishment of a Multi Academy Trust.
- To examine curriculum provision in light of new curriculum changes

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 governors, as the company directors, on 10 December 2014 and signed on the board's behalf by:



.....
Stephen Butcher
Chair of Trustees



.....
Dr Anthony Evans
Accounting Officer

THE PRINCE HENRY'S HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As governors, 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 governors 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 governors any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Trustees' Report and in the Trustees' Responsibilities Statement. The board of governors has formally met 4 times during the year. Attendance during the year at meetings of the board of governors was as follows:

Trustee	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	3	4
John Painter, Partnership Governor	3	4
Dr Anthony Evans, Staff Governor / Head Teacher / Accounting Officer	4	4
Keith Watson, Parent Governor / Vice Chair	4	4
Lorin Campbell, LA Governor	4	4
James Curran, Community Governor	4	4
Jill Dyson-Orme, Community Governor	1	4
Paul Jones, Parent Governor	1	4
Caroline Jordan, Parent Governor	1	4
Edward Pillar, Community Governor	2	4
Maureen Spinks, Parent Governor	4	4
Sophie Thorner, Staff Governor	3	4
Neil Townshend, LA Governor	2	4
Linda Walker, Staff Governor	4	4
Diana Stubbs, Parent Governor	4	4
Sarah Giles, Parent Governor	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 and Pastoral. The Audit and Planning Committee meets at least twice a year.

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 Multi 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.

THE PRINCE HENRY'S HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (continued)

Governance reviews:

During the year the Governing Body considered in detail its constitution and make up and the terms of reference of its 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 its governance structures and effectiveness when making the change to a Multi Academy Trust."

The Finance and General Purposes Committee

This is 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:

Trustee	Meetings attended	Out of a possible
Stephen Butcher, Chair of Governors	2	3
John Painter	3	3
Dr Anthony Evans, Head Teacher	3	3
Alan Harris	3	3
Sophie Thorner	2	3
Diana Stubbs	3	3

The Audit and Planning Committee

This is also a sub-committee of the main board of governors and met twice during the year, also with the Business Manager in attendance.

Attendance at meetings in the year was as follows:

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

THE PRINCE HENRY'S HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (continued)

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 2013 to 31 August 2014 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The board of governors has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of governors is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks, that has been in place for the year 1 September 2013 to 31 August 2014 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of governors.

THE RISK AND CONTROL FRAMEWORK

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

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

The board of governors has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed Randall & Payne LLP, the external auditors, to perform additional checks as Responsible Officer.

The external auditor's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. On a termly basis, the auditors report to the board of governors on the operation of the systems of control and on the discharge of the board of governors' 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.

THE PRINCE HENRY'S HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (continued)

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:

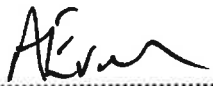
- the work of the Responsible Officer;
- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy who have responsibility for the development and maintenance of the internal control framework.
- Feedback from the Finance Committee. The structure of the committees has been reviewed and the Finance/Premises and Staffing committee now meet jointly to ensure all decisions that have a financial impact on the Academy are taken together.
- Feedback from the Business Manager and the Chair of the Finance & General Purposes Committee. This enables the Academy to have access to informed professional advice when reviewing effectiveness of internal control.

The Accounting Officer has been advised of the implications of the result of the continuous and ongoing reviews of the Academy's systems 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 systems is in place.

Approved by order of the members of the board of governors on 10 December 2014 and signed on its behalf, by:



.....
Stephen Butcher
Chair of Trustees



.....
Dr Anthony Evans
Accounting Officer

THE PRINCE HENRY'S HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

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 governors and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Academy and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook (2013).

I confirm that I and the Academy board of governors are able to identify any material, irregular or improper use of funds by the Academy, or material non-compliance with the terms and conditions of funding under the Academy's funding agreement and the Academies Financial Handbook (2013).

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



.....
Dr Anthony Evans
Accounting Officer

Date: 10 December 2014

THE PRINCE HENRY'S HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

TRUSTEES' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2014

The Trustees (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 Trustees' 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 Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and 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 Trustees 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 Trustees 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 Trustees 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 Trustees 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 on 10 December 2014 and signed on its behalf by:



.....
Stephen Butcher
Chair of Trustees

THE PRINCE HENRY'S HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE BOARD OF TRUSTEES 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 2014 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 2013 to 2014 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 TRUSTEES AND AUDITORS

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

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 Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' 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 2014 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;
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency; and the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

THE PRINCE HENRY'S HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

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

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

- 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 Trustees' 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

Date: 16 December 2014

THE PRINCE HENRY'S HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

**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 2013 to 2014, 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 2013 to 31 August 2014 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 2013, 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 2013 to 2014. 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 2013 to 31 August 2014 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 2013 to 2014 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;

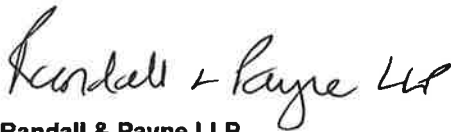
THE PRINCE HENRY'S HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

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

- Evaluation of the general control environment of the academy trust, extending the procedures required for financial statements to include regularity;
- 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 2013 to 31 August 2014 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

Chartered Accountants & Statutory Auditors

Chargrove House
Shurdington Road
Cheltenham
Gloucestershire
GL51 4GA

Date: 16 December 2014

THE PRINCE HENRY'S HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating Income and Expenditure Account and Statement of Total Recognised Gains and Losses)
FOR THE YEAR ENDED 31 AUGUST 2014

	Note	Unrestricted funds 2014 £000	Restricted funds 2014 £000	Restricted fixed asset funds 2014 £000	Total funds 2014 £000	Total funds 2013 £000
INCOMING RESOURCES						
Incoming resources from generated funds:						
Voluntary income	2	-	42	-	42	40
Activities for generating funds	3,4	147	156	-	303	197
Investment income	5	8	-	-	8	7
Incoming resources from charitable activities	6	-	6,486	1,900	8,386	6,654
TOTAL INCOMING RESOURCES		155	6,684	1,900	8,739	6,898
RESOURCES EXPENDED						
Costs of generating funds:						
Fundraising expenses and other costs	4	69	-	-	69	61
Charitable activities		-	6,498	318	6,816	6,780
Governance costs	8	-	16	-	16	16
TOTAL RESOURCES EXPENDED	11	69	6,514	318	6,901	6,857
NET INCOMING RESOURCES BEFORE TRANSFERS		86	170	1,582	1,838	41

THE PRINCE HENRY'S HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

	Note	Unrestricted funds 2014 £000	Restricted funds 2014 £000	Restricted fixed asset funds 2014 £000	Total funds 2014 £000	Total funds 2013 £000
Transfers between Funds	21	-	(151)	151	-	-
NET INCOME FOR THE YEAR		86	19	1,733	1,838	41
Actuarial gains and losses on defined benefit pension schemes		-	(200)	-	(200)	36
NET MOVEMENT IN FUNDS FOR THE YEAR		86	(181)	1,733	1,638	77
<i>Total funds at 1 September 2013</i>		<i>473</i>	<i>(771)</i>	<i>16,098</i>	<i>15,800</i>	<i>15,723</i>
TOTAL FUNDS AT 31 AUGUST 2014		559	(952)	17,831	17,438	15,800

All activities relate to continuing operations.

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

The notes on pages 27 to 48 form part of these financial statements.

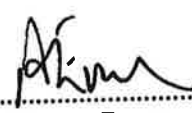
THE PRINCE HENRY'S HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)
REGISTERED NUMBER: 07512962

CONSOLIDATED BALANCE SHEET
AS AT 31 AUGUST 2014

	Note	£000	2014 £000	£000	2013 £000
FIXED ASSETS					
Tangible assets	18		16,173		15,989
CURRENT ASSETS					
Debtors	19	1,927		191	
Cash at bank and in hand		1,260		1,360	
		<u>3,187</u>		<u>1,551</u>	
CREDITORS: amounts falling due within one year	20	<u>(498)</u>		<u>(541)</u>	
NET CURRENT ASSETS			<u>2,689</u>		<u>1,010</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>18,862</u>		<u>16,999</u>
Defined benefit pension scheme liability	27		<u>(1,424)</u>		<u>(1,199)</u>
NET ASSETS INCLUDING PENSION SCHEME LIABILITY			<u>17,438</u>		<u>15,800</u>
FUNDS OF THE ACADEMY					
Restricted funds:					
Restricted funds	21	472		428	
Restricted fixed asset funds	21	17,831		16,098	
		<u>18,303</u>		<u>16,526</u>	
Restricted funds excluding pension liability		<u>(1,424)</u>		<u>(1,199)</u>	
Pension reserve					
Total restricted funds			<u>16,879</u>		<u>15,327</u>
Unrestricted funds	21		<u>559</u>		<u>473</u>
SHAREHOLDERS' AND CHARITY'S FUNDS			<u>17,438</u>		<u>15,800</u>

The financial statements were approved by the Trustees, and authorised for issue, on 10 December 2014 and are signed on their behalf, by:


Stephen Butcher
Chair of Trustees


Dr Anthony Evans
Accounting Officer

The notes on pages 27 to 48 form part of these financial statements.

THE PRINCE HENRY'S HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)
REGISTERED NUMBER: 07512962

ACADEMY BALANCE SHEET
AS AT 31 AUGUST 2014

	Note	£000	2014 £000	£000	2013 £000
FIXED ASSETS					
Tangible assets	18		16,173		15,989
CURRENT ASSETS					
Debtors	19	2,037		298	
Cash at bank and in hand		1,142		1,302	
		<u>3,179</u>		<u>1,600</u>	
CREDITORS: amounts falling due within one year	20	<u>(490)</u>		<u>(590)</u>	
NET CURRENT ASSETS			<u>2,689</u>		<u>1,010</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>18,862</u>		<u>16,999</u>
Defined benefit pension scheme liability	27		<u>(1,424)</u>		<u>(1,199)</u>
NET ASSETS INCLUDING PENSION SCHEME LIABILITY			<u><u>17,438</u></u>		<u><u>15,800</u></u>
FUNDS OF THE ACADEMY					
Restricted funds:					
Restricted funds	21	456		426	
Restricted fixed asset funds	21	17,847		16,098	
		<u>18,303</u>		<u>16,524</u>	
Restricted funds excluding pension asset					
Pension reserve		<u>(1,424)</u>		<u>(1,199)</u>	
Total restricted funds			<u>16,879</u>		<u>15,325</u>
Unrestricted funds	21		<u>559</u>		<u>475</u>
TOTAL FUNDS			<u><u>17,438</u></u>		<u><u>15,800</u></u>

The financial statements were approved by the Trustees, and authorised for issue, on 10 December 2014 and are signed on their behalf, by:


 Stephen Butcher
 Chair of Trustees


 Dr Anthony Evans
 Accounting Officer

The notes on pages 27 to 48 form part of these financial statements.

THE PRINCE HENRY'S HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2014**

	Note	2014 £000	2013 £000
Net cash flow from operating activities	23	(1,632)	270
Returns on investments and servicing of finance	24	8	7
Capital expenditure and financial investment	24	1,524	107
(DECREASE)/INCREASE IN CASH IN THE YEAR		(100)	384

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS
FOR THE YEAR ENDED 31 AUGUST 2014**

	2014 £000	2013 £000
(Decrease)/Increase in cash in the year	(100)	384
MOVEMENT IN NET FUNDS IN THE YEAR	(100)	384
Net funds at 1 September 2013	1,360	976
NET FUNDS AT 31 AUGUST 2014	1,260	1,360

The notes on pages 27 to 48 form part of these financial statements.

THE PRINCE HENRY'S HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

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 2013 to 2014 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 Trustees.

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

Restricted general funds comprise all other restricted funds received 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.

THE PRINCE HENRY'S HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

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 Trustees' meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

1.5 Going concern

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy to continue as a going concern. The Trustees make this assessment in respect of a period of 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.

THE PRINCE HENRY'S HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

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 £95,000 (2013 - £63,000).

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
Plant and machinery	-	7 Years Straight Line
Motor vehicles	-	5 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.

1.9 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

THE PRINCE HENRY'S HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

1. ACCOUNTING POLICIES (continued)

1.10 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.

1.11 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 2014 £000	Restricted funds 2014 £000	Total funds 2014 £000	Total funds 2013 £000
Donations	-	42	42	40

THE PRINCE HENRY'S HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

3. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds 2014 £000	Restricted funds 2014 £000	Total funds 2014 £000	Total funds 2013 £000
Music tuition	46	-	46	52
Sports Co-ordinator and other staff recharges	-	112	112	42
Examination fees	11	-	11	14
Insurance income	-	31	31	2
Other	2	13	15	2
	<u>59</u>	<u>156</u>	<u>215</u>	<u>112</u>

4. TRADING ACTIVITIES

	Unrestricted funds 2014 £000	Restricted funds 2014 £000	Total funds 2014 £000	Total funds 2013 £000
Charity trading income				
Charity trading income	88	-	88	85
	<u>88</u>	<u>-</u>	<u>88</u>	<u>85</u>
Fundraising trading expenses				
Music Fees	53	-	53	34
Trading company costs	16	-	16	27
	<u>69</u>	<u>-</u>	<u>69</u>	<u>61</u>
Net income from trading activities	<u>19</u>	<u>-</u>	<u>19</u>	<u>24</u>

5. INVESTMENT INCOME

	Unrestricted funds 2014 £000	Restricted funds 2014 £000	Total funds 2014 £000	Total funds 2013 £000
Investment income	8	-	8	7
	<u>8</u>	<u>-</u>	<u>8</u>	<u>7</u>

THE PRINCE HENRY'S HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

6. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2014 £000	Restricted funds 2014 £000	Total funds 2014 £000	Total funds 2013 £000
Educational Operations Direct	-	8,386	8,386	6,654

FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2014 £000	Restricted funds 2014 £000	Total funds 2014 £000	Total funds 2013 £000
DfE/EFA revenue grants				
General Annual Grant	-	6,308	6,308	6,289
Other DfE/EFA grants	-	142	142	80
Local Authority Grants	-	29	29	37
Special Educational Project	-	7	7	17
Devolved Formula Capital grants	-	-	-	25
ACMF grants	-	1,900	1,900	206
	-	8,386	8,386	6,654

7. EXPENDITURE BY CHARITABLE ACTIVITY

SUMMARY BY FUND TYPE

	Unrestricted funds 2014 £000	Restricted funds 2014 £000	Total funds 2014 £000	Total funds 2013 £000
Educational Operations Direct	-	6,816	6,816	6,780

SUMMARY BY EXPENDITURE TYPE

	Staff costs 2014 £000	Depreciation 2014 £000	Other costs 2014 £000	Total 2014 £000	Total 2013 £000
Educational Operations Direct	5,143	190	1,483	6,816	6,780

THE PRINCE HENRY'S HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

8. GOVERNANCE COSTS

	Unrestricted funds 2014 £000	Restricted funds 2014 £000	Total funds 2014 £000	Total funds 2013 £000
Governance Auditors' remuneration	-	7	7	6
Governance Auditors' non audit costs	-	8	8	7
Legal and Professional Fees	-	1	1	3
	<u>-</u>	<u>16</u>	<u>16</u>	<u>16</u>

9. DIRECT COSTS

	Educational Operations Direct £000	Total 2014 £000	Total 2013 £000
Educational supplies	231	231	254
Examination Fees	179	179	172
Staff Development	13	13	9
Other Direct Costs	47	47	847
Wages and salaries	3,735	3,735	3,602
National insurance	280	280	268
Pension cost	519	519	504
Depreciation	190	190	132
	<u>5,194</u>	<u>5,194</u>	<u>5,788</u>

THE PRINCE HENRY'S HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

10. SUPPORT COSTS

	Educational Operations Direct £000	Total 2014 £000	Total 2013 £000
Pension net cost	43	43	44
Staff Development	-	-	3
Maintenance of premises and equipment	282	282	109
Recruitment and Support	15	15	2
Cleaning	128	128	32
Rates and Rent	49	49	9
Insurance	63	63	11
Security and Transport	58	58	4
Other Support Costs	132	132	147
Technology costs	105	105	-
Energy costs	110	110	-
Catering	28	28	-
Wages and salaries	498	498	474
National insurance	30	30	31
Pension cost	81	81	82
Depreciation	-	-	44
	<u>1,622</u>	<u>1,622</u>	<u>992</u>

11. RESOURCES EXPENDED

	Staff costs 2014 £000	Non Pay Premises 2014 £000	Expenditure Other costs 2014 £000	Total 2014 £000	Total 2013 £000
Fundraising expenses	-	-	69	69	61
Costs of generating funds	<u>-</u>	<u>-</u>	<u>69</u>	<u>69</u>	<u>61</u>
Educational Operations Direct	4,535	-	659	5,194	5,788
Support costs - Educational Operations Direct	609	633	380	1,622	990
Charitable activities	<u>5,144</u>	<u>633</u>	<u>1,039</u>	<u>6,816</u>	<u>6,778</u>
Governance	<u>-</u>	<u>-</u>	<u>16</u>	<u>16</u>	<u>16</u>
	<u>5,144</u>	<u>633</u>	<u>1,124</u>	<u>6,901</u>	<u>6,855</u>

THE PRINCE HENRY'S HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

12. ANALYSIS OF RESOURCES EXPENDED BY ACTIVITIES

	Activities undertaken directly 2014 £000	Support costs 2014 £000	Total 2014 £000	Total 2013 £000
Educational Operations Direct	5,194	1,622	6,816	5,753
Educational Operations Allocated	-	-	-	988
Total	5,194	1,622	6,816	6,741

13. NET INCOMING RESOURCES

This is stated after charging:

	2014 £000	2013 £000
Depreciation of tangible fixed assets:		
- owned by the charitable group	192	176
Auditors' remuneration	7	7
Operating lease rentals:		
- other operating leases	13	13
Auditor - other services	8	6
	220	202

14. STAFF

a. Staff costs

Staff costs were as follows:

	2014 £000	2013 £000
Wages and salaries	4,233	4,115
Social security costs	310	298
Other pension costs (Note 27)	601	586
	5,144	4,999

THE PRINCE HENRY'S HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

14. STAFF (continued)

b. Staff numbers

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

	2014 No.	2013 No.
Teachers	80	82
Administration and support	40	43
Management	7	5
	<u>127</u>	<u>130</u>

c. Higher paid staff

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

	2014 No.	2013 No.
In the band £60,001 - £70,000	0	1
In the band £70,001 - £80,000	2	2
In the band £95,001 - £100,000	1	1
	<u>3</u>	<u>4</u>

Three of the above employees participated in the Teachers Pension Scheme. During the year ended 31 August 2014, pension contributions for these staff amounted to £30,789.

15. TRUSTEES' REMUNERATION AND EXPENSES

The Principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Principal and staff, and not in respect of their services as Trustees. Other Trustees did not receive any payments, other than expenses, from the Academy in respect of their role as Trustees. The value of Trustees' remuneration fell within the following bands:

	2014 £000	2013 £000
Dr Anthony Evans - Headteacher	95-100	95-100
Sophie Thorner - Staff Governor	45-50	45-50
Linda Walker - Staff Governor	45-50	45-50

During the year, no Trustees received any reimbursement of expenses (2013 - £NIL).

THE PRINCE HENRY'S HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

16. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy has purchased insurance to protect Trustees 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 2014 was £2,310 (2013 - £2,310). The cost of this insurance is included in the total insurance cost.

17. OTHER FINANCE INCOME

	2014 £000	2013 £000
Expected return on pension scheme assets	34	22
Interest on pension scheme liabilities	(77)	(66)
	<u>(43)</u>	<u>(44)</u>

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 2013	16,157	68	-	204	-	16,429
Additions	-	21	122	10	230	383
Disposals	-	-	-	(10)	-	(10)
At 31 August 2014	<u>16,157</u>	<u>89</u>	<u>122</u>	<u>204</u>	<u>230</u>	<u>16,802</u>
Depreciation						
At 1 September 2013	342	23	-	75	-	440
Charge for the year	114	20	7	51	-	192
On disposals	-	-	-	(3)	-	(3)
At 31 August 2014	<u>456</u>	<u>43</u>	<u>7</u>	<u>123</u>	<u>-</u>	<u>629</u>
Net book value						
At 31 August 2014	<u>15,701</u>	<u>46</u>	<u>115</u>	<u>81</u>	<u>230</u>	<u>16,173</u>
At 31 August 2013	<u>15,815</u>	<u>45</u>	<u>-</u>	<u>129</u>	<u>-</u>	<u>15,989</u>

Included in land and buildings is freehold land at valuation of £2,480,000 (2012 - £2,840,000), (cost £Nil (2012 - £Nil) which is not depreciated.

THE PRINCE HENRY'S HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

Academy	Freehold property £000	Fixtures and fittings £000	Plant & machinery £000	Computer equipment £000	Other fixed assets £000	Total £000
Cost						
At 1 September 2013	16,157	68	-	204	-	16,429
Additions	-	21	122	10	230	383
Disposals	-	-	-	(10)	-	(10)
At 31 August 2014	16,157	89	122	204	230	16,802
Depreciation						
At 1 September 2013	342	23	-	75	-	440
Charge for the year	114	20	7	51	-	192
On disposals	-	-	-	(3)	-	(3)
At 31 August 2014	456	43	7	123	-	629
Net book value						
At 31 August 2014	15,701	46	115	81	230	16,173
At 31 August 2013	15,815	45	-	129	-	15,989

19. DEBTORS

	Group		Academy	
	2014 £000	2013 £000	2014 £000	2013 £000
Trade debtors	21	5	16	112
Amounts owed by group undertakings	-	-	115	-
Other debtors	95	89	95	89
Prepayments and accrued income	1,811	97	1,811	97
	1,927	191	2,037	298

**20. CREDITORS:
Amounts falling due within one year**

	Group		Academy	
	2014 £000	2013 £000	2014 £000	2013 £000
Trade creditors	161	278	159	333
Amounts owed to group undertakings	-	-	-	2
Other taxation and social security	89	85	88	84
Other creditors	80	80	78	81
Accruals and deferred income	168	98	165	90
	498	541	490	590

THE PRINCE HENRY'S HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

20. CREDITORS:
Amounts falling due within one year (continued)

	<u>Group</u>	<u>Academy</u>
	£000	£000
Deferred income		
Deferred income at 1 September 2013	17	17
Resources deferred during the year	105	105
Amounts released from previous years	(17)	(17)
Deferred income at 31 August 2014	<u>105</u>	<u>105</u>

Deferred income related to the Teaching School Grant, Devolved Formula Capital Grant and some low value other deferrals.

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	<u>473</u>	<u>155</u>	<u>(69)</u>	<u>-</u>	<u>-</u>	<u>559</u>
Restricted funds						
General Annual Grant (GAG)	254	6,308	(5,939)	(151)	-	472
Other DfE/EFA Grants	174	142	(316)	-	-	-
Donations	-	42	(42)	-	-	-
LA grants	-	35	(35)	-	-	-
Other	-	157	(157)	-	-	-
Pension reserve	(1,199)	-	(25)	-	(200)	(1,424)
	<u>(771)</u>	<u>6,684</u>	<u>(6,514)</u>	<u>(151)</u>	<u>(200)</u>	<u>(952)</u>

THE PRINCE HENRY'S HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

21. STATEMENT OF FUNDS (continued)

Restricted fixed asset funds

Fixed asset fund	15,989	-	(190)	374	-	16,173
ACMF grant - windows	109	-	(128)	19	-	-
ACMF grant - Language block	-	1,884	-	(226)	-	1,658
ACMF grant - water heaters	-	16	-	(16)	-	-
	<u>16,098</u>	<u>1,900</u>	<u>(318)</u>	<u>151</u>	<u>-</u>	<u>17,831</u>
Total restricted funds	<u>15,327</u>	<u>8,584</u>	<u>(6,832)</u>	<u>-</u>	<u>(200)</u>	<u>16,879</u>
Total of funds	<u>15,800</u>	<u>8,739</u>	<u>(6,901)</u>	<u>-</u>	<u>(200)</u>	<u>17,438</u>

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 2014.

SUMMARY OF FUNDS

	Brought Forward £000	Incoming resources £000	Resources Expended £000	Transfers in/out £000	Gains/(Losses) £000	Carried Forward £000
General funds	473	155	(69)	-	-	559
Restricted funds	(771)	6,684	(6,514)	(151)	(200)	(952)
Restricted fixed asset funds	16,098	1,900	(318)	151	-	17,831
	<u>15,800</u>	<u>8,739</u>	<u>(6,901)</u>	<u>-</u>	<u>(200)</u>	<u>17,438</u>

THE PRINCE HENRY'S HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

22. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2014 £000	Restricted funds 2014 £000	Restricted fixed asset funds 2014 £000	Total funds 2014 £000	Total funds 2013 £000
Tangible fixed assets	-	-	16,173	16,173	15,989
Current assets	558	970	1,658	3,186	1,600
Creditors due within one year	-	(497)	-	(497)	(592)
Provisions for liabilities and charges	-	(1,424)	-	(1,424)	(1,199)
	<u>559</u>	<u>(952)</u>	<u>17,831</u>	<u>17,438</u>	<u>15,800</u>

23. NET CASH FLOW FROM OPERATING ACTIVITIES

	Continuing £000	Discontinued £000	2014 Total £000	2013 £000
Net incoming resources before revaluations	1,838	-	1,838	41
Returns on investments and servicing of finance	(8)	-	(8)	(7)
Depreciation of tangible fixed assets	192	-	192	179
Capital grants from DfE	(1,900)	-	(1,900)	(231)
Increase in debtors	(1,736)	-	(1,736)	(76)
(Decrease)/increase in creditors	(43)	-	(43)	332
FRS 17 adjustments	25	-	25	32
Net cash (outflow)/inflow from operations			<u>(1,632)</u>	<u>270</u>

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

	2014 £000	2013 £000
Returns on investments and servicing of finance		
Interest received	<u>8</u>	<u>7</u>

THE PRINCE HENRY'S HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

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

	2014 £000	2013 £000
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(383)	(129)
Sale of tangible fixed assets	7	5
Capital grants from DfE	1,900	231
	<u>1,524</u>	<u>107</u>
Net cash inflow capital expenditure	<u>1,524</u>	<u>107</u>

25. ANALYSIS OF CHANGES IN NET FUNDS

	1 September 2013 £000	Cash flow £000	Other non-cash changes £000	31 August 2014 £000
Cash at bank and in hand:	1,360	(100)	-	1,260
Net funds	<u>1,360</u>	<u>(100)</u>	<u>-</u>	<u>1,260</u>

26. CAPITAL COMMITMENTS

At 31 August 2014 the Academy had capital commitments as follows:

	2014 £000	2013 £000
Contracted for but not provided in these financial statements	<u>111</u>	<u>96</u>

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 2014 (2013 - 82,410) and are included within creditors.

THE PRINCE HENRY'S HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

27. PENSION COMMITMENTS (continued)

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.

The Teachers' Pensions Regulations require an annual account to be kept of receipts and expenditure (including the cost of pensions' increases). From 1 April 2001, the account has been credited with a real rate of return, which is equivalent to assuming that the balance in the account is invested in notional investments that produce that real rate of return.

Valuation of the Teachers' Pension Scheme

The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%);
- total scheme liabilities for service to the effective date of £191,500 million, and notional assets of £176,600 million, giving a notional past service deficit of £14,900 million; and
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations.

The new employer contribution rate is applicable from 1 April 2015 and will be implemented for the TPS from September 2015.

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

THE PRINCE HENRY'S HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

27. PENSION COMMITMENTS (continued)

Teachers' Pension Scheme Changes

Lord Hutton made recommendations in 2011 about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation with trade unions and other representative bodies. In March 2012 the Department for Education published proposals for the design for a reformed TPS.

The key provisions of the reformed scheme include: a pension based on career average earnings; an accrual rate of 1/57th; and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Pension benefits built up before 1 April 2015 will be fully protected.

In addition, the proposed final agreement includes a Government commitment that those within 10 years of Normal Pension Age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall up to three and a half years outside of the 10 year protection.

In his interim report of October 2010, Lord Hutton recommended that short-term savings were also required, and that the only realistic way of achieving these was to increase member contributions. At the Spending Review 2010 the Government announced an average increase of 3.2 percentage points on the contribution rates by 2014-15. The increases have been phased in from April 2012 on a 40:80:100% basis.

The Department for Education has continued to work closely with trade unions and other representatives bodies to develop the reformatted Teachers' Pension Scheme and regulations giving effect to it came into force on 1 April 2014. Communications are being rolled out and the reformatted scheme will commence on 1 April 2015.

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The group is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the group has taken advantage of the exemption in FRS 17 and 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 2014 was £206,000, of which employer's contributions totalled £156,000 and employees' contributions totalled £40,000. 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 PRINCE HENRY'S HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

27. PENSION COMMITMENTS (continued)

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

	Expected return at 31 August 2014 %	Fair value at 31 August 2014 £000	Expected return at 31 August 2013 %	Fair value at 31 August 2013 £000
Equities	7.00	572	7.00	436
Bonds	2.90	40	3.40	29
Property	6.20	-	5.70	-
Cash	0.50	7	0.50	18
Other	7.00	-	7.00	-
Total market value of assets		<u>619</u>		<u>483</u>
Present value of scheme liabilities		<u>(2,043)</u>		<u>(1,682)</u>
Deficit in the scheme		<u><u>(1,424)</u></u>		<u><u>(1,199)</u></u>

The amounts recognised in the Balance Sheet are as follows:

	2014 £000	2013 £000
Present value of funded obligations	(2,043)	(1,682)
Fair value of scheme assets	<u>619</u>	<u>483</u>
Net liability	<u><u>(1,424)</u></u>	<u><u>(1,199)</u></u>

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

	2014 £000	2013 £000
Current service cost	(138)	(138)
Interest on obligation	(77)	(66)
Expected return on scheme assets	<u>34</u>	<u>22</u>
Total	<u><u>(181)</u></u>	<u><u>(182)</u></u>
Actual return on scheme assets	<u><u>50</u></u>	<u><u>57</u></u>

THE PRINCE HENRY'S HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

27. PENSION COMMITMENTS (continued)

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

	2014 £000	2013 £000
Opening defined benefit obligation	1,682	1,453
Current service cost	138	138
Interest cost	77	66
Contributions by scheme participants	40	40
Actuarial Losses	179	-
Benefits paid	(73)	(15)
	<u>2,043</u>	<u>1,682</u>
Closing defined benefit obligation	<u>2,043</u>	<u>1,682</u>

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

	2014 £000	2013 £000
Opening fair value of scheme assets	483	250
Expected return on assets	34	22
Actuarial gains and (losses)	(21)	36
Contributions by employer	156	150
Contributions by employees	40	40
Benefits paid	(73)	(15)
	<u>619</u>	<u>483</u>

The cumulative amount of actuarial gains and losses recognised in the Statement of Total Recognised Gains and Losses was £323,000 loss (2013 - £123,000 loss).

The group expects to contribute £167,000 to its Defined Benefit Pension Scheme in 2015.

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

	2014	2013
Discount rate for scheme liabilities	4.00 %	4.50 %
Rate of increase in salaries	3.70 %	3.90 %
Rate of increase for pensions in payment / inflation	2.20 %	2.40 %
Inflation assumption (CPI)	2.20 %	2.40 %
Commutation of pensions to lump sums	- %	50.00 %

THE PRINCE HENRY'S HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

27. PENSION COMMITMENTS (continued)

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

	2014	2013
Retiring today		
Males	23.3	22.5
Females	25.7	25.0
Retiring in 20 years		
Males	25.5	24.3
Females	28.0	27.0

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

Defined benefit pension schemes

	2014 £000	2013 £000	2012 £000	2011 £000
Defined benefit obligation	(2,043)	(1,682)	(1,453)	(1,123)
Scheme assets	619	483	250	94
Deficit	<u>(1,424)</u>	<u>(1,199)</u>	<u>(1,203)</u>	<u>(1,029)</u>
Experience adjustments on scheme liabilities	(179)	-	(151)	-
Experience adjustments on scheme assets	<u>(21)</u>	<u>36</u>	<u>(1)</u>	<u>(6)</u>

THE PRINCE HENRY'S HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

28. OPERATING LEASE COMMITMENTS

At 31 August 2014 the group had annual commitments under non-cancellable operating leases as follows:

	Land and buildings			Other
	2014	2013	2014	2013
	£000	£000	£000	£000
Group				
Expiry date:				
Within 1 year	-	-	1	3
Between 2 and 5 years	-	-	12	-

At 31 August 2014 the Academy had annual commitments under non-cancellable operating leases as follows:

	Land and buildings			Other
	2014	2013	2014	2013
	£000	£000	£000	£000
Academy				
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 trustee 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 related party transactions took place in the period of account.

St Ewain'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 £7,300. There were no amounts outstanding at 31 August 2014. 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 £1,026. There were no amounts outstanding at 31 August 2014. 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