PRINCE HENRY'S HIGH SCHOOL

An "Outstanding" Academy for Students aged 13-18

Registered number: 07512962

THE PRINCE HENRY'S HIGH SCHOOL ACADEMY TRUST

(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2013

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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 (appointed 1 September 2012)
Keith Watson, Parent Governor[1,4]
Jane Ashton, Community Governor (resigned 9 July 2013)[1,4]
Lorrin Campbell, LA Governor[1,3]
James Curran, Community Governor[1,3]
Jill Dyson-Orme, Community Governor[1,3]
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Sarah Giles, Parent Governor (appointed 9 November 2012)[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 Butcher, Deputy Headteacher
Alan Roberts, Deputy Headteacher
Karen Holyoak, Assistant Headteacher
Antonia Lungley, Assistant Headteacher
Helen Wood, Assistant Headteacher

REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 AUGUST 2013

Advisers (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

Surveyors

PR Associates Ltd, The Bank, Knighton-on-Teme, Worcestershire, WR15 8LY

Trustees and members

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

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2013

The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of The Prince Henry's High School Academy Trust (the Academy) for the year ended 31 August 2013. The Trustees confirm that the Annual Report and financial statements of the Academy comply with the current statutory requirements, the requirements of the Academy's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005.

Structure, governance and management

a. CONSTITUTION

The Acadmey 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 is constituted under a Memorandum of Association dated 31 October 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. We are continually undertaking a skills review of governors in order to try and fill any gaps for new governors with the appropriate skills.

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

The management of the Academy is the responsibility of the Trustees who are elected and co-opted under the terms of the Articles of Association.

Up to 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.

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.

f. CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS

From 1st February 2012 the Academy has set up a new trading company, and this is a wholly owned subsidiary of the Academy. 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 .

g. RISK MANAGEMENT

The Trustees have assessed the major risks to which the Academy is exposed, in particular those related to the operations and finances of the Academy, 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

During the academic year 2012-13, a new Headteacher took office, Dr Tony Evans. The 2013 achievements were very exceptionally positive. A general inspection by Ofsted was received in May 2013 under the latest framework, and the school was again judged Outstanding in every category. The Science Department was inspected in 2011 with the same judgement. The aims now are:-

- To improve the outcomes of our students
- To further enhance the quality of teaching and learning, and the curriculum
- To enhance the school buildings through capital bid projects via the EFA
- To further improve the quality and sustainability of the staff through appropriate or targeted professional development
- To ensure that the foundations of the Academy Status are embedded
- To develop an alternative curriculum for a small percentage of students who find it difficult to access mainstream education
- To improve ICT provision across the school
- To promote and market the school so that the successes of the school are celebrated appropriately

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 (e.g. Traveller Service) of its record in this regard.

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.

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 38% went to Oxford, Cambridge, a Russell Group university or another of the universities in the Times' top 20 university list. More importantly, nearly every individual student progressed to a higher education course which is the right one for them.

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

Some key results were as follows:-

GCSE	PHHS Result 2013	PHHS Result 2012	National Statistics 2013
5 A*-C	87%	84%	83%
5 A*-C inc En/Ma	70%	69%	59%
EBacc	34%	36%	22%
5 A*/A	25%	27%	20%
3 A*/A	33%	35%	31%
2 GCSE Science	73%	67%	-
A*-C English	72%	74%	68%
A*-C Maths	81%	79%	70%
Overall Pass Rate	100%	100%	99%
% A*-A grades	28%	30%	21%
% A*-B grades	51%	56%	43%
% A*-C grades	77%	80%	69%

AS Level (total students: 186)	PHHS Result 2013	PHHS Result 2012	National Statistics 2013
% A	16%	17%	-
% A-B	36%	36%	-
% A-C	63%	56%	-
No students 3 or more A grade	18	22	-
No students 3 or more B grade	53	52	-

A2 Level (total students: 144)	PHHS Result 2013	PHHS Result 2012	National Statistics 2013
% A*-A grades	29%	33%	26%
% A*-B grades	57%	55%	53%
% A*-C grades	82%	79%	77%
No students 3+ A grades:	22	27	-
No students 3+ B grades:	56	55	-
No students Oxbridge	2 (both Cambridge)	2	-
No students Russell Group	37	39	-
No students in placements	109 out of 144 students	110 out of 147 students	-

The outstanding ethos and reputation of Prince Henry's has continued to be enhanced by superb events in the domain of the arts, music, sport and other extra-curricular activities. The school has successfully established a link with a partner secondary school in Tanzania.

Sixth Form numbers have increased this year and the school remains over-subscribed for entry in Year 9.

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).

Achievements and performance

a. GOING CONCERN

After making appropriate enquiries, the board of governors 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.

b. KEY FINANCIAL 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 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 approved 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.

c. 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.

b. PRINCIPAL RISKS AND UNCERTAINTIES

The principal risk for the Academy is the government's intention to introduce a national funding formula. Until Worcestershire is funded at the national median, Prince Henry's High School, along with schools in the Evesham pyramid will be funded proportionately less than most schools in the country. Prince Henry's has been extremely active in voicing our concerns to Worcestershire County Council and local MPs.

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

c. RESERVES POLICY

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

d. PRINCIPAL FUNDING

The accounting period runs from the 1st September 2012 to 31st August 2013. The majority of the Academies income is obtained from the EFA/DfE in the form of recurrent grants the use of which is restricted to particular purposes. The grants received from the EFA/DfE during the year ended 31 August 2013 and the associated expenditure are shown as restricted funds in the statement of financial activities.

The Board of Governors would like to thank the sponsors: the John Martin Charity for their kind donations to the academy. In accordance with the Charities statement of recommended practice 'Accounting activities by Charities' (SORP 2005) such grants are shown in the Statement of financial activities as restricted income.

Plans for the future

a. FUTURE DEVELOPMENTS

The Academy is currently developing plans:-

- To improve the school site to create a better learning environment for students. This requires significant funding and bids are being prepared to submit to the EFA in support of this.
- To develop alternative provision in school and support the establishment of a free school in Worcestershire.
- To build upon the reputation for outstanding teaching and learning, by applying for Teaching School status.
- To improve further the quality and purpose of one to one teaching and booster sessions.
- To further improve the appraisal process for staff to underpin the future development of the school.
- To improve processes for developing self-evaluation and school improvement.
- To develop the ICT and network infrastructure.
- To improve the marketing and branding of the school.
- To further refine processes for measuring student achievement and attainment, particularly for those students in receipt of the "pupil premium".

FUNDS HELD AS CUSTODIAN

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

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any information needed by the charitable company's auditors in connection with preparing their report and to establish that the charitable company's auditors are aware of that information.

This report was approved by order of the board of governors on 11 December 2013 and signed on its behalf by:

....	....
Stephen Butcher	**Dr Anthony Evans**
Chair of Trustees	**Accounting Officer**

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	4	4
John Painter, Partnership Governor	4	4
Dr Anthony Evans, Staff Governor / Head Teacher / Accounting Officer	4	4
Keith Watson, Parent Governor	4	4
Jane Ashton, Community Governor	3	3
Lorrin Campbell, LA Governor	3	4
James Curran, Community Governor	4	4
Jill Dyson-Orme, Community Governor	3	4
Paul Jones, Parent Governor	3	3
Caroline Jordan, Parent Governor	2	4
Edward Pillar, Community Governor	3	4
Maureen Spinks, Parent Governor	3	4
Sophie Thorner, Staff Governor	4	4
Neil Townshend, LA Governor	3	4
Paul Underwood, Parent Governor	3	3
Linda Walker, Staff Governor	3	4
Diana Stubbs, Parent Governor	3	3
Sarah Giles, Parent Governor	2	3

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.

GOVERNANCE STATEMENT (continued)

During the year these committees met to discuss adherence to plan, to debate developing operational, financial and strategic issues and to support and challenge the Senior Management Team in their ongoing management of the direction and strategy of the Academy. Specific work was in the areas of policy development and strategy particularly associated with new guidance from the DfE.

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 **Finance and General Purposes Committee** is a sub-committee of the main board of governors as highlighted above. In addition to the Governors, Zoe Smith as 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 / Partnership Governor	3	3
John Painter, Partnership Governor	2	3
Dr Anthony Evans, Staff Governor / Head Teacher / Accounting Officer	3	3
Alan Harris, Partnership Governor	3	3
Sophie Thorner, Staff Governor	2	3
Paul Underwood, Parent Governor	1	3
Diana Stubbs, Parent Governor	2	2

The **Audit and Planning Committee** 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 / Partnership Governor	2	2
John Painter, Partnership Governor	2	2
Dr Anthony Evans, Staff Governor / Head Teacher / Accounting Officer	2	2
Alan Harris, Partnership Governor	2	2

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 2012 to 31 August 2013 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 2012 to 31 August 2013 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.

The external advisor'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.

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 internal auditor;
- 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 frameowork
- 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 Committee. During the period the appointment to both these posts changed. This enables the Academy to have access to informed professonal advice when reviewing effectiveness of internal control.

GOVERNANCE STATEMENT (continued)

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance and General Purposes Committee and Audit and Planning Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of governors on 11 December 2013 and signed on their behalf, by:

....
Stephen Butcher
Chair of Trustees

....
Dr Anthony Evans
Accounting Officer

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of The Prince Henry's High School Academy Trust I have considered my responsibility to notify the Academy board of 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 (2012).

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 (2012).

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date.

A Evans

....

Dr Anthony Evans
Accounting Officer

Date: 11 December 2013

TRUSTEES' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 AUGUST 2013

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 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 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 company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the 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 company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by order of the members of the board of governors on 11 December 2013 and signed on its behalf by:

....

Stephen Butcher
Chair of Trustees

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

We have audited the financial statements of The Prince Henry's High School Academy Trust for the year ended 31 August 2013 which comprise the Statement of Financial Activities, the Balance Sheet, the 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 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 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. 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 Academy's affairs as at 31 August 2013 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Academies Accounts Direction 2013 issued by the Education Funding Agency.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' 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
19 December 2013

INDEPENDENT REPORTING AUDITORS' 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, 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 2012 to 31 August 2013 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 the 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 the 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 the 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 AUDITORS

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 2012, 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. 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 2012 to 31 August 2013 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 issued by the 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;

INDEPENDENT REPORTING AUDITORS' 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 2012 to 31 August 2013 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

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

19 December 2013

STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating Income and Expenditure Account and Statement of Recognised Gains and Losses)
FOR THE YEAR ENDED 31 AUGUST 2013

	Note	Unrestricted funds 2013 £000	Restricted funds 2013 £000	Restricted fixed asset funds 2013 £000	Total funds 2013 £000	*Total funds 2012 £000*
INCOMING RESOURCES						
Incoming resources from generated funds:						
Voluntary income	2	10	30	-	40	*21*
Activities for generating funds	3,4	119	45	-	164	*126*
Investment income	5	7	-	-	7	*5*
Incoming resources from charitable activities	6	-	6,423	231	6,654	*6,524*
TOTAL INCOMING RESOURCES		136	6,498	231	6,865	*6,676*
RESOURCES EXPENDED						
Costs of generating funds:						
Fundraising expenses and other costs	4	32	-	-	32	*31*
Charitable activities		-	6,468	273	6,741	*6,275*
Governance costs	8	-	53	-	53	*70*
TOTAL RESOURCES EXPENDED	11	32	6,521	273	6,826	*6,376*
NET INCOMING RESOURCES / (RESOURCES EXPENDED) BEFORE TRANSFERS		104	(23)	(42)	39	*300*

STATEMENT OF FINANCIAL ACTIVITIES (continued)
FOR THE YEAR ENDED 31 AUGUST 2013

	Note	Unrestricted funds 2013 £000	Restricted funds 2013 £000	Restricted fixed asset funds 2013 £000	Total funds 2013 £000	*Total funds 2012 £000*
Transfers between Funds	21	-	(180)	180	-	-
NET INCOME FOR THE YEAR		104	(203)	138	39	*300*
Actuarial gains and losses on defined benefit pension schemes		-	36	-	36	*(153)*
NET MOVEMENT IN FUNDS FOR THE YEAR		104	(167)	138	75	*147*
Total funds at 1 September 2012		*369*	*(606)*	*15,960*	*15,723*	*15,576*
TOTAL FUNDS AT 31 AUGUST 2013		473	(773)	16,098	15,798	*15,723*

All activities relate to continuing operations.

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

The notes on pages 24 to 45 form part of these financial statements.

BALANCE SHEET
AS AT 31 AUGUST 2013

	Note	£000	2013 £000	£000	2012 £000
FIXED ASSETS					
Tangible assets	18		**15,989**		*16,044*
CURRENT ASSETS					
Debtors	19	**298**		*222*	
Cash at bank and in hand		**1,302**		*920*	
		1,600		*1,142*	
CREDITORS: amounts falling due within one year	20	**(592)**		*(260)*	
NET CURRENT ASSETS			**1,008**		*882*
TOTAL ASSETS LESS CURRENT LIABILITIES			**16,997**		*16,926*
Defined benefit pension scheme liability	28		**(1,199)**		*(1,203)*
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			**15,798**		*15,723*
FUNDS OF THE ACADEMY					
Restricted funds:					
Restricted funds	21	**426**		*597*	
Restricted fixed asset funds	21	**16,098**		*15,960*	
Restricted funds excluding pension liability		**16,524**		*16,557*	
Pension reserve		**(1,199)**		*(1,203)*	
Total restricted funds			**15,325**		*15,354*
Unrestricted funds	21		**473**		*369*
TOTAL FUNDS			**15,798**		*15,723*

The financial statements were approved by the Trustees, and authorised for issue, on 11 December 2013 and are signed on their behalf, by:

Stephen Butcher
Chair of Trustees

Dr Anthony Evans
Accounting Officer

The notes on pages 24 to 45 form part of these financial statements.

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2013

	Note	2013 £000	2012 £000
Net cash flow from operating activities	23	268	236
Returns on investments and servicing of finance	24	7	5
Capital expenditure and financial investment	24	107	(76)
INCREASE IN CASH IN THE YEAR		382	165

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS
FOR THE YEAR ENDED 31 AUGUST 2013

	2013 £000	2012 £000
Increase in cash in the year	382	165
MOVEMENT IN NET FUNDS IN THE YEAR	382	165
Net funds at 1 September 2012	920	755
NET FUNDS AT 31 AUGUST 2013	1,302	920

The notes on pages 24 to 45 form part of these financial statements.

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 issued by the EFA, applicable accounting standards and the Companies Act 2006.

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 the Department for Education where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received and include grants from the Department for Education.

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

1. ACCOUNTING POLICIES (continued)

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 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. ACCOUNTING POLICIES (continued)

1.4 Resources expended

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

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.

1.6 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.

1. ACCOUNTING POLICIES (continued)

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
Motor vehicles	-	5 Years Straight Line
Fixtures and fittings	-	5 Years Straight Line
Computer equipment	-	4 Years Straight Line

1.7 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.

1.8 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, are contracted out of the State Earnings-Related Pension Scheme ("SERPS"), 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 28, 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2013

2. VOLUNTARY INCOME

	Unrestricted funds 2013 £000	Restricted funds 2013 £000	Total funds 2013 £000	*Total funds 2012 £000*
Donations	10	30	40	*21*

3. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds 2013 £000	Restricted funds 2013 £000	Total funds 2013 £000	*Total funds 2012 £000*
Hire of facilities	51	-	51	*50*
Music tuition	52	-	52	*42*
Sports Co-ordinator and other staff recharges	-	43	43	*17*
Examination fees	14	-	14	*17*
Insurance income	-	2	2	*-*
Other	2	-	2	*-*
	119	45	164	*126*

4. TRADING ACTIVITIES

	Unrestricted funds 2013 £000	Restricted funds 2013 £000	Total funds 2013 £000	*Total funds 2012 £000*
Fundraising trading expenses				
Music Fees	32	-	32	*31*
Net expenditure from trading activities	32	-	32	*31*

5. INVESTMENT INCOME

	Unrestricted funds 2013 £000	Restricted funds 2013 £000	Total funds 2013 £000	*Total funds 2012 £000*
Investment income - local cash	7	-	7	*5*

6. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2013 £000	Restricted funds 2013 £000	Total funds 2013 £000	*Total funds 2012 £000*
Educational Operations Direct	-	6,654	6,654	*6,524*

FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2013 £000	Restricted funds 2013 £000	Total funds 2013 £000	*Total funds 2012 £000*
DfE/EFA grants				
General Annual Grant	-	6,224	6,224	*6,333*
Other DfE/YPLA/EFA grants	-	69	69	*70*
Local Authority Grants	-	34	34	*26*
Special Educational Project	-	96	96	*67*
Capital grants	-	231	231	*28*
	-	6,654	6,654	*6,524*

7. EXPENDITURE BY CHARITABLE ACTIVITY

SUMMARY BY FUND TYPE

	Unrestricted funds 2013 £000	Restricted funds 2013 £000	Total funds 2013 £000	*Total funds 2012 £000*
Educational Operations Direct	-	5,753	5,753	*5,517*
Educational Operations Allocated	-	988	988	*758*
	-	6,741	6,741	*6,275*

SUMMARY BY EXPENDITURE TYPE

	Staff costs 2013 £000	Depreciation 2013 £000	Other costs 2013 £000	Total 2013 £000	*Total 2012 £000*
Educational Operations Direct	4,924	44	785	5,753	*5,517*
Educational Operations Allocated	-	132	856	988	*758*
	4,924	176	1,641	6,741	*6,275*

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013**

8. GOVERNANCE COSTS

	Unrestricted funds 2013 £000	Restricted funds 2013 £000	Total funds 2013 £000	*Total funds 2012 £000*
Governance Auditors' remuneration	-	6	6	*6*
Governance Auditors' non audit costs	-	7	7	*6*
Legal and Professional Fees	-	3	3	*14*
Governance expense - wages and salaries	-	37	37	*44*
	-	53	53	*70*

9. DIRECT COSTS

	Basis of Allocation	Educational Operations Direct £000	Educational Operations Allocated £000	Total 2013 £000	*Total 2012 £000*
Educational supplies	Direct	254	-	254	*98*
Examination Fees	Direct	172	-	172	*196*
Staff Development	Staff time	-	9	9	*2*
Other Direct Costs	Floor area	-	847	847	*648*
Wages and salaries	Direct	3,565	-	3,565	*3,558*
National insurance	Direct	268	-	268	*269*
Pension cost	Direct	504	-	504	*503*
Depreciation	Floor area	-	132	132	*110*
		4,763	988	5,751	*5,384*

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013**

10. SUPPORT COSTS

	Basis of Allocation	Educational Operations Direct £000	Total 2013 £000	*Total 2012 £000*
Pension net cost	Direct	44	44	*56*
Staff Development	Staff time	3	3	*-*
Maintenance of premises and equipment	Floor area	109	109	*47*
Recruitment and Support	Staff time	2	2	*1*
Cleaning	Floor area	32	32	*33*
Rates and Rent	Floor area	9	9	*10*
Insurance	Floor area	11	11	*5*
Security and Transport	Floor area	4	4	*4*
Other Support Costs	Floor area	145	145	*134*
Wages and salaries	Direct/F/A	474	474	*490*
National insurance	Direct/F/A	31	31	*25*
Pension cost	Direct/F/A	82	82	*49*
Depreciation	Direct/F/A	44	44	*37*
Subtotal		990	990	*891*
Other support costs		-	-	*3*
		990	990	*894*

11. ANALYSIS OF RESOURCES EXPENDED BY EXPENDITURE TYPE

	Staff costs 2013 £000	Depreciation 2013 £000	Other costs 2013 £000	Total 2013 £000	*Total 2012 £000*
Fundraising expenses	-	-	32	32	*31*
Costs of generating funds	-	-	32	32	*31*
Educational Operations Direct	4,337	-	426	4,763	*5,384*
Educational Operations Allocated	-	132	856	988	*-*
Support costs - Educational Operations Direct	587	44	359	990	*891*
Charitable activities	4,924	176	1,641	6,741	*6,275*
Governance	37	-	16	53	*70*
	4,961	176	1,689	6,826	*6,376*

12. ANALYSIS OF RESOURCES EXPENDED BY ACTIVITIES

	Activities undertaken directly 2013 £000	Support costs 2013 £000	Total 2013 £000	*Total 2012 £000*
Educational Operations Direct	**4,763**	**990**	**5,753**	*6,275*
Educational Operations Allocated	**988**	**-**	**988**	*-*
Total	**5,751**	**990**	**6,741**	*6,275*

13. NET INCOMING RESOURCES / (RESOURCES EXPENDED)

This is stated after charging:

	2013 £000	*2012 £000*
Depreciation of tangible fixed assets:		
- owned by the charity	**176**	*146*
Auditors' remuneration	**7**	*5*
Auditor - other services	**6**	*5*

14. STAFF COSTS

Staff costs were as follows:

	2013 £000	2012 £000
Wages and salaries	4,076	4,054
Social security costs	298	297
Other pension costs (Note 28)	586	556
	4,960	4,907
Supply teacher costs	-	11
	4,960	4,918

The average number of persons (including the senior management team) employed by the Academy during the year expressed as full time equivalents was as follows:

	2013 No.	2012 No.
Teachers	82	90
Administration and support	43	45
Management	5	6
	130	141

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

	2013 No.	2012 No.
In the band £60,001 - £70,000	1	3
In the band £70,001 - £80,000	2	2
In the band £100,001 - £110,000	1	0
In the band £130,001 - £140,000	0	1
	4	6

94 of the above employees participated in the Teachers Pension Scheme. During the year ended 31 August 2013, pension contributions for these staff amounted to £443,074 (2012 : £460,182). 55 other employees participated in the Local Government Pension Scheme. Pension contributions amounted to £146,384 (2012 : £123,776).

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:

	2013 £000	*2012* *£000*
Dr Anthony Evans - Headteacher	**100-105**	*-*
Sophie Thorner - Staff Governor	**45-50**	*40-45*
Linda Walker - Staff Governor	**45-50**	*40-45*
Bernard Roberts - Headteacher	**-**	*115-120*

During the year, no Trustees received any reimbursement of expenses (2012 - £NIL).

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 2013 was £2,310 *(2012 - £2,023)*.

The cost of this insurance is included in the total insurance cost.

17. OTHER FINANCE INCOME

	2013 £000	*2012* *£000*
Expected return on pension scheme assets	**22**	*11*
Interest on pension scheme liabilities	**(66)**	*(64)*
	(44)	*(53)*

18. TANGIBLE FIXED ASSETS

	Freehold property £000	Furniture & Equipment £000	Computer equipment £000	Total £000
Cost				
At 1 September 2012	16,156	74	78	16,308
Additions	-	17	112	129
Disposals	-	-	(7)	(7)
At 31 August 2013	16,156	91	183	16,430
Depreciation				
At 1 September 2012	228	17	19	264
Charge for the year	114	18	47	179
On disposals	-	-	(2)	(2)
At 31 August 2013	342	35	64	441
Net book value				
At 31 August 2013	15,814	56	119	15,989
At 31 August 2012	*15,928*	*57*	*59*	*16,044*

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.

19. DEBTORS

	2013 £000	*2012 £000*
Trade debtors	112	*54*
Other debtors	89	*94*
Prepayments and accrued income	97	*74*
	298	*222*

20. CREDITORS:
Amounts falling due within one year

	2013 £000	*2012 £000*
Trade creditors	333	*60*
Amounts owed to group undertakings	4	*-*
Other taxation and social security	84	*90*
Other creditors	81	*77*
Accruals and deferred income	90	*33*
	592	*260*

Deferred income	£000
Deferred income at 1 September 2012	17
Amounts released from previous years	(17)
Deferred income at 31 August 2013	-

Deferred income brought forward related to the 16-18 bursary income which was received in advance last year, this did not occur this year.

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	369	136	(32)	-	-	473
Restricted funds						
General Annual Grant (GAG)	423	6,224	(6,215)	(180)	-	252
Other DfE/EFA /LA Grants	174	199	(199)	-	-	174
Other income	-	75	(75)	-	-	-
Pension reserve	(1,203)	-	(32)	-	36	(1,199)
	(606)	6,498	(6,521)	(180)	36	(773)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013

21. STATEMENT OF FUNDS (continued)

Restricted fixed asset funds

Restricted Fixed Asset Funds - all funds	15,960	-	(176)	205	-	15,989
Capital Maintenance Grant	-	206	(97)	-	-	109
Devolved Formula Capital Grant	-	25	-	(25)	-	-
	15,960	231	(273)	180	-	16,098
Total restricted funds	15,354	6,729	(6,794)	-	36	15,325
Total of funds	15,723	6,865	(6,826)	-	36	15,798

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 2013.

SUMMARY OF FUNDS

	Brought Forward £000	Incoming resources £000	Resources Expended £000	Transfers in/out £000	Gains/ (Losses) £000	Carried Forward £000
General funds	369	136	(32)	-	-	473
Restricted funds	(606)	6,498	(6,521)	(180)	36	(773)
Restricted fixed asset funds	15,960	231	(273)	180	-	16,098
	15,723	6,865	(6,826)	-	36	15,798

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013

22. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2013 £000	Restricted funds 2013 £000	Restricted fixed asset funds 2013 £000	Total funds 2013 £000	*Total funds 2012 £000*
Tangible fixed assets	-	-	15,989	15,989	*16,044*
Current assets	473	1,018	109	1,600	*1,142*
Creditors due within one year	-	(592)	-	(592)	*(260)*
Provisions for liabilities and charges	-	(1,199)	-	(1,199)	*(1,203)*
	473	(773)	16,098	15,798	*15,724*

23. NET CASH FLOW FROM OPERATING ACTIVITIES

	Continuing £000	Discontinued £000	2013 Total £000	*2012 £000*
Net incoming resources before revaluations	39	-	39	*300*
Returns on investments and servicing of finance	(7)	-	(7)	*(5)*
Depreciation of tangible fixed assets	179	-	179	*146*
Capital grants from DfE	(231)	-	(231)	*(28)*
Increase in debtors	(76)	-	(76)	*(216)*
Increase in creditors	332	-	332	*18*
FRS 17 adjustments	32	-	32	*21*
Net cash inflow from operations			268	*236*

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

	2013 £000	*2012 £000*
Returns on investments and servicing of finance		
Interest received	7	*5*

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

	2013 £000	*2012 £000*
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(129)	*(104)*
Sale of tangible fixed assets	5	*-*
Capital grants from DfE	231	*28*
Net cash inflow/(outflow) capital expenditure	107	*(76)*

25. ANALYSIS OF CHANGES IN NET FUNDS

	1 September 2012 £000	Cash flow £000	Other non-cash changes £000	31 August 2013 £000
Cash at bank and in hand:	920	382	-	1,302
Net funds	920	382	-	1,302

26. CONTINGENT LIABILITIES

In the event, during the period of the funding agreement, of the sale or disposal by other means of any asset for which a capital grant of whatever amount was received, the company shall, if it does not reinvest the proceeds, repay to the Secretary of State for Education the same proportion of the proceeds of the sale of disposal as equates with the proportion of the original cost met by the Secretary of State.

Upon termination of the funding agreement, whether as a result of the Secretary of State or the company serving notice, the company shall repay to the Secretary of State sums determined by reference to;

- The value at the time the Academy's site and premises and other assets held for the purposes of the company, and
- The extent to which expenditure incurred in providing those assets was met by payments by the Secretary of State under the funding agreement.Enter text here - user input

27. CAPITAL COMMITMENTS

At 31 August 2013 the Academy had capital commitments as follows:

	2013 £000	*2012 £000*
Contracted for but not provided in these financial statements	95,994	*-*

28. PENSION COMMITMENTS

The Academy's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by 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 £82,410 were payable to the scheme at 31 August 2013 (2012 - £75,782) and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010). These regulations apply to teachers in schools that are maintained by local authorities and other educational establishments, including academies, in England and Wales. In addition teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and from 1 January 2007 automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

The Teachers' Pension Budgeting and Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and are paid by public funds provided by Parliament. 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 under arrangements governed by the above Act.

The Teachers' Pensions Regulations require an annual account, the Teachers' Pension Budgeting and Valuation 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

At the last valuation, the contribution rate to be paid into the TPS was assessed in two parts. First, a standard contribution rate (SCR) was determined. This is the contribution, expressed as a percentage of the salaries of teachers and lecturers in service or entering service during the period over which the contribution rate applies, which if it were paid over the entire active service of these teachers and lecturers would broadly defray the cost of benefits payable in respect of that service. Secondly, a supplementary contribution is payable if, as a result of the actuarial review, it is found that accumulated liabilities of the Account for benefits to past and present teachers, are not fully covered by standard contributions to be paid in future and by the notional fund built up from past contributions. The total contribution rate payable is the sum of the SCR and the supplementary contribution rate.

The last valuation of the TPS related to the period 1 April 2001 to 31 March 2004. The Government

28. PENSION COMMITMENTS (continued)

Actuary's report of October 2006 revealed that the total liabilities of the Scheme (pensions in payment and the estimated cost of future benefits) amounted to £166,500 million. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at that valuation date) was £163,240 million. The assumed real rate of return was 3.5% in excess of prices and 2% in excess of earnings. The rate of real earnings growth was assumed to be 1.5%. The assumed gross rate of return was 6.5%. From 1 January 2007, the SCR was assessed at 19.75%, and the supplementary contribution rate was assessed to be 0.75% (to balance assets and liabilities as required by the regulations within 15 years). This resulted in a total contribution rate of 20.5%, which translated into an employee contribution rate of 6.4% and employer contribution rate of 14.1% payable.

Actuarial scheme valuations are dependent on assumptions about the value of future costs, the design of benefits and many other factors. Many of these assumptions are being considered as part of the work on the reformed TPS, as set out below. Scheme valuations therefore remain suspended. The Public Service Pensions Bill, which is being debated in the House of Commons, provides for future scheme valuations to be conducted in accordance with Treasury directions. The timing for the next valuation has still to be determined, but it is likely to be before the reformed schemes are introduced in 2015.

Teachers' Pension Scheme Changes

Lord Hutton published his final report in March 2011 and made recommendations 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 and Ministers engaged in extensive discussions with trade unions and other representative bodies on reform of the TPS. Those discussions concluded on 9 March 2012 and the Department published a Proposed Final Agreement, setting out the design for a reformed TPS to be implemented from 1 April 2015.

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. Importantly, 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 just 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 were to be phased in from April 2012 on a 40:80:100% basis.

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The Academy is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the Academy 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 Academy has set out above the information available on the scheme.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013**

28. PENSION COMMITMENTS (continued)

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 2013 was £190,000, of which employer's contributions totalled £150,000 and employees' contributions totalled £40,000. The agreed contribution rates for future years are 21.2% for employers and 6% for employees.

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

	Expected return at 31 August 2013 %	**Fair value at 31 August 2013 £000**	*Expected return at 31 August 2012 %*	*Fair value at 31 August 2012 £000*
Equities	**7.00**	**436**	*7.00*	*226*
Bonds	**3.40**	**29**	*2.50*	*11*
Property	**5.70**	**-**	*6.00*	*-*
Cash	**0.50**	**18**	*0.50*	*5*
Other	**7.00**	**-**	*7.00*	*8*
Total market value of assets		**483**		*250*
Present value of scheme liabilities		**(1,682)**		*(1,453)*
(Deficit)/surplus in the scheme		**(1,199)**		*(1,203)*

The amounts recognised in the Balance Sheet are as follows:

	2013 £000	*2012 £000*
Present value of funded obligations	**(1,682)**	*(1,453)*
Fair value of scheme assets	**483**	*250*
Net liability	**(1,199)**	*(1,203)*

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

	2013 £000	*2012 £000*
Current service cost	**(138)**	*(107)*
Interest on obligation	**(66)**	*(64)*
Expected return on scheme assets	**22**	*11*
Total	**(182)**	*(160)*
Actual return on scheme assets	**57**	*9*

28. PENSION COMMITMENTS (continued)

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

	2013	*2012*
	£000	*£000*
Opening defined benefit obligation	**1,453**	*1,123*
Current service cost	**138**	*107*
Interest cost	**66**	*64*
Contributions by scheme participants	**40**	*37*
Actuarial Losses	**-**	*151*
Benefits paid	**(15)**	*(29)*
Closing defined benefit obligation	**1,682**	*1,453*

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

	2013	*2012*
	£000	*£000*
Opening fair value of scheme assets	**250**	*93*
Expected return on assets	**22**	*11*
Actuarial gains and (losses)	**36**	*(1)*
Contributions by employer	**150**	*139*
Contributions by employees	**40**	*37*
Benefits paid	**(15)**	*(29)*
	483	*250*

The cumulative amount of actuarial gains and losses recognised in the Statement of Total Recognised Gains and Losses was £36,000 gain *(2012 - £153,000 loss).*

The Academy expects to contribute £150,000 to its Defined Benefit Pension Scheme in 2014.

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

	2013	*2012*
Discount rate for scheme liabilities	**4.50 %**	*4.30 %*
Rate of increase in salaries	**3.90 %**	*3.70 %*
Rate of increase for pensions in payment / inflation	**2.40 %**	*2.20 %*
Inflation assumption (CPI)	**2.40 %**	*2.20 %*
Commutation of pensions to lump sums	**50.00 %**	*50.00 %*

28. 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:

	2013	*2012*
Retiring today		
Males	**22.5**	*22.4*
Females	**25.0**	*24.9*
Retiring in 20 years		
Males	**24.3**	*24.2*
Females	**27.0**	*26.9*

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

Defined benefit pension schemes

	2013 **£000**	*2012* *£000*	*2011* *£000*
Defined benefit obligation	**(1,682)**	*(1,453)*	*(1,123)*
Scheme assets	**483**	*250*	*94*
Deficit	**(1,199)**	*(1,203)*	*(1,029)*
Experience adjustments on scheme liabilities	**-**	*(151)*	*-*
Experience adjustments on scheme assets	**36**	*(1)*	*(6)*

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.

29. OPERATING LEASE COMMITMENTS

At 31 August 2013 the Academy had annual commitments under non-cancellable operating leases as follows:

	Land and buildings			**Other**
	2013 **£000**	*2012* *£000*	**2013** **£000**	*2012* *£000*
Expiry date:				
Within 1 year	**-**	*-*	**3**	*39*

30. 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 trustees 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.