Registered number: 07512962

THE PRINCE HENRY'S HIGH SCHOOL ACADEMY TRUST

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018

THE PRINCE HENRY'S HIGH SCHOOL ACADEMY TRUST

CONTENTS

REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2018

Members

Michael Amies (until 31 August 2018)
Stephen Butcher
Stephen Cook
John Painter
Keith Watson

Governors

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[1,2,3,4]
Keith Watson, Vice Chair / Community Governor[1,4]
Jim Curran, Community Governor[1,3]
Dr Edward Pillar, Community Governor[1,4]
Maureen Spinks, Parent Governor (until 31 August 2018)[1,4]
Linda Walker, Staff Governor[1,3]
Diana Stubbs, Parent Governor[1,2]
Ginette Getting, Parent Governor[1,2]
Clare Rimell, Parent Governor[1,3]
Michael Thompson, Staff Governor[1,2]
Dr Victoria Hardwick, Community Governor[1,4]
Harry Organ, Community Governor[1,2]

[1] Full Governors
[2] Finance, Risk and General Purposes
[3] Safeguarding, Health & Safety, Insurance & Property
[4] Academic, Pastoral & Teaching

Company registered number

07512962

Company name

The Prince Henry's High School Academy Trust

Principal and registered office

Victoria Avenue
Evesham
Worcestershire
WR11 4QH

Clerk to the Governors

Mrs Susan Jennings

Head Teacher

Dr Anthony Evans

REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS GOVERNORS AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2018

Advisers (continued)

Senior management team

Dr Anthony Evans, Headteacher
Helen Wood, Deputy Headteacher
Benjamin Freeman, Deputy Headteacher
Antonia Lungley, Senior Assistant Headteacher
Nuala Barker, Assistant Headteacher
Suzanne Thomas, Assistant Headteacher
Andrew Duffy, Assistant Headteacher

Independent auditors

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

Bankers

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

Solicitors

Browne Jacobson
44 Castle Gate
Nottingham
Nottinghamshire
NG1 7BJ

GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2018

The Governors present their annual report together with the financial statements and auditor's report of the charitable company for the 1 September 2017 to 31 August 2018. The Annual report serves the purposes of both a Governors' report, and a Directors' report under company law.

The trust operates an educational academy for pupils aged 13 to 18 serving a catchment area in Evesham and the outlying area. It has a pupil capacity of 1,377 and had a roll of 1,284 in the school census on 5th October 2017.

Structure, governance and management

CONSTITUTION

The Academy and the group is a members limited liability company and an exempt charity.

The charitable company's Memorandum of Association is the primary governing document of the academy trust.

The Governors of The Prince Henry's High School Academy Trust are also the directors of the charitable company for the purpose of company law.

The charitable company is known as The Prince Henry's High School Academy Trust.

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

In this report there are frequent references to trustees. This is the same body of people as both the directors of the company and the 'governors' of a single academy trust; these words are used interchangeably. They are the people responsible under the academy trust's articles of association for controlling its management and administration. They have responsibility for directing its affairs, and for ensuring that it is solvent, well-run, and delivering the trust's charitable outcomes for the benefit of the public.

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.

TRUSTEES' INDEMNITIES

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

METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF GOVERNORS

A minimum of three and a maximum of four Governors are elected by the parental body as Parent Governors.

The Head of the school is a Governor.

Two of the Governors are elected by the staff of the school as Staff Governors.

A minimum of three and a maximum of six Governors are nominated by the members as Community Governors.

A minimum of two and a maximum of four Governors are nominated by the members as Partnership Governors.

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

The Governors are aware of the new requirements within the Academies Financial Handbook 2018 suggesting that the majority of Members should be independent of the Governing Body. The school is working towards this.

POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF GOVERNORS

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

ORGANISATIONAL STRUCTURE

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

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 Trust's finances and property and assets
- 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, Risk and General Purposes
- Property, Development and Safeguarding. In Summer Term 2017, this committee was changed to the Safeguarding, Health & Safety, Insurance and Property Committee, and the Terms of Reference were amended accordingly.
- Academic, Pastoral and Teaching

Other Committees which meet as required are:

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

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

All Committees report to the Governing Body as set out in their Terms of Reference, meet on an agreed schedule and on an as required basis, report to and where necessary, ask the Full 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. Whilst the Senior Leadership team meetings are primarily educaitonally focussed the Chief Financial Officer attends as required. The Head, COO, CFO and Key Deputies also meet on a fortnightly basis for a finance focused meeting. These are monitored through the Academy's System and Control procedures, its Risk Management structures and Internal Control Framework and are subject to regular scrutiny and audit.

PAY POLICY FOR KEY MANAGEMENT PERSONNEL

The pay ranges for the Headteacher, Deputy Headteachers and Assistant Headteachers are determined in accordance with the criteria specified in the most recent STPCD and ensuring pay scales are appropriate to their role and level of responsibility. As set out in the Academy's Pay Policy, the Governing Body has established pay ranges for the Headteacher, Deputy Headteachers and Assistant Headteachers. All decisions concerning pay and remuneration are made by the Salaries and Appointments Committee and ratified by the Full Governing Body. Benchmarking exercises are regularly carried out by the Salaries and Appointments Committee and an independent School Improvement Partner is used to support the setting and review of performance targets for the Headteacher.

TRADE UNION FACILITY TIME

Relevant union officials

Number of employees who were relevant union officials during the year	
Full-time equivalent employee number	114

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	-
1%-50%	2
51%-99%	-
100%	-

Percentage of pay bill spent on facility time

	£000	
Total cost of facility time	1	
Total pay bill	5,161	
Percentage of total pay bill spent on facility time	-	%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	100	%

CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS

During the period the Academy opened a SCITT which became operational with 12 trainees from September 2017. The Academy also held the funds (£500k) for a Specialist School Improvement Fund on behalf of the Worcestershire Teaching School Alliance. There were some related party relationships which are acknowledged at the Governors' meetings through the pecuniary interests forms, and any 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

Strategic report

Objectives and Activities

OBJECT AND AIMS

The Academy's main object is set out in its Articles of Association and referred to in pages 5-12 of that document. In summary, the principle object is to create and develop the very best Teaching and Learning environment for all our students and staff based upon the virtues of sound traditional values; thus enabling our students to leave Prince Henry's as well-rounded young people with a first class outstanding education that becomes fully embedded and integrated into their future lives.

We aim to achieve this by:

- Recruiting teachers to Prince Henry's who represent excellent traditional role models: highly qualified, courteous, professional, and happy to help all students at all times.
- Ensuring Prince Henry's staff instil into our students the traditional values outlined above.
- Ensuring the facilities and resources available are suitable and well maintained for an appropriate teaching environment.
- Providing a modern, broad, balanced, relevant and sustainable curriculum, so that our provision supports the individual needs of all of our students.
- Listening and responding appropriately to any parental queries on a personal basis, and supporting parents and carers with their child's journey through Prince Henry's.
- Recruiting new entrants to the teaching profession and providing high quality CPD through our SCITT and Teaching School.
- Supporting and learning from other schools that we work with through the School to School programme of the Teaching School.
- Being relentless in the quest for outstanding continuous improvement in all areas of Prince Henry's High School.

In accordance with the Articles of Association, the academy has adopted a Funding Agreement approved by the Secretary of State for Education. The Funding Agreement specifies, amongst other things, the basis and requirements for admission of students, and that the curriculum should comply with the substance of the National Curriculum.

OBJECTIVES, STRATEGIES AND ACTIVITIES

To help with the objects and aims above, at the start of the 2017/18 academic year, the Academy set aspirational budgets and objectives as follows:

- To obtain pupil outcomes and academic results as detailed in our School Improvement Plan
- To monitor and refine curriculum provision in light of new curriculum changes
- To prepare the school for changes to assessment so that each pupil's Progress 8 and Attainment 8 measure is maximised.
- To focus upon the development of new GCSEs and Curriculum provision post-16
- To intensely focus upon Disadvantaged Pupil Progress,
- To ensure that outcomes in MFL are maximised
- To embed a smooth transition to a new linear curriculum where most pupils will study 3 A levels (refining induction processes so that pupils are choosing sensibly and retention levels are high.)
- To focus upon the leadership of the new Citizenship GCSE in Years 9 and 10. Continue to monitor the

delivery of PSHE curriculum including British values.
- To continue to improve the school site to create a better learning environment for our students.
- Providing the Leadership and Management structures to oversee the significant cuts to the budget and delayed implementation of the National Funding Formula
- To ensure that SLT, Staff and Governors are aware of the latest advice and guidance on Safeguarding priorities.
- To develop focus upon how students are rewarded within school.
- To continue to develop our alternative provision in the school.
- To continue to focus intensely upon student outcomes, particularly for Disadvantaged Students, so that their outcomes are maximised.
- To ensure that our first cohort of SCITT students is successful.
- To continue to improve processes for developing self evaluation and school improvement.
- To re-submit bids for re development of the D&T block and refurbishment of PE facilities.
- To ensure successful completion of a local authority capital bid for disability access
- To ensure driveway access is improved and made safe
- To further improve the quality and sustainability of the staff through appropriate or targeted professional development.

The strategies and activities of the Academy were as follows during the 2017/18 academic year:-

- The school has implemented new curriculum changes and the overall 2018 achievements were exceptionally positive at GCSE and A Level, as outlined in the positive Attainment 8 and Progress 8 measures.
- There were outstanding results at A Level and Progress of students at GCSE was exceptionally high.
- We saw pleasing gains in the performance of our Disadvantaged Students, as outlined in our online statement which can be accessed on our website via the General Info/Statutory Information/Pupil Premium section.
- We provided staff training to focus upon stretching and challenging our students to maximise achievement through teaching and booster sessions.
- We enhanced the curriculum provision for our students receiving Alternative Provision.
- We continued to enhance Prince Henry's as a Teaching School, as detailed in the Teaching School Year Four Evaluation, which was sent to the NCTL.
- The school has surpassed all targets for the fourth year of Teaching School, and was reaccredited with fifth year funding during the summer of 2018. The Headteacher chaired the Worcestershire Teaching School Alliance and led a Strategic School Improvement Fund for Worcestershire and contributed to the NPQ programmes through the Worcestershire Global Leader Academy (WGLA).
- We successfully trained 12 students through our SCITT.
- We trained 2 Primary School Direct students through our Teaching School Alliance.
- Successful external audits were undertaken into the financial management of the SCITT and SSIF.
- James McNeillie, Senior HMI, spoke to all teaching staff
- Enrichment, extra curricular opportunities and alternative provision continued to be developed positively, with regular updates on activities that have taken place being provided on our website.
- During the Autumn Term the School Games Gold Award was re accredited for the sixth consecutive year and the school became one of 104 nationally to be accredited with the new School Games Platinum award.

PUBLIC BENEFIT

In setting our objectives and planning our activities, the Governors have given careful consideration to the Charity Commission's general guidance on public benefit.

The Academy aims to advance for the public benefit, education in Evesham and the surrounding area. In particular, but without prejudice to the generality of the forgoing by estimating, maintaining, managing and development of schools, offering a broad curriculum with a strong emphasis on enrichment activities.

The Academy provides some facilities for recreational and other leisure time occupation for the community at large including the Arts Theatre and Sports Hall, with its astro turf and cricket coaching facilities. Bookings from the community to take advantage of out of school hours' provision are strong and the Academy is pleased to be able to play a part in improving social welfare and the life of the said community. Income from these facilities is managed via the Academy's Trading Company and will be included in the school's accounts.

As an Academy we have a duty to support other schools. We have strong relationships with our feeder middle schools and with first schools in the local area. We also maintain a number of strong partnerships through our Teaching School Alliance.

During the 2017-18 school year, 1,284 pupils attended the Academy. Our catchment area includes:

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 around 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 Academy (which serves 4 and 5).

Achievements and performance

The main achievement has been the maintenance of high academic standards, as evidenced by the published public examination results. A Level results were again outstanding and amongst the best in the country. More than 70% of students progressed to higher education, of whom over 35% 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 an appropriate higher education course.

GCSE results were excellent. There is very strong evidence of pupils making very significant progress in terms of levels between national curriculum key stages. Unvalidated progress measures published in the School Performance Tables show that the school is very strong at Key Stage 4.

KEY PERFORMANCE INDICATORS

Performance Tables have been changed with the introduction of new numeric grades and new GCSEs. National Averages are not available within ASP for some of the measures. Where they are available, we have included them. The targets are also based upon analyses following the outcomes students received in their Key Stage 2 assessments. This is why they may appear lower in some years, but they are still based upon progress performance in the top 5%.

A Level Results 2018:

Benchmark Measure	Targets (based upon ALIS predictions	Outcomes
% A*-A	5	23
% A*-B	41	57
% A*-C	86	83
Average points per entry (best 3 estimate)	33.2	35.1

- Over a quarter of grades were A*-A (32%); 57% (60%) were A*-B and 83% (87%) were A*-C. Nearly one fifth of the cohort (30 students) achieved three A Levels with at least 2 A grades at A-Level. Our overall pass rate was 99%.
- Average Points per Student was 34.9 and Average Points per entry 35.1. (60 = A*; 50=A; 40=B, 30=C etc)

GCSE Results 2018:

Benchmark Measure	Targets reflect Top 20 – Top 5% of schools	Outcomes
Attainment 8 English 9 to 1	5.3	5.3
Attainment 8 Maths9 to 1	4.5	5.0
Attainment 8 E Bacc 9 to 1	4.7	5.2
Attainment 8 Open 9 to 1	5.3	4.9
% 5+ Grades 7 to 9	16	25
% 5+ in English + Maths	44	53
% 4+ in English + Maths Using FFT Eng and Maths estimates	67	75

- The overall results for 2018 have once again been outstanding, despite the alterations to the exam system and poor school funding. At GCSE our top performer achieved 8 numeric 9 and two numeric 8 grades. In terms of some of the benchmark figures, just under a quarter of the cohort attained 5 or more 7-9 numeric grades, which is exceptional. 71% of the cohort achieved 5 4-9 numeric grades (including standard passes in Maths and English) and 60% of all the numeric grades were strong passes (grade 5+). A third of our students achieved the English Baccalaureate and nearly three quarters of our students achieved standard passes (numeric grade 4 and above) in both English and Maths with 53% obtaining strong passes (numeric 5 and above). Pupil Premium results indicated that we have made sound progress and this will be an area for continued focus next year.

- The results for MFL and Science were significantly improved. Grade 4 & above (C grade equivalent) – MFL results at 59% pass rate being 5% points higher than our previous best. Science (double award), at 76%, is 6% points above the previous best.

Other Key Performance Indicators

There are many other KPIs which the Governing Body review and scrutinise on a regular basis which are written within the School Improvement Plan and SEF, including:

- **Attainment and Achievement Targets and Outcomes.** As well as internal assessments, important outcomes which are monitored by the Academic and Pastoral committee include cumulative percentages of grades at GCSE and A Level; published benchmark measures at A Level and GCSE; Attainment 8 and Progress 8; outcomes by students in receipt of Pupil Premium, outcomes by students with identified Special Needs.

- **The quality of behaviour and discipline**, monitored through engagement in the curriculum, lesson observations, attendance figures to school, exclusion rates, positive rewards and behaviour referrals.

- **The quality of the curriculum and provision,** including the information and guidance provided to match the needs of our students from Year 9 through to Year 13. This is monitored through the **Academic, Pastoral and Teaching Committee.**

- The **use of our financial resources** to provide value for money and a high quality learning environment through management and investment in: our school site, the curriculum provision on offer, the quality of teaching and the social and community dimensions that the school provides. This is monitored through the **Safeguarding, Health & Safety, Insurance and Property Committee and Finance, Risk & General Purposes Committee.**

- The **performance of colleagues** managed through Continuing Professional Development, Peer observation and Appraisal. This is reported to the **Finance, Risk 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 and approved by the **Strategic Consultation Group of Governors.**

GOING CONCERN

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the academy trust 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.

GLOSSARY OF ABBREVIATIONS

ASP	Analyse School Performance
CPD	Continuing Professional Development
D&T	Design and Technology
DfE	Department for Education
ESFA	Education and Skills Funding Agency
EWO	Education Welfare Officer
ICT	Information & Computing Technology
KPI	Key Performance Indicator
MFL	Modern Foreign Languages
NCTL	National College for Teaching and Leadership
NPQ	National Professional Qualification
NPQH	National Professional Qualification for Headteachers
NPQML	National Professional Qualification for Middle Leaders
NPQSL	National Professional Qualification for Senior Leaders
PSHE	Personal Social and Health Education
SLT	Senior Leadership Team
SCITT	School-Centred Initial Teacher Training
SSIF	Strategic School Improvement Fund
STPCD	School Teachers Pay and Conditions Document
RPA	Risk Protection Arrangement

FINANCIAL REVIEW

The accounting period runs from the 1st September 2017 to 31st August 2018 and the school finished the year with a balanced budget. The majority of the Academies income is obtained from the ESFA in the form of recurrent grants the use of which is restricted to particular purposes. The grants received from the ESFA during the period ended 31 August 2018 and the associated expenditure are shown as restricted funds in the statement of financial activities. The pension balance at 31st August 2018 is £1,769,000 (see page 49). The school also received £216,000 SEN&D Adaption funds to support disability access and site improvements. The Governing Body is investigating the development of other sources of income.

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 2015) 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.

RESERVES POLICY

Governors determine what the level of uncommitted reserves should be. Unfortunately, due to the negative impact of the current Funding Formula and the delayed implementation of its successor, the Governors have agreed that elements of the reserves be used to support the school's change and cost saving programmes whilst maintaining a level of reserves which can help mitigate eventualities which could place the school at risk. This is currently planned to be equal to at least one month's operational costs, approximately £420,000. Currently the school holds approximately £249,000 in reserves. Once confirmation is received on the scope and quantum resulting from the new Funding Formula, the aim is to maintain reserves at a level so as to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance.

As a part of its monitoring of in year financial performance, the Governing Body reviews the forecast impact on reserves and considers this as a part of its medium term financial planning. As at 31 August 2018 the academy held total general funds of £249,000 which it plans to use in part as a component of that medium term financial plan.

Under Accounting Standard FRS102 it is necessary to charge projected deficits on the Local Government Pension Scheme that is provided for non teaching staff to a specific restricted reserve. As at 31 August 2018 the deficit on this reserve amounted to £1,769,000. It should be noted however that this does not present the academy with a current Capital or Liquidity problem. Contributions to the pension scheme are being budgeted over the next few years in order to reduce the deficit.

Unrestricted funds show an acceptable surplus of £212,000 (2017: £226,000) which is in line with academy budgets and objectives.

MATERIAL INVESTMENTS POLICY

The Headteacher together with the Finance Manager will ensure that any surplus funds are deposited to maximise interest whilst maintaining a safe and secure investment strategy. This is set out in the Academy's Investment Policy and is actively monitored through the Senior Leadership Team and Finance, Risk and General Purposes Committee.

PRINCIPAL RISKS AND UNCERTAINTIES

The Academy continues to monitor the government's intention to introduce a national funding formula. Until Worcestershire is funded at the national median, Prince Henry's High School, along with schools in the Evesham pyramid will be funded proportionately less than most schools in the country. Prince Henry's has been extremely active in voicing our concerns to Worcestershire County Council and local MPs. The County Council has also elected to use a local funding formula which does not support schools such as Prince Henry's in a proportionate way. The application of this formula, the low funding base for Worcestershire and recent reductions to Sixth Form funding all, in the aggregate, represent the Academy's greatest risk and uncertainty. The school has taken a strategic approach to find efficiencies within its existing staffing structure as a result of natural movement of staff. In addition, we have also:

- Frozen curriculum budgets
- Restructured the curriculum IT team, incorporating responsibility for Citizenship with effect from September 2017
- Conducted essential maintenance and repairs in house
- Routinely updated the risk register
- Rountinely updated the asbestos management survey and plan

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.

RISK MANAGEMENT

The Academy has an ongoing risk management process. Overall responsibility for risk management rests with the Governing Body. The Finance, Risk and General Purposes Committee regularly monitors the types 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 (but delayed) Fair Funding formula
- Reductions in post-16 funding
- The volatility of student numbers for demographic reasons, both at entry Year 9 and post-16
- Provision for alternative curriculum
- The age of some of the school buildings

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

The school has a Business Continuity Plan and a Whistleblower Policy in place.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Academy has an accountancy management software system which is embedded into all financial processes.

To support the conversion to an Academy new accounting software was introduced in 2011 to support enhanced reporting needs, this has now been fully integrated into the academy's financial and management report systems and controls. The Governors review the ESFA Financial Handbook every year to ensure that the Academy is compliant with current ESFA regulations. Risk registers based upon those in the Financial Handbook are in place and monitored by Governors.

The Academy undertakes internal assurance reviews into two aspects of the management of the Academy each year. In 2017/18 the reviews focused upon the SCITT and the Strategic School Improvement Fund as both areas were new to the Academy.

As outlined above, the Risk Register and Business Continuity Plan are reviewed regularly by the Finance Manager, Operations Manager, Senior Leadership Team and the Academy's Governing Body.

Fundraising

Other than fundraising for local charities, via the students' Interact group, which last year raised £3,000, the school does not participate in the collection of school funds from parents.

Plans for future periods

FUTURE DEVELOPMENTS

The school's aims now are:-

- To carefully manage the resources available through the school budget and with a particular regard to the delayed implementation of the Fair Funding Formula.
- Despite the significant cuts to core budgets, to continue to focus intensely upon student outcomes.
- To develop our SCITT and plan for Ofsted during 2018-19 academic year.
- To further develop Teaching School Status by supporting Worcestershire schools with the Strategic School Improvement Fund. To complete the SSIF project Terms during 2018-19 academic year.
- To continue to develop the school curriculum in relation to the new specifications at GCSE and A Level, including a new assessment calendar.
- To maintain outstanding teaching and learning for all groups of students in all departments; ensuring teaching reflects the new demands of the curriculum change to support Attainment 8 and Progress 8 measures.
- To continue to thoroughly focus upon the progress of Disadvantaged Students.
- To implement a rolling programme of classroom refurbishment throughout the year.
- To enhance the school buildings through capital bid projects via the ESFA for D&T.
- To further improve the quality, sustainability and retention of the staff through appropriate and targeted professional development.

FUNDS HELD AS CUSTODIAN

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 auditors are unaware, and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Governors' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 6 December 2018 and signed on its behalf by:

Stephen Butcher
Chair of Trustees

Dr Anthony Evans
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 trustees has delegated the day-to-day responsibility to the Headteacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between The Prince Henry's High School Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Governors' report and in the Statement of Governors' responsibilities. The board of trustees has formally met 4 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Governor	Meetings attended	Out of a possible
Stephen Butcher, Chair of Governors / Partnership Governor	4	4
Stephen Cook, Community Governor	4	4
Alan Harris, Partnership Governor	2	4
John Painter, Partnership Governor	3	4
Dr Anthony Evans, Staff Governor / Head Teacher / Accounting Officer	4	4
Keith Watson, Vice Chair / Community Governor	3	4
Jim Curran, Partnership Governor	3	4
Dr Edward Pillar, Community Governor	3	4
Maureen Spinks, Parent Governor	4	4
Linda Walker, Staff Governor	3	4
Diana Stubbs, Parent Governor	3	4
Ginette Getting, Parent Governor	3	4
Clare Rimell, Parent Governor	3	4
Michael Thompson, Staff Governor	3	4
Dr Victoria Hardwick, Community Governor	4	4
Harry Organ, Community 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, Risk and General Purposes; Safeguarding, Health & Safety, Insurance & Property; and Academic, Pastoral and Teaching. The Audit and Planning Committee meets at least twice a year and the Salaries and Appointments Committee meets as required, but normally 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 Leadership Team in their ongoing management of the performance, direction and strategy of the Academy. Specific work was undertaken in the areas of policy development and strategy with a particular focus on the budgetary constraints due to the delayed implementation of the Fair Funding Formula.

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.

All committees are sub-committees of the main board of governors as highlighted above. In addition to the Governors, the Academy Operations Manager and Academy Finance Manager attend all relevant meetings.

The effectiveness of governance is reviewed regularly and is included on the Risk Register. This is discussed at the Audit & Planning meeting in December and then reviewed at the annual Members' meeting in January.

Finance, Risk and General Purpose:

Attendance at meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
Alan Harris, Partnership Governor	2	3
Stephen Butcher, Chair of Governors / Partnership Governor	3	3
Dr Anthony Evans, Staff Governor / Head Teacher / Accounting Officer	3	3
Ginette Getting, Parent Governor	3	3
John Painter, Partnership Governor	2	3
Diana Stubbs, Parent Governor	1	3
Michael Thompson, Staff Governor	1	3
Harry Organ, Partnership Governor	3	3

Audit and Planning:

Attendance at meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
John Painter, Partnership Governor	2	2
Stephen Butcher, Chair of Governors / Partnership Governor	2	2
Dr Anthony Evans, Staff Governor / Head Teacher / Accounting Officer	1	2
Alan Harris, Partnership Governor	2	2

REVIEW OF VALUE FOR MONEY

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

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

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

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

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

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

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

- Collaboration: The Trust has engaged with other educational providers and experts to share delivery or good practice, and to drive up standards for the least cost. The Trust is also focused upon working collaboratively with the Worcestershire Teaching School Alliance.

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

As a result of Teaching School Status, the school is now offering reduced cost, high quality CPD provision to our partner schools. The Academy has had SCITT status since September 2017.

- New initiatives: In the 2017/18 academic year, the following initiatives were undertaken:

- <u>Teaching School</u>: Funds have been received via Teaching School for School-to-School Support. We have delivered the NPQML programme and supported the introduction of NPQSL and NPQH programmes for Worcestershire. The Academy has led three terms of a SSIF bid across the Worcestershire Teaching School Alliance to aid 32 schools.

- <u>Fair Funding Formula</u>: In light of Fair Funding Formula proposals during 2017/18, department budgets remained frozen.

- Staff Restructuring: As part of a succession planning programme, the SEND team was restructured and we employed Apprentice Teaching Assistants using the Apprenticeship Levy. Some restructuring of alternative provision was planned for, whilst Citizenship and IT were also restructured.
- Curriculum and Timetable: This was re-written to allow for savings from September 2018 by increasing teaching commitment and by streamlining post-16 choice to three A-Levels.
- Improved Facilities: The school received Section 106 funding to improve toilet and dining facilities for students.

- **Quantifying improvements:** The outcomes obtained by our pupils in 2018 were exemplary. Nearly every pupil went to a university of their first choice in 2018. Also, we achieved our best ever attendance record. Pupils' educational attainment, behaviour and attendance records over time are available through the DfE website. A link to this can be found from our website in the Statutory Information Section. The financial performance of the Trust can be found on our website - Trustee's report to Governors 2017.

Independent monitoring: Ofsted 2013: The School is providing an "outstanding" quality of education; Ofsted 2014: Alternative provision survey; Ofsted 2015: More Able Pupils national report; RAISEonline Dec 2014; Trustees' financial report prepared by Auditors Randall and Payne 2014; regular review and meetings with School Improvement Partner; Responsible Officer audits of investments and student attendance 2016/17, SCITT and SSIF 2018.

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

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

Options appraisal: Different options have been considered before making purchases, including an assessment of the costs and benefits of the alternatives over the longer term. Tendering has been used appropriately and effectively (eg tendering for the MFL, Science and recent S106 build projects)

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

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

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

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

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

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

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

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

The Trust reviews its controls and managing risk through Senior Leadership Meetings, termly Finance, Risk & General Purposes and Safeguarding, Health & Safety, Insurance & Property Committee meetings. Separate Audit and Planning meetings are held twice a year. The Risk Register is annually reviewed, as are the Critical Incident Plan, school's insurance, handbooks and financial procedures. Bank balances are monitored monthly and when necessary higher interest accounts are used for the accumulation of slightly higher interest rates. The Responsible Officer reports, reviews and gives recommendations on the above.

The Trust has a Risk Register with a Continuity Plan. As part of the Trust's ongoing review of its risks and how to mitigate these the Academy's overall insurance protection arrangements are now placed using a combination of the Government's Risk Protection Arrangement (RPA) and a number of conventional insurers. Before this change was made a full risk assessment took place.

- **Lessons learned:**

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

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Prince Henry's High School Academy Trust for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The board of trustees has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks, that has been in place for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

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

The Trust reviews its controls and managing risk through Senior Leadership Meetings, termly Finance, Risk and General Purposes and Safeguarding, Health & Safety, Insurance & Property meetings. Separate Audit and Risk meetings are held twice a year. The Risk Register is annually reviewed, as are the Critical Incident Plan, the school's Insurance protections, handbooks and financial procedures. Relevant various sections are reviewed at individual Committee level. Bank balances are monitored monthly and when necessary higher interest accounts are used for the accumulation of slightly higher interest rates. The school commissions an independent report which reviews and gives recommendations relating to the above.

THE RISK AND CONTROL FRAMEWORK

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the Finance, Risk 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 trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Governors have appointed Randall & Payne LLP, the external auditors, to perform additional checks.

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

- An internal review of the Strategic School Improvement Fund (SSIF)
- An internal review of the School Centred Initial Teacher Training (SCITT) funding

On a termly basis, the external auditors report to the board of trustees through the audit committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

REVIEW OF EFFECTIVENESS

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

- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the board of trustees on 6 December 2018 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 trust board of trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2017.

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

Dr Anthony Evans
Accounting Officer

Date: 6 December 2018

STATEMENT OF GOVERNORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2018

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable group will continue in business.

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

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

The Governors are responsible for the maintenance and integrity of the corporate and financial information included on the charitable 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 trustees on 6 December 2018 and signed on its behalf by:

Stephen Butcher
Chair of Trustees

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

OPINION

We have audited the financial statements of The Prince Henry's High School Academy Trust (the 'parent academy') and its subsidiaries (the 'group') for the year ended 31 August 2018 which comprise the group Consolidated statement of financial activities incorporating income and expenditure account, the group Consolidated balance sheet, the group Consolidated statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent Academy's affairs as at 31 August 2018 and of the group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education and Skills Funding Agency.

BASIS FOR OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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

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

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

OTHER INFORMATION

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

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

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

- the information given in the Governors' Report including the Group Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Governors' Report and the Group Strategic Report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of our knowledge and understanding of the group and the parent Academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Governors' Report including the Group Strategic Report.

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

- the parent 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 Academy financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

RESPONSIBILITIES OF TRUSTEES

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

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

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

USE OF OUR REPORT

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

Robert Stokes ACCA (Senior statutory auditor)

for and on behalf of

Randall & Payne LLP

Chartered Accountants and Statutory Auditors

Chargrove House
Shurdington Road
Cheltenham
Gloucestershire
GL51 4GA
Date: 14 December 2018

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

In accordance with the terms of our engagement letter dated 6 December 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, 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 2017 to 31 August 2018 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 ESFA 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 ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than The Prince Henry's High School Academy Trust and the ESFA, 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 2017, 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 2017 to 2018. 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 2017 to 31 August 2018 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 2017 to 2018 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

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

The work undertaken during the audit included:

- Consideration and corroboration of the evidence supporting the accounting officers statement on regularity, propriety and compliance;
- Evaluation of the general control environment of the academy trust, extending the procedures required for financial statements to include regularity;
- 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 2017 to 31 August 2018 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Randall Payne LLP

Randall & Payne LLP

Chartered Accountants

Chargrove House
Shurdington Road
Cheltenham
Gloucestershire
GL51 4GA

Date: 14 December 2018

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2018

	Note	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Restricted fixed asset funds 2018 £000	Total funds 2018 £000	*Total funds 2017 £000*
INCOME FROM:						
Donations and capital grants	2	-	33	27	60	*71*
Charitable activities:	3					
Teaching School		-	71	-	71	*-*
Academy Educational Operations		-	6,638	257	6,895	*6,239*
Other trading activities	4	98	113	-	211	*332*
Investments	5	4	-	-	4	*4*
TOTAL INCOME		102	6,855	284	7,241	*6,646*
EXPENDITURE ON:						
Raising funds		-	2	-	2	*15*
Charitable activities:						
Teaching School		-	57	-	57	*-*
Academy Educational Operations		-	6,972	318	7,290	*7,107*
TOTAL EXPENDITURE	8	-	7,031	318	7,349	*7,122*
NET BEFORE TRANSFERS		102	(176)	(34)	(108)	*(476)*
Transfers between Funds	17	(116)	109	7	-	*-*
NET EXPENDITURE BEFORE OTHER RECOGNISED GAINS AND LOSSES		(14)	(67)	(27)	(108)	*(476)*
Actuarial gains on defined benefit pension schemes	21	-	436	-	436	*476*
NET MOVEMENT IN FUNDS		(14)	369	(27)	328	*-*
RECONCILIATION OF FUNDS:						
Total funds brought forward		226	(2,101)	18,803	16,928	*16,928*
TOTAL FUNDS CARRIED FORWARD		212	(1,732)	18,776	17,256	*16,928*

CONSOLIDATED BALANCE SHEET
AS AT 31 AUGUST 2018

	Note	£000	2018 £000	£000	2017 £000
FIXED ASSETS					
Tangible assets	14		18,682		18,715
CURRENT ASSETS					
Debtors	15	275		128	
Cash at bank and in hand		703		746	
		978		874	
CREDITORS: amounts falling due within one year	16	(635)		(555)	
NET CURRENT ASSETS			343		319
TOTAL ASSETS LESS CURRENT LIABILITIES			19,025		19,034
Defined benefit pension scheme liability	21		(1,769)		(2,106)
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			17,256		16,928
FUNDS OF THE ACADEMY					
Restricted income funds:					
Restricted income funds	17	37		5	
Restricted fixed asset funds	17	18,776		18,803	
Restricted income funds excluding pension liability		18,813		18,808	
Pension reserve		(1,769)		(2,106)	
Total restricted income funds			17,044		16,702
Unrestricted income funds	17		212		226
SHAREHOLDERS' AND CHARITY'S FUNDS			17,256		16,928

The financial statements on pages 31 to 60 were approved by the Governors, and authorised for issue, on 6 December 2018 and are signed on their behalf, by:

Stephen Butcher
Chair of Trustees

Dr Anthony Evans
Accounting Officer

ACADEMY BALANCE SHEET
AS AT 31 AUGUST 2018

	Note	£000	2018 £000	*£000*	*2017 £000*
FIXED ASSETS					
Tangible assets	14		**18,682**		*18,715*
CURRENT ASSETS					
Debtors	15	**476**		*291*	
Cash at bank and in hand		**495**		*567*	
		971		*858*	
CREDITORS: amounts falling due within one year	16	**(624)**		*(540)*	
NET CURRENT ASSETS			**347**		*318*
TOTAL ASSETS LESS CURRENT LIABILITIES			**19,029**		*19,033*
Defined benefit pension scheme liability	21		**(1,769)**		*(2,106)*
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			**17,260**		*16,927*
FUNDS OF THE ACADEMY					
Restricted funds:					
Restricted income funds		**41**		*5*	
Restricted fixed asset funds		**18,776**		*18,803*	
Restricted income funds excluding pension liability		**18,817**		*18,808*	
Pension reserve		**(1,769)**		*(2,106)*	
Total restricted income funds			**17,048**		*16,702*
Unrestricted funds			**212**		*225*
TOTAL FUNDS			**17,260**		*16,927*

The financial statements were approved by the Governors, and authorised for issue, on 6 December 2018 and are signed on their behalf, by:

Stephen Butcher
Chair of Trustees

Dr Anthony Evans
Accounting Officer

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2018

	Note	2018 £000	*2017* *£000*
Cash flows from operating activities			
Net cash used in operating activities	19	**(45)**	*(35)*
Cash flows from investing activities:			
Dividends, interest and rents from investments		**4**	*4*
Purchase of tangible fixed assets		**(286)**	*(290)*
Capital grants from DfE Group		**27**	*27*
Capital funding received from sponsors and others		**257**	*-*
Net cash provided by/(used in) investing activities		**2**	*(259)*
Change in cash and cash equivalents in the year		**(43)**	*(294)*
Cash and cash equivalents brought forward		**746**	*1,040*
Cash and cash equivalents carried forward	20	**703**	*746*

1. ACCOUNTING POLICIES

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

1.1 Basis of preparation of financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The Prince Henry's High School Academy Trust constitutes a public benefit entity as defined by FRS 102.

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.

1.2 Going concern

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

1. ACCOUNTING POLICIES (continued)

1.3 Income

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

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

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

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

Sponsorship income provided to the Academy which amounts to a donation is recognised in the Statement of financial activities in the period in which it is receivable, where receipt is probable and it is measurable.

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

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

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

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

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

All expenditure is inclusive of irrecoverable VAT.

1. ACCOUNTING POLICIES (continued)

1.5 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 section 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 £331,000 *(2017 - £172,000 deficit).*

1.6 Turnover

Turnover comprises revenue recognised by the Academy in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

1.7 Tangible fixed assets and depreciation

All assets costing more than £500 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

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

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

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

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

1.8 Interest receivable

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

1. ACCOUNTING POLICIES (continued)

1.9 Operating leases

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

1.10 Debtors

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

1.11 Cash at Bank and in hand

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

1.12 Liabilities and provisions

Liabilities and provisions are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.13 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments. Amounts due to the Academy's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in note 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments. Amounts due to the Academy's wholly owned subsidiary are held at face value less any impairment.

1. ACCOUNTING POLICIES (continued)

1.14 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.

1.15 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 21, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.
The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

1.16 Fund accounting

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

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

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

1. ACCOUNTING POLICIES (continued)

1.17 Critical accounting estimates and areas of judgment

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

Fixed asset valuations have been included at their estimated fair value at the date of conversion, and depreciated over their useful life since. With no formal valuations occurring since this date, the judgment is to assess whether this valuation is still appropriate in the accounts.

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Restricted fixed asset funds 2018 £000	Total funds 2018 £000	*Total funds 2017 £000*
Donations	-	33	-	33	*44*
Capital Grants	-	-	27	27	*27*
	-	33	27	60	*71*
Total 2017	*-*	*44*	*27*	*71*	

3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Total funds 2018 £000	*Total funds 2017 £000*
DfE/ESFA grants				
General Annual Grant	-	5,834	5,834	*5,869*
Rates Reclaim	-	38	38	*45*
Other DfE/ESFA grants	-	26	26	*26*
Pupil Premium	-	115	115	*117*
Other Local Authority Grants	-	273	273	*-*
NCTL Income	-	601	601	*87*
Other Income	-	79	79	*95*
	-	6,966	6,966	*6,239*
Total 2017	*-*	*6,239*	*6,239*	

Included in Other Local Authority Grants is £257,000 of restricted fixed asset income.

4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Total funds 2018 £000	*Total funds 2017 £000*
Music Fees Income	-	-	-	*44*
Sports co-ordinator and other staff recharges	-	64	64	*56*
Examination Fees	-	10	10	*12*
Insurance claim income	-	-	-	*2*
Other Income	-	39	39	*65*
Education Welfare Officer	-	-	-	*28*
	-	113	113	*207*
Total 2017	*30*	*177*	*207*	

5. INVESTMENT INCOME

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Total funds 2018 £000	*Total funds 2017 £000*
Investment income - local cash	4	-	4	*4*
Total 2017	*4*	*-*	*4*	

6. DIRECT COSTS

	Educational Operations £000	Total 2018 £000	*Total 2017 £000*
Pension income	-	-	*48*
Staff Expenses	4	4	*7*
Educational Supplies	112	112	*120*
Examination Fees	163	163	*205*
Staff development	11	11	*14*
Insurance	5	5	*6*
Technology Costs	88	88	*84*
Other	244	244	*102*
Wages and salaries	3,302	3,302	*3,444*
National insurance	335	335	*350*
Pension cost	541	541	*564*
	4,805	4,805	*4,944*
Total 2017	*4,944*	*4,944*	

7. SUPPORT COSTS

	Educational Operations £000	Total 2018 £000	*Total 2017 £000*
Pension income	48	48	*-*
Insurance	35	35	*28*
Other	62	62	*133*
Maintenance of Premises	101	101	*99*
Cleaning and Caretaking	145	145	*140*
Operating Lease Rentals - Other	33	33	*32*
Rates	38	38	*39*
Energy	127	127	*107*
Audit and accountancy fees	7	7	*9*
Transport	17	17	*14*
Catering	36	36	*24*
Other Premises Costs	58	58	*38*
Legal & Professional	213	213	*101*
Auditor Costs	15	15	*13*
Wages and salaries	991	991	*619*
National insurance	53	53	*52*
Pension cost	245	245	*428*
Depreciation	318	318	*286*
	2,542	2,542	*2,162*
Total 2017	*2,162*	*2,162*	

During the year ended 31 August 2018, the Academy incurred the following Support costs:

£15,000 *(2017 - £13,000)* included within the table above in respect of governance.

8. EXPENDITURE

	Staff costs 2018 £000	Premises 2018 £000	Other costs 2018 £000	Total 2018 £000	*Total 2017 £000*
Expenditure on fundraising trading	-	-	2	2	*16*
Educational Operations Di:					
Direct costs	4,178	-	627	4,805	*4,946*
Support costs	1,294	163	1,085	2,542	*2,162*
	5,472	163	1,714	7,349	*7,124*
Total 2017	*5,460*	*422*	*1,242*	*7,124*	

9. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2018 £000	*2017* *£000*
Depreciation of tangible fixed assets:		
- owned by the charitable group	318	*301*
Auditors' remuneration - audit	7	*7*
Auditors' remuneration - other services	3	*3*
Operating lease rentals	33	*24*

10. STAFF COSTS

a. Staff costs

Staff costs were as follows:

	2018 £000	*2017* *£000*
Wages and salaries	4,112	*4,051*
Social security costs	388	*402*
Operating costs of defined benefit pension schemes	786	*992*
	5,286	*5,445*
Agency supply	-	*2*
Temporary staff	181	*11*
Apprenticeship levy	5	*2*
	5,472	*5,460*

b. Staff numbers

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

	2018 No.	*2017* *No.*
Teachers	90	*97*
Administration & Support	67	*71*
Management	7	*7*
	164	*175*

Average headcount expressed as a full time equivalent:

	2018 No.	*2017* *No.*
Teachers	72	*78*
Administration & Support	42	*43*
Management	7	*7*
	121	*128*

c. Higher paid staff

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2018 No.	*2017* *No.*
In the band £60,001 - £70,000	1	*1*
In the band £90,001 - £100,000	0	*1*
In the band £100,001 - £110,000	1	*0*

10. STAFF COSTS (continued)

The above members of staff were included in the pension scheme. The total contributions for the year were £28,234 (2017: £27,100). The above bandings include the individuals total gross salary and employers pension contributions.

d. Key management personnel

The key management personnel of the academy comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £513,089 - 7 employees (2017: £495,803 - 7 employees).

11. GOVERNORS' REMUNERATION AND EXPENSES

One or more Governors has been paid remuneration or has received other benefits from an employment with the academy trust. The Principal and other staff Governors only receive remuneration in respect of services they provide undertaking the roles of principal and other staff members under their contracts of employment, and not in respect of their role as Governors. The value of Governors' remuneration and other benefits was as follows:

		2018 £000	*2017* *£000*
Dr A Evans	Remuneration	**100-105**	*95-100*
	Pension contributions paid	**15-20**	*15-20*
Michael Thompson	Remuneration	**45-50**	*40-45*
	Pension contributions paid	**5-10**	*5-10*
Linda Walker	Remuneration	**45-50**	*45-50*
	Pension contributions paid	**5-10**	*5-10*

During the year ended 31 August 2018, two Governors received reimbursement of expenses totalling £372 (2017 - £NIL).

12. GOVERNORS' 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 2018 was £2,588 *(2017 - £950).*

13. OTHER FINANCE INCOME

	2018 £000	*2017* *£000*
Interest income on pension scheme assets	**44**	*30*
Interest on pension scheme liabilities	**(92)**	*(78)*
	(48)	*(48)*

14. TANGIBLE FIXED ASSETS

Group	Freehold property £000	Fixtures and fittings £000	Plant and machinery £000	Computer equipment £000	Other fixed assets £000	Total £000
Cost						
At 1 September 2017	19,244	420	149	323	12	20,148
Additions	138	4	6	16	121	285
At 31 August 2018	19,382	424	155	339	133	20,433
Depreciation						
At 1 September 2017	958	180	71	224	-	1,433
Charge for the year	193	72	21	32	-	318
At 31 August 2018	1,151	252	92	256	-	1,751
Net book value						
At 31 August 2018	18,231	172	63	83	133	18,682
At 31 August 2017	*18,286*	*240*	*78*	*99*	*12*	*18,715*

Included in land and buildings is freehold land at cost of £2,480,000 (2017 - £2,480,000), which is not depreciated.

Academy	Freehold property £000	Fixtures and fittings £000	Plant and machinery £000	Furniture and fixtures £000	Other fixed assets £000	Total £000
Cost						
At 1 September 2017	19,244	420	149	323	12	20,148
Additions	138	4	6	16	121	285
At 31 August 2018	19,382	424	155	339	133	20,433
Depreciation						
At 1 September 2017	958	180	71	224	-	1,433
Charge for the year	193	72	21	32	-	318
At 31 August 2018	1,151	252	92	256	-	1,751
Net book value						
At 31 August 2018	18,231	172	63	83	133	18,682
At 31 August 2017	*18,286*	*240*	*78*	*99*	*12*	*18,715*

15. DEBTORS

	Group		Academy	
	2018	*2017*	2018	*2017*
	£000	*£000*	£000	*£000*
Trade debtors	37	*3*	31	*1*
Amounts owed by group undertakings	-	*-*	209	*170*
Other debtors	88	*16*	86	*13*
Prepayments and accrued income	150	*109*	150	*107*
	275	*128*	476	*291*

16. CREDITORS: Amounts falling due within one year

	Group		Academy	
	2018	*2017*	2018	*2017*
	£000	*£000*	£000	*£000*
Trade creditors	216	*268*	209	*255*
Other taxation and social security	-	*98*	-	*98*
Other creditors	186	*86*	186	*86*
Accruals and deferred income	233	*103*	229	*101*
	635	*555*	624	*540*

	Group		Academy	
	£000	£000	£000	£000
Deferred income				
Deferred income at 1 September 2017	64	67	64	67
Resources deferred during the year	150	64	150	64
Amounts released from previous years	(64)	(67)	(64)	(67)
Deferred income at 31 August 2018	150	64	150	64

Deferred income shown is in relation to the Teaching School grant, rates relief and bursary grants form the ESFA, Olympic Funding and charitable trading activities paid in advance.

17. STATEMENT OF FUNDS

	Balance at 1 September 2017 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2018 £000
Unrestricted funds						
General Funds	226	102	-	(116)	-	212
Restricted funds						
General Annual Grant (GAG)	4	5,834	(5,928)	90	-	-
Other DfE/ EFA Grants	-	179	(179)	-	-	-
Donations	-	33	(33)	-	-	-
LA Grants	-	16	(16)	-	-	-
Other	-	420	(420)	-	-	-
Teaching School & SCITT	1	373	(356)	19	-	37
Pension reserve	(2,106)	-	(99)	-	436	(1,769)
	(2,101)	6,855	(7,031)	109	436	(1,732)
Restricted fixed asset funds						
Fixed Asset Fund	18,715	-	(318)	285	-	18,682
Devolved Formula Capital (DFC)	-	27	-	(21)	-	6
Future CIF contributions	88	-	-	-	-	88
Local Authority Capital	-	257	-	(257)	-	-
	18,803	284	(318)	7	-	18,776
Total restricted funds	16,702	7,139	(7,349)	116	436	17,044
Total of funds	16,928	7,241	(7,349)	-	436	17,256

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

The restricted general fund includes grants receiveable from the DfE/ ESFA, Local Authority and other governement grants to be used for the primary activitiy 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.

17. STATEMENT OF FUNDS (continued)

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 September 2016 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2017 £000
General funds						
General Funds	393	117	(56)	(228)	-	226
Restricted funds						
General Annual Grant (GAG)	-	5,896	(6,039)	147	-	4
Other DfE/ EFA Grants	-	162	(162)	-	-	-
Donations	-	44	(44)	-	-	-
LA Grants	-	35	(35)	-	-	-
Other	11	267	(278)	-	-	-
Teaching School & SCITT	-	98	(97)	-	-	1
Pension reserve	(2,472)	-	(110)	-	476	(2,106)
	(2,461)	6,502	(6,765)	147	476	(2,101)
Restricted fixed asset funds						
Fixed Asset Fund	18,727	-	(301)	289	-	18,715
Devolved Formula Capital (DFC)	-	27	-	(27)	-	-
Science Block contribution	169	-	-	(169)	-	-
Future CIF contributions	100	-	-	(12)	-	88
	18,996	27	(301)	81	-	18,803
Total restricted funds	16,535	6,529	(7,066)	228	476	16,702
Total of funds	16,928	6,646	(7,122)	-	476	16,928

A CURRENT YEAR 12 MONTHS AND PRIOR YEAR 12 MONTHS COMBINED POSITION IS AS FOLLOWS:

	Balance at 1 September 2016 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2018 £000
Unrestricted funds						
General Funds	393	219	(56)	(344)	-	212
Restricted funds						
General Annual Grant (GAG)	-	11,730	(11,967)	237	-	-
Other DfE/ EFA Grants	-	341	(341)	-	-	-
Donations	-	77	(77)	-	-	-
LA Grants	-	51	(51)	-	-	-
Other	11	687	(698)	-	-	-
Teaching School & SCITT	-	471	(453)	19	-	37
Pension reserve	(2,472)	-	(209)	-	912	(1,769)
	(2,461)	13,357	(13,796)	256	912	(1,732)
Restricted fixed asset funds						
Fixed Asset Fund	18,727	-	(619)	574	-	18,682
Devolved Formula Capital (DFC)	-	54	-	(48)	-	6
Science Block contribution	169	-	-	(169)	-	-
Future CIF contributions	100	-	-	(12)	-	88
Local Authority Capital	-	257	-	(257)	-	-
	18,996	311	(619)	88	-	18,776
	16,535	13,668	(14,415)	344	912	17,044
Total of funds	16,928	13,887	(14,471)	-	912	17,256

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Restricted fixed asset funds 2018 £000	Total funds 2018 £000
Tangible fixed assets	-	-	18,683	18,683
Current assets	212	674	93	979
Creditors due within one year	-	(637)	-	(637)
Provisions for liabilities and charges	-	(1,769)	-	(1,769)
	212	(1,732)	18,776	17,256

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2017 £000	*Restricted funds 2017 £000*	*Restricted fixed asset funds 2017 £000*	*Total funds 2017 £000*
Tangible fixed assets	-	-	*18,715*	*18,715*
Current assets	*226*	*559*	*88*	*874*
Creditors due within one year	-	*(554)*	-	*(554)*
Provisions for liabilities and charges	-	*(2,106)*	-	*(2,106)*
	226	*(2,101)*	*18,803*	*16,928*

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

	Group 2018 £000	*2017 £000*
Net expenditure for the year (as per Statement of Financial Activities)	(108)	*(476)*
Adjustment for:		
Depreciation charges	318	*301*
Losses on investments	(4)	*(4)*
(Increase)/decrease in debtors	(124)	*117*
Increase/(decrease) in creditors	58	*(58)*
Capital grants from DfE and other capital income	(284)	*(27)*
Net gain on assets and liabilities from local authority on conversion	-	*112*
LGPS Adjustments	99	-
Net cash used in operating activities	(45)	*(35)*

20. ANALYSIS OF CASH AND CASH EQUIVALENTS

	Group	
	2018	*2017*
	£000	*£000*
Cash in hand	**703**	*746*
Total	**703**	*746*

21. 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 Multi-employer defined benefit pension schemes.

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

Contributions amounting to £nil were payable to the schemes at 31 August 2018 *(2017 - £85,880)* and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay, including a 0.08% employer administration charge.
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £538,678 *(2017 - £555,723).*

21. PENSION COMMITMENTS (continued)

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £236,000 *(2017 - £227,000)*, of which employer's contributions totalled £195,000 *(2017 - £185,000)* and employees' contributions totalled £41,000 *(2017 - £42,000)*. 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.
Principal actuarial assumptions:

	2018	*2017*
Discount rate for scheme liabilities	2.80 %	*2.40 %*
Rate of increase in salaries	3.60 %	*3.70 %*
Rate of increase for pensions in payment / inflation	2.20 %	*2.20 %*
Inflation assumption (CPI)	2.10 %	*2.20 %*

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

	2018	*2017*
Retiring today		
Males	22.7	*22.6*
Females	25.7	*25.6*
Retiring in 20 years		
Males	24.9	*24.8*
Females	28	*27.9*

Sensitivity analysis	At 31 August 2018 £000	*At 31 August 2017 £000*
Discount rate +0.1%	3,727	*3,790*
Mortality assumption - 1 year increase	3,874	*3,940*
Pay growth +0.1%	3,820	*3,888*
CPI rate +0.1%	3,887	*3,953*

21. PENSION COMMITMENTS (continued)

The sensitivity analysis shows the effect on the liabilities within the scheme should the above events occur.

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

	Fair value at 31 August 2018 £000	*Fair value at 31 August 2017 £000*
Equities	**1,568**	*1,518*
Corporate bonds	**94**	*92*
Bonds	**163**	*-*
Property	**96**	*67*
Cash and other liquid assets	**43**	*23*
Other	**73**	*64*
Total market value of assets	**2,037**	*1,764*

The actual return on scheme assets was £121,000 *(2017 - £222,000).*

The amounts recognised in the Statement of financial activities are as follows:

	2018 £000	*2017 £000*
Current service cost	**(243)**	*(244)*
Interest income	**44**	*30*
Interest cost	**(92)**	*(78)*
Admin expenses	**(3)**	*(3)*
Total	**(294)**	*(295)*
Actual return on scheme assets	**121**	*222*

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

	2018 £000	*2017 £000*
Opening defined benefit obligation	**3,870**	*3,783*
Current service cost	**243**	*244*
Interest cost	**92**	*78*
Employee contributions	**41**	*42*
Actuarial gains	**(359)**	*(267)*
Benefits paid	**(81)**	*(10)*
Closing defined benefit obligation	**3,806**	*3,870*

21. PENSION COMMITMENTS (continued)

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

	2018 £000	*2017* *£000*
Opening fair value of scheme assets	1,764	*1,311*
Interest income	44	*30*
Actuarial losses	77	*209*
Employer contributions	195	*185*
Employee contributions	41	*42*
Benefits paid	(81)	*(10)*
Effect of non-routine settlements	(3)	*(3)*
Closing fair value of scheme assets	2,037	*1,764*

22. OPERATING LEASE COMMITMENTS

At 31 August 2018 the total of the group's future minimum lease payments under non-cancellable operating leases was:

Group	2018 £000	*2017* *£000*
Amounts payable:		
Within 1 year	19	*33*
Between 1 and 5 years	4	*11*
Total	23	*44*

At 31 August 2018 the Academy had annual commitments under non-cancellable operating leases as follows:

Academy		
Amounts payable:		
Within 1 year	19	*33*
Between 1 and 5 years	4	*11*
Total	23	*44*

23. MEMBERS' LIABILITY

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

24. RELATED PARTY TRANSACTIONS

Owing to the nature of the academy trust 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 Governors have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH and with the trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 11.

The following transactions took place in the period of account:

St Egwin's C of E Middle School - Rev E Pillar is no longer a school governor of this entity therefore there were no related party transactions during the period. 2017: Income - Staff services £6,500, other transactions £821. Payments - teacher placements £560. Services were invoiced at the normal commercial rate.

Westacre Middle School - in which the wife of governor Dr A Evans is a governor. Staff services for EWO were invoiced for £3,710 (2017: £3,600). Payments for support work totalling £6,750 (2017: £4,000) and teacher placements £2,280 (2017: £Nil) were made to the school, totalling £9,030 (2017: £4,000). There were no amounts outstanding at 31 August 2018 (2017: £Nil). The services were invoiced at the normal commercial rate.

Bredon Hill School - in which Ginny Getting, a governor is also a school governor. Staff services for EWO were invoiced for £10,710 (2017: £8,034) and other transactions £160 (2017: £456) totalling £10,870 (2017: £8,490). Payments were made to the school in relation to a teacher placements totalling £1,280 (2017: £120). There were no amounts outstanding at 31 August 2018. The services were invoiced at the normal commercial rate.

Cropthorne with Charlton First School - in which Ginny Getting, a governor is also a school governor. Other staff costs were invoiced for £Nil (2017: £920) and Psychology support of £635 (2017: £650). A credit note of £110 was raised in the period in relation to first aid costs. There were no amounts outstanding at 31 August 2018 (2017: £110). The services were invoiced at the normal commercial rate.

25. TEACHING SCHOOL TRADING ACCOUNT

	2018 £000	2018 £000	*2017 £000*	*2017 £000*
INCOME				
DIRECT INCOME				
NCTL income	309		*69*	
OTHER INCOME				
Other	64		*78*	
TOTAL INCOME		373		*147*
EXPENDITURE				
DIRECT EXPENDITURE				
Direct staff costs	260		*53*	
Other direct costs	54		*24*	
OTHER EXPENDITURE				
Other staff costs	22		*23*	
Other	20		*27*	
TOTAL EXPENDITURE		356		*127*
SURPLUS FROM ALL SOURCES		17		*20*
TEACHING SCHOOL BALANCES AT 1 SEPTEMBER 2017		20		*-*
TEACHING SCHOOL BALANCES AT 31 AUGUST 2018		37		*20*

26. PRINCIPAL SUBSIDIARIES

PHHS Trading Company Limited

Subsidiary name	PHHS Trading Company Limited
Company registration number	07768785
Basis of control	Majority share holder
Equity shareholding %	100%
Total assets as at 31 August 2018	£ 217,306
Total liabilities as at 31 August 2018	£ (217,305)
Total equity as at 31 August 2018	£ 1
Turnover for the year ended 31 August 2018	£ 166,442
Expenditure for the year ended 31 August 2018	£ (169,770)
Loss for the year ended 31 August 2018	£ (3,328)