

JOHN HAMPDEN GRAMMAR SCHOOL
(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016



**JOHN HAMPDEN
GRAMMAR SCHOOL**

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JOHN HAMPDEN GRAMMAR SCHOOL**(A Company Limited by Guarantee)**

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JOHN HAMPDEN GRAMMAR SCHOOL
(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2016

Members of the Academy Trust

Mr John Anderson
Mr Colin Hayfield
Miss Tracey Hartley (Appointed 5 September 2016)
Mr Stephen Nokes (Resigned 31 August 2016)
Mr Philip Maskell
Mr Mark Phillips QC

Trustees / Governors

Mr John Anderson²
Mrs Jill Anderson (Resigned 14 September 2015)
Mr Faraz Baber³ (Appointed 5 September 2016)
Mr John Barlow³
Dr Tony Burne^{1,2}
Mr Barry Clarke OBE^{2,4}
Prof. Andrew George²
Miss Tracey Hartley^{1,2,3} (Headteacher and Accounting Officer from 1 September 2016)
Mr Colin Hayfield (Chair)
Mrs Susie Howard² (Resigned 12 July 2016)
Mr Harry Kemsley (Resigned 30 December 2015)
Mrs Emma Le Neve Foster² (Staff Governor, appointed 14 September 2015, resigned 5 September 2016)
Mrs Shivaun Mason² (Appointed 5 September 2016)
Mr Philip Maskell^{1,3}
Mr Stephen Nokes^{1,2,3} (Headmaster & Accounting Officer to 31 August 2016)
Mr Mark Phillips QC¹
Mrs Nicola Rogers³ (Staff Governor, appointed 14 September 2015)
Mr Carl Rycroft² (Appointed 5 September 2016)
Mrs Neelm Saini² (Appointed 14 September 2015, resigned 5 September 2016)
Mrs Amanda Triggs³ (Staff Governor, resigned 30 October 2016)

¹ Denotes member of the Finance Committee during the year ended 31 August 2016

² Denotes member of the Education Committee during the year ended 31 August 2016

³ Denotes member of the Estates Committee during the year ended 31 August 2016

⁴ Denotes member of the Audit Committee during the year ended 31 August 2016

Company Secretary

Mrs Kate Bailey

Senior Management Team

Mr Stephen Nokes (Headmaster, to 31 August 2016)
Miss Tracey Hartley (Headteacher, from 1 September 2016)
Ms Kim Hill (Senior Assistant Head)
Mr Nick Hutchinson (Senior Assistant Head)
Miss Rachel Bailey (Assistant Head)
Mr Andy Wright (Assistant Head)
Mrs Kate Bailey (Business Manager)

JOHN HAMPDEN GRAMMAR SCHOOL
(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2016

Company Name

John Hampden Grammar School

Principal and registered office

John Hampden Grammar School, Marlow Hill, High Wycombe, Bucks, HP11 1SZ

Company registered number

07638999 (England & Wales)

Independent Auditors

MHA MacIntyre Hudson, Abbey Place, 24 - 28 Easton Street, High Wycombe, Buckinghamshire, HP11 1NT

Bankers

HSBC Bank plc, 1 Cornmarket, High Wycombe, Buckinghamshire, HP11 2AY
Lloyds Bank plc, 27-31 White Hart Street, High Wycombe, Buckinghamshire, HP11 2HL
Nationwide Building Society, Nationwide House, Pipers Way, Swindon, SN38 1NW

Solicitors

Stone King LLP, Boundary House, 91 Charterhouse Street, London, EC1M 6HR

JOHN HAMPDEN GRAMMAR SCHOOL
(A Company Limited by Guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2016

The Trustees present their annual report together with the financial statements and auditors' reports of the charitable company for the year ended 31 August 2016. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The trust operates an academy for boys aged 11 to 18 serving a catchment area in and around High Wycombe. It has a pupil capacity of approximately 1050 and had a roll of 1079 in the school census in October 2016.

Change of Headteacher

In August 2016 the Headmaster Mr Stephen Nokes retired after 16 highly successful years at the school. During his period of leadership the school expanded significantly both in numbers of students and in the facilities available to them. A new sports hall was built together with additional classrooms in 2006; in 2013 the new sixth form centre was opened together with additional classrooms and a new Learning Resource Centre; in 2014 the Synthetic Turf Pitch was opened with investment from Wycombe District Council. The school became an Academy in 2011 and under his leadership has been able to benefit from the increased freedoms of Academy status. Exam results improved significantly over the 16 years and the sixth form has expanded to over 300 students. Mr Nokes built a strong leadership team and created a distinctive ethos for the school which together with sound finances leaves the school in a good position to face future challenges. He raised the profile of John Hampden Grammar School both locally and nationally through membership of the Boys Association of Selective Schools (BASS) and the Grammar School Heads' Association (GSHA) of which he was national Chairman in 2015/16. The Governors have expressed their deep gratitude to him for everything that has been achieved during the last 16 years.

On 1st September 2016 Miss Tracey Hartley was appointed as Headteacher of John Hampden Grammar School. She was previously Acting Head at a girls' selective school and the Governors have every confidence that she will continue to take the school forward with further improvements to exam results and facilities.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust.

The trustees of the Academy Trust are also the directors of the charitable company for the purposes of company law, and are the Governors of the school. The charitable company is known as John Hampden Grammar School.

Details of the trustees who served throughout the year except as noted are included in the Reference and Administrative Details on page 1.

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 has entered into the Department for Education's Risk Protection Arrangement (RPA) for Academy Trusts. Within the RPA there is indemnity to cover the liability of the Governors which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust. The cost of this indemnity in the year is incorporated within the overall charge for the RPA.

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

Method of Recruitment and Appointment or Election of Trustees

Sections 45 to 93 of the Academy Trust's Articles of Association require the make-up of the Governors to be as follows:

- 3 Staff Governors appointed by staff election
- A minimum of 3 Parent Governors elected by parents
- Up to 8 Community Governors appointed by the Members
- Up to 3 Co-opted Governors appointed by Governors who have not themselves been co-opted
- The Principal (Headteacher).

The term of office of any Governor is four years in all cases apart from the Headteacher or any post held ex-officio. Subject to remaining eligible to be a particular type of Governor, any Governor may be re-appointed or re-elected.

Policies and Procedures Adopted for the Induction and Training of Trustees

The induction and training of new Governors is individually tailored to take account of their existing knowledge and experience. An induction checklist is used to identify training required on charity and educational, legal and financial matters. New Governors complete a skills audit which identifies any areas of knowledge that need improvement and existing Governors are also asked to complete this from time to time to identify any remaining gaps in their knowledge. Training sessions are arranged periodically for the Full Governing Body and cover areas such as finance, safeguarding and the role of Governors in respect of stewardship and challenge.

All new Governors are given a tour of the school and the opportunity to meet with staff and students. All Governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and any other documents that they need to properly undertake their role.

Organisational Structure

The management structure consists of four levels, the Governing Body (Directors and Trustees), the Headteacher, the Senior Leadership Team, and Budget Holders. The aim of the structure is to devolve responsibility and encourage involvement in decision-making at all levels.

In addition to regular meetings of all of the members, the Governing Body operates through three main sub-committees, Education, Estates and Finance that each meet at least 3 times per year. In addition a Governance Group meets as and when required and an Audit Committee meets at least twice each year and reports to the Governing Body. Members of the Governing Body are responsible for setting general policy, monitoring the Academy by the use of financial budgets, exam results and other comparative data and making major decisions about the direction and strategy of the Academy, capital expenditure, reserves and senior staff appointments.

The Headteacher has overall executive responsibility for the Academy activities and the appointment of staff with the exception of the Assistant Heads and the Business Manager.

The Senior Leadership Team (SLT) consists of the Headteacher, two Senior Assistant Heads, two Assistant Heads and the Business Manager. As a group the SLT controls the Academy at an executive level, implementing the policies laid down by the Governing Body and reporting back to them. The SLT is responsible for overall day-to-day operation of the Academy, continuous performance monitoring of both staff and students, and the development and implementation of new guidelines and initiatives.

Budget holders include members of the SLT, Heads of Department and the Site Manager. They are responsible for monitoring and controlling financial expenditure in those areas for which they are accountable.

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

Arrangements for setting pay and remuneration of key management personnel

A remuneration committee appointed from among Governors, meets annually to agree the pay of the members of the SLT. Leadership team pay is set within bandings which are determined by reference to responsibilities and experience. The pay of the new Headteacher was set by Governors in 2016 as part of the appointment process, and was benchmarked against other local grammar schools.

Related Parties and other Connected Charities and Organisations.

John Hampden Grammar School exists as a single entity and is not part of a wider Federation of Academies. The Academy does however have links with the separate John Hampden Grammar School Fund (JHGS Fund), registered charity number 296155, the trustees of which are:

Mr John Anderson (JHGS Governor)
Miss Tracey Hartley (appointed 1 September 2016)
Ms Kim Hill (JHGS Senior Assistant Head)
Mr Stephen Nokes (JHGS Headmaster, resigned 31 August 2016)
Mr Philip Maskell (JHGS Parent Governor)

The object of the JHGS Fund is to raise money from parents, guardians and former pupils to provide assistance in the provision of facilities for the education of pupils at the School not normally provided by annual government funding.

OBJECTIVES AND ACTIVITIES

Section 4 of the Academy Trust's Articles of Association defines the Academy Trust's objects and principal activities as being "to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum".

Objects and Aims

The main aims are as outlined in the School Prospectus:

- The achievement of academic excellence through a broad curriculum, encouragement and experience
- The creation of a passion for learning and development of individual potential
- The provision of outstanding pastoral care in a happy and supportive environment
- The creation of leadership opportunities throughout the School
- The provision of a wide range of sporting opportunities, with teams performing at the highest levels
- The encouragement of creativity through an extensive performing arts programme.

Objectives, Strategies and Activities

The main objectives for the year are outlined in the School Development Plan 2013-16 and are summarised below:

- Ensure that the standards achieved in the best performing departments, as measured by internal comparative data, are reflected in all departments
- Ensure the needs of all learners are met
- Ensure that our curriculum continues to match the needs of our pupils
- Develop digital learning
- Consistent implementation of behaviour management strategy
- School Governors and staff will continue to look for areas of efficiency
- Governors to review membership

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

Objectives, Strategies and Activities (continued)

- Expand partnerships with other schools
- Improve facilities to enhance Teaching and Learning
- Improve quality of teaching by developing the appraisal structure for all staff and through the role of training, support and CPD
- Review the curriculum and extra-curricular activities and courses provided
- Strive to narrow gaps in attainment and achievement for disadvantaged students by effective use of pupil premium funding.

Public Benefit

The Governors of the Academy Trust have complied with their duty to have due regard to the guidance on Public Benefit published by the Charity Commission in exercising their powers and duties. During meetings of the Full Governing Body and its sub-committees, the Governors discuss the curriculum, local community and school environment and have taken due regard to the Charity Commission guidance at all times. They can demonstrate that the Academy's aims and activities are purely for the advancement of education, the development of the students and the satisfaction of parents and guardians.

The activities undertaken to further the Academy Trust's purpose for the Public Benefit include its relationships with the wider community in which the staff and students play a key role. This includes Student Voice, charity projects, providing maths tuition at local primary schools, and the Widen Access to Grammar Schools project. We are able to support other schools towards providing an outstanding provision, for example we support a number of primary schools in raising achievement, e.g. Lane End Primary School and Carrington Junior School, and two members of the Senior Leadership Team are governors at local primary schools supporting school improvement. We also collaborate with many other schools in a variety of different ways, for example in our 'heading to outstanding' course and through GSHA (Grammar School Heads Association) and BASS (Boys Association Selective Schools). Sharing good practice is achieved via continuing professional development and benchmarking with these groups and others.

The general public has access to the school site outside of school hours to use the Synthetic Turf Pitch (STP) which has been developed in partnership with Wycombe District Council, and through the use of school buildings outside of school hours.

STRATEGIC REPORT

Achievements and Performance

Our students are excellent ambassadors for the school and convey their pride in the school. They confidently interact with each other, the staff and visitors demonstrating their passion for learning, and engaging warmly with confidence and courtesy. Our students have high levels of interest and resilience and their collaboration, co-operation and community spirit can be seen around the school. Students are inspired and through digital learning, for example, acquire knowledge and develop independent learning exceptionally well across the curriculum. Staff/student relationships are extremely strong; academic standards are very high; and the overall development of the student is at the core of our provision and ethos.

There are no groups of students that regularly underachieve and we monitor this to ensure all groups make outstanding progress.

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

Achievements and Performance (continued)

Achievement as outlined in the school's Self Evaluation Form is as follows:

GCSE

- GCSE results are high with around 55% of all entries achieving A*/A grades in 2016
- GCSE results have consistently improved over the last 6 years, for example in 2007 42% of candidates achieved 5 or more A*/A grades and in 2012 to 2015 this figure was 69%.
- There was a drop in overall attainment in 2016, in a large part due to performance in English where action has been taken to raise performance.
- 2014 & 2015 RAISEonline reports list attainment in all subjects as significantly positive (except when entries are so low to make significance tests invalid).
- Achievement of SEN students is carefully monitored and progress is significantly above national figures (RAISEonline).
- Pupils eligible for the pupil premium perform in line with their peers although small numbers make comparisons difficult.

A Level

- A level results are high and have remained high for at least 6 years. This was recognised in the 2008 OFSTED report. In 2016 43% of all grades were at A*/A.
- There are very few significant variations over time between different groups of students, e.g. FSM/SEN/ethnicity (RAISEonline, internal monitoring, PANDA and L3VA).

Progress

GCSE

- Progress from KS2 to 4 improved significantly between 2010-2015. For the last three years RAISEonline has given a positive Value Added (VA) score: In 2012 it was 1002, and this rose steadily to 1020. All three VA scores are significantly positive when compared to progress made by boys nationally and in 2014 and 2015 were significantly positive compared with all students. A drop in progress data in 2016 was related to the performance in English mentioned earlier.
- Jesson Frameworks for selective schools indicate that both the 5 A*/A rate and 8 A*/A rate are above expected given our intake (74% of selective schools are rated as outstanding.)
- Many of the progress measures in RAISEonline are significantly positive. The vast majority of groups make progress in line with other groups in the school and outperform national figures.
- Progress 8 (2015 0.40 and 2016 0.17) show students make better progress than nationally. The drop between 2015 and 2016 was related to performance in English.
- In Mathematics 95% of pupils make at least expected progress from KS2 (compared with a national figure of approximately 85%). The number of pupils making more than the expected progress is also above the national figures, for example almost 66% make more than the expected progress.

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

Achievements and performance (continued)
Progress

GCSE

- Improvements have been made in English over the last five years but this remains a target for the school
- Progress in Modern Foreign Languages (MFL) is positive (significantly so when compared to boys' progress nationally) but is not as strong as other subjects. A robust action plan is in place in MFL and results are expected to improve in time.
- RAISEonline and internal tracking show that no groups of students frequently make less progress than expected. In 2015 pupils eligible for the pupil premium made more progress than other students, as did students of Pakistani origin (the largest minority ethnic group). In 2014 the progress made by pupils with Special Educational Needs (SEN) was lower than all pupils but this was not statistically significant (very small numbers), and in 2012 and 2011 students with SEN made better progress than other pupils. Pupils on School Action Plus made better than expected progress.

A Level

- Progress from KS4 to KS5 is significantly positive and has been for the last three years of the L3VA Report.
- Progress at A level is particularly positive putting the school in the top 5% of all schools and was the 4th highest selective school in the UK in 2012.
- The 2015 L3VA listed all A and AS level subjects, except Spanish (AS) as either in line with expectations or significantly positive; the vast majority are positive.
- Progress at AS level is also significantly positive.

We are very proud of the pastoral and special needs support we provide our students. Our reputation for excellent pastoral care is often quoted by parents as one of their reasons for choosing the School. We provide support for boys to access the curriculum led by the Special Educational Needs Coordinator (SENCO) and coordinated by the Learning Support Manager. Regular meetings are held with parents and students and the school has an excellent reputation for the quality of support offered. Every member of staff takes responsibility for the identification of pupils with Special Educational Needs (SEN) to provide strategies for overcoming barriers for learning. If difficulties are more specific then appropriate outside agencies are brought in; these might include dyslexia screening, hearing and visual impairment specialist teachers etc. SEN students perform well academically and participate actively in the full range of opportunities available at the school. The Learning Support Manager liaises with the SEN departments of other local schools to ensure best practice.

Our ethos is further characterised by the wide choice and exposure students have to an exceptionally high number of sports and sport at the highest levels, striking a balance between sporting excellence and participation. Whilst at school boys will experience over 21 different sports, ranging from rugby to handball, with the aim of finding sports that they can continue to play after they have left. We have a comprehensive fixture list against other schools and our teams often feature in final rounds of county and national competitions. An after-school Sports Club has been established to widen participation for all amongst a wide variety of sports. Students from the School go on to play sport at the highest level, for example two ex-students represented Team GB at London 2012 and Rio 2016 Olympic Games, and another in the 2014 Paralympics in Sochi. We also directly support the development of sport in the wider community by assisting local primary schools and we have strong links with many local clubs, who work with us in providing specialist coaching to our students and the local community.

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

Achievements and performance (continued)

The school benefits from a Synthetic Turf Pitch (STP) on the school premises which is run in partnership with Wycombe District Council. The facility is available to the school until 5.30pm each school day and has greatly enhanced the school's sporting provision to both students and to the wider local community.

During 2015/16 further improvements were made to the facilities including improvements to the school funded by donations and pledges from parents which, together with a grant from the Wolfson Foundation, have enabled the refurbishment of two science laboratories. The school took advice from experts and installed new gates and barriers to improve the security of the site. Two new minibuses have been purchased with the financial assistance of the Friends of JHGS.

Key Financial Performance Indicators

Financial performance is tracked throughout the year against an approved budget. In 2015/16 the surplus of General Annual Grant (GAG) income over expenditure was £31K compared with a deficit budget of £34k. This was achieved in part from additional unbudgeted sources of sundry income and partly by a saving on staff costs, which represent 77% of GAG expenditure and were 0.9% lower than budgeted.

Governors benchmark financial performance with that of similar academies in Buckinghamshire and also against boys' selective schools nationwide when appropriate data becomes available, and exam performance is benchmarked using various published data. The latest available figures show that total costs per pupil at JHGS are just over £100 lower than the average when measured against local schools. The average pupil to teacher ratio is 19.0 at JHGS compared with an average of 18.4 and average set sizes are slightly higher at all Key Stages.

Data published by the Department of Education shows that in 2015/16 JHGS was in the bottom 20 schools nationally in terms of funding per pupil.

Individual teacher performance is tracked by comparing actual exam results against predicted grades and those obtained in similar establishments. Additionally, student results are compared across subjects.

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 Statement of Accounting Policies.

FINANCIAL REVIEW

Central government funding during the period amounted to £4,597K (2014/15: £4,729K) plus £23K capital grants (2014/15: £52K). Other income totalled £869K (2014/15: £749K), including £449K received in respect of school trips (2014/15: £369K).

The main expenditure during the period was staff costs of £3,917K, including £3,412K directly related to teaching. Premises costs amounted to £705K, including £317K premises-related non-cash depreciation costs. Other costs included £155K educational equipment, £114K exam costs, £103K consultancy and £449K spent on school trips and other voluntary-funded expenses.

Net assets at the end of the period totalled £15,333K with the reduction caused by the non-cash items of depreciation and the movement in the pension deficit reserve. The net book value of the land and buildings included in this is £15,935K, including £400K which is the JHGS share of the Synthetic Turf Pitch. Also included within net assets is the £2,146K deficit relating to the Local Government Pension Scheme for support staff. This is based on the latest actuarial report at 31 August 2016 prepared for the purposes of FRS102 disclosure.

JOHN HAMPDEN GRAMMAR SCHOOL
(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

FINANCIAL REVIEW (continued)

The capital cost of the STP was donated by Wycombe District Council (WDC), and the asset is recorded in the financial statements as a jointly-controlled asset. In accordance with the terms of the agreement with WDC, the JHGS share of the asset is 54.4% and the WDC share is 45.6%. All rental income outside of school hours benefits WDC. Under the agreement, the maintenance costs of the STP and also the shared changing room and office facilities are split between JHGS and WDC.

Reserves Policy

The Governors review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. Particular regard is given to the likely levels of future income to be received from the Education Funding Agency and the likelihood that these will reduce in future periods.

At 31 August 2016 the Academy's total funds comprised:

		£ 000s
Unrestricted		74
Restricted:	Fixed asset funds	16,454
	GAG	442
	Pension reserve	(2,146)
	Other	445
		<hr/>
		15,269
		<hr/>

The deficit on the pension reserve relates to the non-teaching staff pension scheme where, unlike the teachers' scheme, separate assets are held to fund future liabilities as discussed in note 23. The deficit can be met in the longer term from any combination of increased employer or employee contributions, increased government funding or changes to scheme benefits. The restricted funds will be spent in accordance with the terms of the particular funds. Restricted funds are for use on the general purposes of the Academy, at the discretion of the Governors, and the policy is that this reserve should represent at least one month of Academy expenditure. The aim of the Governors is to maintain this reserve to meet future working capital requirements, to provide a contingency against funding obligations in relation to the pension reserve, and to defray the possible decrease in future funding.

Whilst the immediate outlook for Government funding is challenging, the Academy's income is budgeted to rise in 2016/17 due to the higher number of students in October 2015 compared to the previous year and a continued drive to develop new revenue streams. Over time, the Government's probable move to a fairer funding formula is indicated to address the present relative under-funding. The Academy is also subject to rising cost pressure particularly from pension contributions and National Insurance. It has a relatively strong reserves position and this, coupled with the excellent management of the Academy's finances by the SLT place it in a sustainable position.

Investment Policy

Reserve funds are held in deposit at major UK based banks and building societies with a minimum credit rating of 'Strong'/'A'. Deposits can be placed for a period of up to 12 months provided that these are long term reserves and there is no reasonably foreseeable use of such funds within 12 months.

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

Principal Risks and Uncertainties

The Academy Trust manages risk through its Governing Body and sub-committees. The Audit Committee monitors the risk register and updates it annually.

- Reputational risk – The Academy is generally oversubscribed and the position is continually monitored and the number of annual applicants is known well in advance. Child protection and safeguarding risks are closely monitored by both Governors and staff, and appropriate procedures are in place and subject to regular review.
- Performance risk – Achievement and performance are continually monitored and exam performance, the main indicator, is predicted and updated on an on-going basis and measured against actual results.
- Financial risk – Pupil numbers in 2014/15 were lower than normal due to a reduction in the number of qualified applications in Year 7, and this has had a major impact on the annual grant allocation for 2015/16. At September 2015 the school was once again at full capacity, but the school finances remain exposed to the admissions criteria and fluctuating numbers of students who qualify from local primary schools. The other major financial risk centres on the uncertainty of the formula used to calculate the grant and the loss of various protection factors that have been introduced to smooth the transition to a national funding formula for sixth form funding for 16-19-year-olds. In respect of funding for 11-16-year-olds, the school remains dependent on the funding formula determined locally by Buckinghamshire County Council. Buckinghamshire Grammar schools are currently amongst the lowest funded in the country. The risks presented here are mitigated by the reserves held by the school due to the positive financial performance in recent years and through continuous, tight and careful monitoring of expenditure against budgets. This is providing the school with some time to further review the subject options, class sizes, and the number of subjects that each pupil can be offered at AS and A level, although considerable progress has already been made in this area.

The £2,146K deficit relating to the Local Government Pension Scheme (LGPS) for support staff is detailed in the Financial Review above. Employer contributions to this scheme are fixed until March 2017 but higher contributions may be imposed on the school after that time in order to reduce the deficit. The level of contributions will be determined by the LGPS Actuary. Increased employer contributions to both the LGPS and the Teachers' Pension Scheme and restrictions on Government funding may be the most challenging financial risks in the next few years.

- Risks associated with personnel – At present the Academy is fully-staffed however it is becoming increasingly difficult to fill teaching vacancies particularly in Maths and Science subjects. The Academy suffers from being located just beyond the London outer fringe boundary which makes teacher salaries offered less attractive to some potential applicants. Recruitment costs have increased as a result of multiple adverts and agency fees. Risks associated with Employer's Liability, Professional Liability, Public Liability and Employment Liability are covered by the Risk Protection Arrangement.

The Academy Trust practices risk management principles through its Board, namely the Governing Body and the constituted sub-committees. Any major risks highlighted at a sub-committee are brought to the main Board with proposed mitigating actions and they continue to be reported until the risk is adequately mitigated.

The Governing Body accepts managed risk as an inevitable part of its operations but maintains an objective not to run unacceptable levels of risk in any area. The subjective nature of this process requires major risks to be resolved by the Governing Body collectively, whilst more minor risks are dealt with by senior executive officers.

JOHN HAMPDEN GRAMMAR SCHOOL
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

PLANS FOR FUTURE PERIODS

The Academy will continue striving to improve the levels of performance of the students at all levels and ensure that each student realises his potential, including achievement of the best possible move to further education after completion of sixth form learning. The school development plan and Self Evaluation (SEF) set out the school's ambitions for the future in terms of teaching and learning.

In terms of building development, the focus for the 2016/17 academic year is the refurbishment of two further science laboratories and development of an additional hard surface area for both tennis courts and playground use.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

As noted above, the Academy has links with the separate John Hampden Grammar School Fund (JHGS Fund) the object of which is to raise money from parents, guardians and former pupils of JHGS to provide assistance in the provision of facilities for the education of pupils at the school not normally provided by annual government funding. Money is raised mainly from one-off or regular scheduled payments from parents and all expenditure is controlled and agreed by the trustees. Current donations are either restricted to the sixth form facilities and conversion of the Learning Resource Centre which was completed in September 2013, or to the laboratories refurbishment project, or are unrestricted donations to the general fund. The trustees meet once a year to decide which projects to support. The Head Boy attends this meeting to present the views of the student body.

Income from the JHGS Fund during the current period amounted to £86K and expenditure totalled £136K. Funds of £64K were carried forward at 31 August 2016, including £48K held in the separate bank account that is maintained for the Fund. During the year a total of £20K was donated to the Academy by the JHGS Fund as a contribution towards the cost of a new minibus and improvements to the school facilities. These figures are all consolidated in the financial statements.


AUDITOR

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware
- 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.

MHA MacIntyre Hudson are deemed to be reappointed under section 487(2) of the Companies Act 2006.

The Trustees' Report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 12 December 2016 and signed on the board's behalf by:


.....
Colin Hayfield
Chairman of Governors

JOHN HAMPDEN GRAMMAR SCHOOL
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2016

SCOPE OF RESPONSIBILITY

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

The Governing Body 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 Academy Trust and the Secretary of State for Education. She is also responsible for reporting to the Governing Body 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 Full Governing Body has formally met 4 times during the year.

Attendance during the year at meetings of the Full Governing Body was as follows:

Trustee	Meetings attended	Out of a possible
John Anderson	4	4
Jill Anderson (Resigned 14 September 2015)	0	1
John Barlow (Chair of Estates Committee)	4	4
Tony Burne OBE (Chair of Education Committee)	4	4
Barry Clarke OBE (Chair of Audit Committee)	3	4
Andrew George	2	4
Colin Hayfield (Chair of Governors)	4	4
Susie Howard (Resigned 12 July 2016)	2	3
Harry Kemsley (Resigned 30 December 2015)	1	2
Emma Le Neve Foster (Staff Governor appointed 14 September 2015)	3	3
Philip Maskell (Chair of Finance Committee)	4	4
Stephen Nokes (Headmaster & Accounting Officer, resigned 31 August 2016)	4	4
Mark Phillips QC	2	3
Nicola Rogers (Staff Governor appointed 14 September 2015)	4	4
Neelm Saini (Appointed 14 September 2015)	3	4
Amanda Triggs (Staff Governor)	4	4

Mr Mark Phillips gave notice that he would be abroad on business for a minimum of six months from the summer term 2016. His possible attendance at meetings above reflects his availability. He continues to receive minutes of all relevant meeting by e-mail and participates in decisions by e-mail.

Mrs Emma Le Neve Foster was unavailable due to a period of family leave during the summer term 2016.

During 2015/16 a review of Governor Committees and Governor skill set was undertaken, to ensure both are focused on the School's development needs. Recent Governor appointments have reflected the need to fill gaps in the skill/knowledge set and in 2016 three new Governors were appointed.

In his role as Chair of Governors, Mr Colin Hayfield may attend all Committee meetings.

JOHN HAMPDEN GRAMMAR SCHOOL
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

GOVERNANCE (continued)

The Finance Committee is a sub-committee of the main Governing Body. Its purpose is to oversee all aspects of the finances of the School, including medium and long-term financial planning. During the year, the committee reviewed the budgets for the year September 2015 to August 2016 and continually monitored actual expenditure in comparison with budgeted amounts. In addition the committee reviewed the capital expenditure proposals put forward by the Estates Committee to ensure that adequate finance was available. Mrs Susie Howard stood down from the Committee in September 2015 and was replaced by Mr Mark Phillips.

Attendance at meetings during the year was as follows:

Trustee	Meetings attended	Out of a possible
Tony Burne	1	3
Philip Maskell (Chair)	3	3
Mark Phillips	1	2
Stephen Nokes	3	3

As noted above, Mr Mark Phillips was unavailable for part of the year.

Mr Barry Clarke attends Finance Committee meetings in his role as Chair of the Audit Committee

The Audit Committee assists the Governing Body in fulfilling its oversight responsibilities with particular reference to financial reporting, internal control, risk management and external audit. Mr Greg Stevenson, an audit practitioner has been appointed in order to strengthen the committee but, he is not a Governor of the school.

Mr Philip Maskell attends the Audit Committee meetings in his role as Chair of the Finance Committee.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Barry Clarke (Chairman)	2	2
Philip Maskell	2	2
Greg Stevenson (Independent Member)	2	2

The Education Committee is a sub-committee of the main Governing Body. Its purpose is to over see the educational provision of the Academy, including the curriculum, and to monitor and evaluate the academy's academic targets. It is also responsible for determining appointment and other personnel procedures. The school regularly reviews its curriculum and ensures it matches the needs of its students. The curriculum is broad, balanced and offers opportunities for personalisation and extension. This breadth and depth has a positive impact on the spiritual, moral, social and cultural development of all pupils.

JOHN HAMPDEN GRAMMAR SCHOOL
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

GOVERNANCE (continued)

In September 2015 Dr. Tony Burne, Mrs Neelm Saini and Mrs Emma Le Neve Foster joined the committee.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
John Anderson	2	3
Tony Burne (Chair)	3	3
Barry Clarke	3	3
Andrew George	2	3
Emma Le Neve Foster	2	2
Stephen Nokes	3	3
Neelm Saini	3	3

Mrs Emma Le Neve Foster was unavailable due to a period of family leave during the summer term 2016.

The Estates Committee is a sub-committee of the main Governing Body. Its purpose is to continually review the condition of the school buildings and grounds, ensure proper maintenance thereof, over-see health and safety, and review and implement any repair or expansion projects. During the period the committee reviewed the tenders for the refurbishment of the science laboratories, security upgrades and improvements to other areas of the school. The committee continued to monitor the Health and Safety requirements of the school. In September 2015 Mrs Susie Howard and Ms Amanda Triggs joined the Committee.

Attendance at the meetings in the period was as follows:

Trustee	Meetings attended	Out of a possible
John Barlow (Committee Chairman)	3	3
Susie Howard	2	3
Philip Maskell	2	3
Stephen Nokes	3	3
Nicola Rogers	2	3
Amanda Triggs	3	3

GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

REVIEW OF VALUE FOR MONEY

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

The Accounting Officer considers how the trust's use of its resources has provided good value for money during each academic year and reports to the Governors where value for money can be improved, including the use of benchmarking data where available. During the 2015/16 academic year value for money can be evidenced by the following:

- Examination results have continued to improve despite the drop in funding. Contact time for teachers has increased while targeted interventions and effective use of Pupil Premium funding has ensured that standards and outcomes have been maintained.
- New contracts were signed in respect of gas and electricity supply. Energy brokers were used to obtain the best fixed price for a three year period.
- the partnership with Wycombe District Council has developed successfully to run and maintain the synthetic turf pitch for the benefit of both students at the school and the wider community.
- Income from external lettings has increased four-fold as the school seeks to maximise use of its facilities.

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 on-going process designed to identify and prioritise the risks to the achievement of Academy Trust 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 John Hampden Grammar School for the period from 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The Governing Body has reviewed the key risks to which the Academy Trust 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 on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period from 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements. The Audit Committee and Senior Leadership Team reviewed the risk register during 2015/16 and identified those areas of both financial and non-financial risk which require closer inspection. The Committee works with the appropriate member of the Senior Leadership Team to ensure that the risk is managed correctly.

GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

THE RISK AND CONTROL FRAMEWORK

The Academy Trust'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 Governing Body;
- regular reviews by the Finance Committee of reports which indicate financial performance against the forecasts, and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties;
- identification and management of risks.

The Governing Body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However the trustees have appointed MHA MacIntyre Hudson, the external auditor, to perform additional checks on the Academy Trust's financial systems; and report to the Audit Committee on a regular basis.

The Audit Committee reviewed the findings of the external auditor in their interim report dated 2 June 2016 and any recommendations regarding identified areas of weakness were reported back to both the Finance Committee and the Full Governing Body. There were no material control issues arising as a result of the findings.

The Audit Committee makes a formal review of the risk register at least once a year..


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 Audit Committee;
- the work of the external auditor;
- the regular maintenance and review of the self-evaluation form;
- the work of the executive managers within the Academy Trust 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 Audit Committee and the Finance Committee and a plan to ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 12 December 2016 and signed on its behalf by:


.....
Colin Hayfield
Chair of Governors


.....
Tracey Hartley
Accounting Officer

JOHN HAMPDEN GRAMMAR SCHOOL
(A Company Limited by Guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE
FOR THE YEAR ENDED 31 AUGUST 2016

As Accounting Officer of John Hampden Grammar School I have considered my responsibility to notify the Academy Trust Governing Body and the Education Funding Agency (EFA) of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, 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 2015.

I confirm that I and the Academy Trust Governing Body are able to identify and 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 2015.

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


.....
Tracey Hartley
Accounting Officer

12 December 2016

JOHN HAMPDEN GRAMMAR SCHOOL
(A Company Limited by Guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2016

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

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

- select suitable accounting policies and then apply them consistently
- observe the methods and principles of the Charities SORP 2015 and the Academies' Accounts Direction 2015 to 2016
- make judgments and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable group will continue in business.

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

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

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable 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 Governing Body on 12 December 2016 and signed on its behalf by:


.....
Colin Hayfield
Chair of Governors

JOHN HAMPDEN GRAMMAR SCHOOL
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF JOHN HAMPDEN GRAMMAR SCHOOL

We have audited the financial statements of John Hampden Grammar School for the year ended 31 August 2016 which comprise the Group Statement of Financial Activities, the Group and Academy Trust Balance Sheets, the Group Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

This report is made solely to the charitable company'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 charitable company's members those matters we are required to state 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 charitable company and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

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

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

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

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

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and the parent charitable Academy Trust's affairs as at 31 August 2016 and of the Group's 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 2015 to 2016 issued by the Education Funding Agency.

JOHN HAMPDEN GRAMMAR SCHOOL
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF JOHN HAMPDEN GRAMMAR SCHOOL

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

MHA Macintyre Hudson

BIANCA SILVA BA ACA DChA (Senior Statutory Auditor)

for and on behalf of

MHA Macintyre Hudson

Chartered Accountants
Statutory Auditors

Abbey Place
24-28 Easton Street
High Wycombe
Buckinghamshire
HP11 1NT

Date: *16 December 2016*

JOHN HAMPDEN GRAMMAR SCHOOL
(A Company Limited by Guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO JOHN HAMPDEN GRAMMAR SCHOOL AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 10 July 2015 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by John Hampden Grammar School during the year 1 September 2015 to 31 August 2016 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 John Hampden Grammar School and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to John Hampden Grammar School and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than John Hampden Grammar School and the EFA, for our work, for this report, or for the conclusion we have formed.

RESPECTIVE RESPONSIBILITIES OF JOHN HAMPDEN GRAMMAR SCHOOL'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The Accounting Officer is responsible, under the requirements of John Hampden Grammar School's funding agreement with the Secretary of State for Education dated 27 May 2011, and the Academies Financial Handbook extant from 1 September 2015, 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 2015 to 2016. 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 2015 to 31 August 2016 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 2015 to 2016 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

JOHN HAMPDEN GRAMMAR SCHOOL
(A Company Limited by Guarantee)


INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO JOHN HAMPDEN GRAMMAR SCHOOL AND THE EDUCATION FUNDING AGENCY (continued)

The work undertaken to draw to our conclusion includes:

- reviewing the minutes of the meetings of the Governing Body and other evidence made available to us, relevant to our consideration of regularity;
- a review of the objectives and activities of the academy, with reference to the income streams and other information available to us as auditors of the academy;
- testing a sample of payroll payments to staff;
- testing a sample of payments to suppliers and other third parties;
- testing a sample of grants received and other income streams;
- evaluating the internal control procedures and reporting lines, and testing as appropriate; and
- making appropriate enquiries of the accounting officer.

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 2015 to 31 August 2016 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Reporting Accountant

MHA MacIntyre Hudson

Chartered Accountants

Abbey Place
24-28 Easton Street
High Wycombe
Buckinghamshire
HP11 1NT

Date: 16 December 2016

JOHN HAMPDEN GRAMMAR SCHOOL
(A Company Limited by Guarantee)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2016

	Note	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
INCOME FROM:						
Donations and capital grants	2	-	107,616	23,307	130,923	170,539
Charitable activities	5	-	5,145,882	-	5,145,882	5,161,646
Other trading activities	3	14,469	195,159	-	209,628	194,964
Investments	4	2,213	-	-	2,213	3,333
TOTAL INCOME		16,682	5,448,657	23,307	5,488,646	5,530,482
EXPENDITURE ON:						
Charitable activities	7	3,247	5,503,053	477,132	5,983,432	5,620,922
TOTAL EXPENDITURE	6	3,247	5,503,053	477,132	5,983,432	5,620,922
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS						
Transfers between Funds	18	13,435 8,000	(54,396) (58,502)	(453,825) 50,502	(494,786) -	(90,440) -
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES						
		21,435	(112,898)	(403,323)	(494,786)	(90,440)
Actuarial gains/(losses) on defined benefit pension schemes	23	-	(937,000)	-	(937,000)	2,000
NET MOVEMENT IN FUNDS		21,435	(1,049,898)	(403,323)	(1,431,786)	(88,440)
RECONCILIATION OF FUNDS:						
Total funds brought forward	18	52,140	(144,460)	16,857,569	16,765,249	16,853,689
TOTAL FUNDS CARRIED FORWARD		73,575	(1,194,358)	16,454,246	15,333,463	16,765,249

The notes on pages 28 to 52 form part of these financial statements.

JOHN HAMPDEN GRAMMAR SCHOOL
(A Company Limited by Guarantee)
REGISTERED NUMBER: 07638999

CONSOLIDATED BALANCE SHEET
AS AT 31 AUGUST 2016

	Note	£	2016 £	£	2015 £
FIXED ASSETS					
Tangible assets	14		16,454,246		16,765,620
CURRENT ASSETS					
Debtors	15	202,013		268,987	
Investments	16	750,000		-	
Cash at bank and in hand		605,841		1,371,196	
		<u>1,557,854</u>		<u>1,640,183</u>	
CREDITORS: amounts falling due within one year	17	(532,637)		(539,554)	
NET CURRENT ASSETS			<u>1,025,217</u>		<u>1,100,629</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>17,479,463</u>		<u>17,866,249</u>
Defined benefit pension scheme liability	23	(2,146,000)		(1,101,000)	
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u><u>15,333,463</u></u>		<u><u>16,765,249</u></u>
FUNDS OF THE ACADEMY					
Restricted income funds:					
Restricted income funds	18	951,642		956,540	
Restricted fixed asset funds	18	16,454,246		16,857,569	
Restricted income funds excluding pension liability		<u>17,405,888</u>		<u>17,814,109</u>	
Pension reserve	18	(2,146,000)		(1,101,000)	
Total restricted income funds			<u>15,259,888</u>		<u>16,713,109</u>
Unrestricted income funds	18		<u>73,575</u>		<u>52,140</u>
TOTAL FUNDS			<u><u>15,333,463</u></u>		<u><u>16,765,249</u></u>

The financial statements were approved by the Trustees, and authorised for issue, on 12 December 2016 and are signed on their behalf, by:


.....
Colin Hayfield
Chair of Governors

The notes on pages 28 to 52 form part of these financial statements.

JOHN HAMPDEN GRAMMAR SCHOOL
(A Company Limited by Guarantee)
REGISTERED NUMBER: 07638999

ACADEMY TRUST BALANCE SHEET
AS AT 31 AUGUST 2016

	Note	£	2016 £	£	2015 £
FIXED ASSETS					
Tangible assets	14		16,454,246		16,765,620
CURRENT ASSETS					
Debtors	15	185,513		251,577	
Investments	16	750,000		-	
Cash at bank and in hand		557,459		1,273,530	
		<u>1,492,972</u>		<u>1,525,107</u>	
CREDITORS: amounts falling due within one year	17	(531,957)		(538,415)	
NET CURRENT ASSETS			<u>961,015</u>		<u>986,692</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>17,415,261</u>		<u>17,752,312</u>
Defined benefit pension scheme liability	23	(2,146,000)		(1,101,000)	
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u><u>15,269,261</u></u>		<u><u>16,651,312</u></u>
FUNDS OF THE ACADEMY					
Restricted funds:					
Restricted funds	19	887,440		842,608	
Restricted fixed asset funds	19	16,454,246		16,857,569	
Restricted funds excluding pension asset		<u>17,341,686</u>		<u>17,700,177</u>	
Pension reserve	19	(2,146,000)		(1,101,000)	
Total restricted funds			<u>15,195,686</u>		<u>16,599,177</u>
Unrestricted funds	19		<u>73,575</u>		<u>52,135</u>
TOTAL FUNDS			<u><u>15,269,261</u></u>		<u><u>16,651,312</u></u>

The financial statements were approved by the Trustees, and authorised for issue, on 12 December 2016 and are signed on their behalf, by:



Colin Hayfield
 Chair of Governors

The notes on pages 28 to 52 form part of these financial statements.

JOHN HAMPDEN GRAMMAR SCHOOL
(A Company Limited by Guarantee)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2016

	Note	2016 £	2015 £
Cash flows from operating activities			
Net cash provided by operating activities	21	<u>124,883</u>	<u>391,692</u>
Cash flows from investing activities:			
Dividends, interest and rents from investments	4	2,213	3,333
Purchase of tangible fixed assets	14	(165,758)	(558,924)
Capital grants from DfE/EFA		23,307	196,938
One-year fixed term bond		<u>(750,000)</u>	<u>-</u>
Net cash used in investing activities		<u>(890,238)</u>	<u>(358,653)</u>
Change in cash and cash equivalents in the year		(765,355)	33,039
Cash and cash equivalents brought forward	22	<u>1,371,196</u>	<u>1,338,157</u>
Cash and cash equivalents carried forward	22	<u>605,841</u>	<u>1,371,196</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgements 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 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

First time adoption of FRS 102

These financial statements are the first financial statements of John Hampden Grammar School prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the Charities SORP 2015 (SORP 2015). The financial statements of John Hampden Grammar School for the year ended 31 August 2015 were prepared in accordance with previous Generally Accepted Accounting Practice ('UK GAAP') and SORP 2005.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the Trustees have amended certain accounting policies to comply with FRS 102 and SORP 2015.

Reconciliations to previous UK GAAP for the comparative figures are included in note 28.

1.2 Basis of consolidation

The financial statements consolidate the accounts of John Hampden Grammar School and all of its subsidiary undertaking ('subsidiary') (note 25).

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

The income and expenditure account for the year dealt with in the accounts of the Academy Trust was a deficit of £392,046 (2015 surplus - £24,556).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

1.3 Fund accounting

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

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

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

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

1.4 Income

All income is recognised once the Academy Trust 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 Incorporating Income and Expenditure Account 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 Incorporating Income and Expenditure Account 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.

Donations are recognised on a receivable basis where there are no performance related conditions and there is probability of receipt 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

1.5 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.

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

Charitable activities are costs incurred on the Academy Trust's educational operations, including support costs and costs relating to the governance of the Academy Trust apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

1.6 Going concern

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

1.7 Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. 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 Consolidated Statement of Financial Activities Incorporating Income and Expenditure Account and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Consolidated Statement of Financial Activities Incorporating Income and Expenditure Account.

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 Consolidated Statement of Financial Activities Incorporating Income and Expenditure Account.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

Tangible fixed assets and depreciation (continued)

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Long leasehold property	-	50 years straight line
Motor vehicles	-	5 years straight line
Equipment	-	5 - 10 years straight line
Computer equipment	-	3 years straight line

1.8 Jointly controlled assets

Where assets are jointly controlled by the Academy Trust and third parties, the academy accounts for its own share of assets, liabilities, income, expenditure and cash flows in accordance with the terms of the joint arrangement.

1.9 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance Sheet date, unless fair value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'Gains/(losses) on investments' in the Consolidated Statement of Financial Activities Incorporating Income and Expenditure Account.

1.10 Operating leases

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

1.11 Interest receivable

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

1.12 Taxation

The Academy Trust 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 Trust 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.

1.13 Debtors

Trade and other debtors are recognised at the settlement amount. Prepayments are valued at the amount prepaid.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

1.14 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.

1.15 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 Trust 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.

1.16 Financial instruments

The Academy Trust only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

1.17 Pensions

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

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 Trust 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 23, 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

Pensions (continued)

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.

1.18 Critical accounting estimates and areas of judgement

Estimates and judgements 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 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 23, 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 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. 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.

JOHN HAMPDEN GRAMMAR SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Donations	-	21,000	-	21,000	18,000
Capital grants	-	-	23,307	23,307	51,938
School fund income	-	86,616	-	86,616	100,601
	<u>-</u>	<u>107,616</u>	<u>23,307</u>	<u>130,923</u>	<u>170,539</u>
Total donations and capital grants	-	107,616	23,307	130,923	170,539

In 2015, of the total income from donations and capital grants, £18,000 was to unrestricted funds, £100,601 was to restricted funds and £51,938 was to restricted fixed asset funds.

3. OTHER TRADING ACTIVITIES

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Rental income	14,469	-	14,469	3,183
Other contributions	-	75,276	75,276	43,302
Examination fees	-	18,043	18,043	14,055
Music fees	-	33,708	33,708	34,070
Other income	-	55,416	55,416	75,618
Income from synthetic turf pitch	-	12,716	12,716	24,736
	<u>14,469</u>	<u>195,159</u>	<u>209,628</u>	<u>194,964</u>

In 2015, of the total income from other trading activities, £3,183 was to unrestricted funds, £191,781 was to restricted funds and £ NIL was to restricted fixed asset funds.

4. INVESTMENT INCOME

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Bank interest receivable	2,213	-	2,213	3,333

In 2015, of the total investment income, £3,333 was to unrestricted funds, £ NIL was to restricted funds and £ NIL was to restricted fixed asset funds.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

5. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
DfE/EFA grants				
General Annual Grant (GAG)	-	4,545,592	4,545,592	4,676,468
Pupil premium	-	38,975	38,975	39,235
Other DfE/EFA revenue grants	-	12,924	12,924	14,169
	-	4,597,491	4,597,491	4,729,872
Other government grants				
SEN income	-	79,167	79,167	63,145
	-	79,167	79,167	63,145
Other funding				
Trip and other income	-	469,224	469,224	368,629
	-	469,224	469,224	368,629
	-	5,145,882	5,145,882	5,161,646

In 2015, of the total income from charitable activities, £ NIL was to unrestricted funds, £5,161,646 was to restricted funds and £ NIL was to restricted fixed asset funds.

6. EXPENDITURE

	Staff costs 2016 £	Premises 2016 £	Other costs 2016 £	Total 2016 £	Total 2015 £
Academy's education operations:					
Direct costs	3,412,147	-	1,029,358	4,441,505	4,124,663
Support costs	504,874	705,167	331,886	1,541,927	1,496,259
	3,917,021	705,167	1,361,244	5,983,432	5,620,922

In 2016, of the total expenditure, £3,247 (2015 - £ NIL) was to unrestricted funds, £5,503,053 (2015 - £5,185,861) was to restricted funds and £477,132 (2015: £435,061) was to restricted fixed asset funds.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

7. CHARITABLE ACTIVITIES

	Total funds 2016 £	Total funds 2015 £
DIRECT COSTS - EDUCATIONAL OPERATIONS		
Teaching and educational support staff	3,412,147	3,200,690
Depreciation	57,172	61,779
Staff development	9,697	8,312
Educational supplies	155,171	125,699
School trips expenditure	459,565	351,392
Technology costs	117,299	145,094
Examination fees	114,469	123,997
Educational consultancy	102,780	94,991
Other direct costs	13,205	12,709
	<u>4,441,505</u>	<u>4,124,663</u>
SUPPORT COSTS - EDUCATIONAL OPERATIONS		
Support staff costs	475,602	490,188
Depreciation	419,960	373,282
Pension finance cost	40,000	41,000
Recruitment and support	25,594	18,474
Maintenance of premises and equipment	132,520	123,161
Cleaning	92,877	92,055
Energy	74,392	75,119
Rates	36,069	35,440
Catering supplies	8,907	9,234
Professional services	9,055	16,302
Non staff related insurance	27,549	38,784
Bank charges	1,092	1,275
Other support costs	145,262	129,144
Governance costs	53,048	52,801
	<u>1,541,927</u>	<u>1,496,259</u>
	<u><u>5,983,432</u></u>	<u><u>5,620,922</u></u>

8. EXPENDITURE - ANALYSIS OF SPECIFIC EXPENSES

Included within expenditure are the following transactions:

	Total £	Individual items above £5,000 Amount £
Gifts made by the trust	1,562	-

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

9. NET INCOMING RESOURCES

This is stated after charging:

	2016	2015
	£	£
Depreciation of tangible fixed assets:		
- owned by the charitable group	477,132	435,061
Auditors' remuneration - audit	9,500	9,500
Auditors' remuneration - other services	4,750	8,762
Operating lease rentals	53,649	84,502

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

10. STAFF COSTS

Staff costs were as follows:

	2016 £	2015 £
Wages and salaries	2,992,027	2,933,474
Social security costs	244,996	217,824
Operating costs of defined benefit pension schemes	593,860	520,399
	<u>3,830,883</u>	<u>3,671,697</u>
Supply teacher costs	56,866	19,181
Staff governance costs	29,272	27,617
	<u>3,917,021</u>	<u>3,718,495</u>

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

	2016 No.	2015 No.
Teachers	61	61
Administration and support	42	44
Management	6	6
	<u>109</u>	<u>111</u>

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

	2016 No.	2015 No.
In the band £60,001 - £70,000	2	2
In the band £110,001 - £120,000	1	1

The above three employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2016, pension contributions for these staff amounted to £40,850 (2015: £34,428).

The key management personnel of the academy trust comprises 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 £473,974 (2015: £468,072).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

11. TRUSTEES' REMUNERATION AND EXPENSES

One or more Trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The Principal and other staff Trustees 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 Trustees. The value of Trustees' remuneration and other benefits was as follows:

		2016 £	2015 £
S Nokes	Remuneration	110,000-115,000	110,000-115,000
	Pension contributions paid	15,000-20,000	15,000-20,000
A Triggs	Remuneration	20,000-25,000	0-5,000
	Pension contributions paid	5,000-10,000	0-5,000
E L N Foster (appointed 14 September 2015)	Remuneration	30,000-35,000	0-5,000
	Pension contributions paid	5,000-10,000	0-5,000
N Rogers (appointed 14 September 2015)	Remuneration	40,000-45,000	
	Pension contributions paid	5,000-10,000	

Remuneration disclosures for staff Trustees who resigned before 1 September 2015 have not been disclosed in these financial statements.

During the year ended 31 August 2016, expenses totalling £904 (2015 - £NIL) were reimbursed to 2 Trustees (2015 - 0 Trustees).

12. TRUSTEES' AND OFFICERS' INSURANCE

The Academy Trust entered into the Department for Education's Risk Protection Arrangement in June 2015. This protects 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 for each and every loss and in the aggregate per academy whose academy trust is a member. The cost for the year ended 31 August 2016 was not separately identifiable. (2015 - Not separately identifiable).

13. PENSION FINANCE COST

	2016 £	2015 £
Interest on pension scheme liabilities	(40,000)	(41,000)

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

14. TANGIBLE FIXED ASSETS

Group and Academy trust	Long leasehold property £	Motor vehicles £	Equipment £	Computer equipment £	Total £
Cost					
At 1 September 2015	17,372,519	-	690,024	257,972	18,320,515
Additions	26,904	26,567	59,837	52,450	165,758
Disposals	-	-	(16,663)	(32,058)	(48,721)
At 31 August 2016	17,399,423	26,567	733,198	278,364	18,437,552
Depreciation					
At 1 September 2015	1,157,423	-	234,753	162,719	1,554,895
Charge for the year	307,285	443	119,282	50,122	477,132
On disposals	-	-	(16,663)	(32,058)	(48,721)
At 31 August 2016	1,464,708	443	337,372	180,783	1,983,306
Net book value					
At 31 August 2016	15,934,715	26,124	395,826	97,581	16,454,246
At 31 August 2015	16,215,096	-	455,271	95,253	16,765,620

Included in long leasehold property is freehold land at valuation of £2,659,500 (2015: £2,659,500) which is not depreciated.

15. DEBTORS

	Group		Academy trust	
	2016 £	2015 £	2016 £	2015 £
Other debtors	5,874	7,777	5,874	7,777
Prepayments and accrued income	141,029	179,103	124,529	161,693
VAT recoverable	55,110	82,107	55,110	82,107
	202,013	268,987	185,513	251,577

16. CURRENT ASSET INVESTMENTS

	Group		Academy trust	
	2016 £	2015 £	2016 £	2015 £
One-year fixed term bond	750,000	-	750,000	-

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NOTES TO THE FINANCIAL STATEMENTS
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17. CREDITORS:
Amounts falling due within one year

	<u>Group</u>		<u>Academy trust</u>	
	2016	2015	2016	2015
	£	£	£	£
Trade creditors	221,930	246,270	221,930	246,270
Other taxation and social security	72,364	67,371	72,364	67,371
EFA creditor: abatement of GAG	-	9,902	-	9,902
Other creditors	86,045	3,431	86,045	3,431
Accruals and deferred income	152,298	212,580	151,618	211,441
	<u>532,637</u>	<u>539,554</u>	<u>531,957</u>	<u>538,415</u>

	<u>Group</u>		<u>Academy trust</u>	
	2016	2015	2016	2015
	£	£	£	£
Deferred income				
Deferred income at 1 September 2015	49,511	47,211	49,511	47,211
Resources deferred during the year	467	49,511	467	49,511
Amounts released from previous years	(49,511)	(47,211)	(49,511)	(47,211)
Deferred income at 31 August 2016	<u>467</u>	<u>49,511</u>	<u>467</u>	<u>49,511</u>

Deferred income relates to 16 - 19 Bursary Fund Income received in advance.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

18. STATEMENT OF FUNDS - GROUP

	Brought forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (losses) £	Carried forward £
Designated funds						
Sinking Fund	13,333	-	-	8,000	-	21,333
General funds						
General unrestricted funds	38,807	16,682	(3,247)	-	-	52,242
Total Unrestricted funds	52,140	16,682	(3,247)	8,000	-	73,575
Restricted funds						
General Annual Grant (GAG)	407,522	4,545,592	(4,442,253)	(68,404)	-	442,457
SEN/LACSEG adjustment	(9,902)	-	-	9,902	-	-
LA surplus on conversion	444,983	-	-	-	-	444,983
School fund	113,937	86,615	(136,350)	-	-	64,202
Pupil premium	-	38,975	(38,975)	-	-	-
SEN income	-	79,167	(79,167)	-	-	-
Other restricted funds	-	698,308	(698,308)	-	-	-
Pension reserve	(1,101,000)	-	(108,000)	-	(937,000)	(2,146,000)
Subtotal	(144,460)	5,448,657	(5,503,053)	(58,502)	(937,000)	(1,194,358)
Restricted fixed asset funds						
Fixed assets fund	16,857,569	23,307	(477,132)	50,502	-	16,454,246
Total restricted funds	16,713,109	5,471,964	(5,980,185)	(8,000)	(937,000)	15,259,888
Total of funds	16,765,249	5,488,646	(5,983,432)	-	(937,000)	15,333,463

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

The Sinking fund represents the Academy's share of amounts set aside for future major repairs to a Synthetic Turf Pitch held as a jointly controlled asset with Wycombe District Council.

The General Annual Grant (GAG) represents the core funding for the educational activities of the school that has been provided to the academy via the Education Funding Authority by the Department for Education. The GAG fund has been set up because the GAG must be used for the normal running costs of the academy.

NOTES TO THE FINANCIAL STATEMENTS
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18. STATEMENT OF FUNDS - GROUP (continued)

The transfer between the restricted and restricted fixed asset funds represents amounts capitalised during the period.

The Restricted Fixed Asset fund represents the net book value of capitalised fixed assets.

Other Local Authority and DfE/EFA grants represent grants from the respective bodies.

The SEN/LACSEG of £9,902 represents a 2012/13 overfunding which was recovered by the EFA during the year.

The pension reserve fund has been created to separately identify the pension deficit inherited from the local authority upon conversion to academy status, and through which all the pension scheme movements are recognised.

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2016.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

19. STATEMENT OF FUNDS - ACADEMY

	Brought forward £	Incoming resources £	Resources expended £	Transfers in/(out) £	Gains/ (losses) £	Carried forward £
Designated funds						
Sinking fund	13,333	-	-	8,000	-	21,333
	13,333	-	-	8,000	-	21,333
Unrestricted funds						
General unrestricted funds	38,807	16,682	(3,247)	-	-	52,242
	52,140	16,682	(3,247)	8,000	-	73,575
Restricted funds						
General Annual Grant (GAG)	407,522	4,545,592	(4,442,253)	(68,404)	-	442,457
SEN/LACSEG adjustment	(9,902)	-	-	9,902	-	-
Pupil premium	-	38,975	(38,975)	-	-	-
LA surplus on conversion	444,983	-	-	-	-	444,983
School fund	-	136,000	(136,000)	-	-	-
SEN income	-	79,167	(79,167)	-	-	-
Other restricted funds	-	698,308	(698,308)	-	-	-
	842,603	5,498,042	(5,394,703)	(58,502)	-	887,440
Pension restricted funds						
Pension reserve	(1,101,000)	-	(108,000)	-	(937,000)	(2,146,000)
	(1,101,000)	-	(108,000)	-	(937,000)	(2,146,000)
Restricted fixed asset funds						
Fixed assets fund	16,857,569	23,307	(477,132)	50,502	-	16,454,246
Total restricted funds	16,599,172	5,521,349	(5,979,835)	(8,000)	(937,000)	15,195,686
Total of funds	16,651,312	5,538,031	(5,983,082)	-	(937,000)	15,269,261

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

STATEMENT OF FUNDS - ACADEMY (continued)

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

The Sinking fund represents the Academy's share of amounts set aside for future major repairs to a Synthetic Turf Pitch held as a jointly controlled asset with Wycombe District Council.

The General Annual Grant (GAG) represents the core funding for the educational activities of the school that has been provided to the academy via the Education Funding Authority by the Department for Education. The GAG fund has been set up because the GAG must be used for the normal running costs of the academy.

The transfer between the restricted and restricted fixed asset funds represents amounts capitalised during the period.

The Restricted Fixed Asset fund represents the net book value of capitalised fixed assets.

Other Local Authority and DfE/EFA grants represent grants from the respective bodies.

The SEN/LACSEG of £9,902 represents a 2012/13 overfunding which was recovered by the EFA during the year.

The pension reserve fund has been created to separately identify the pension deficit inherited from the local authority upon conversion to academy status, and through which all the pension scheme movements are recognised.

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2016.

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS - GROUP

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Tangible fixed assets	-	-	16,454,246	16,454,246	16,765,620
Current assets	73,575	1,484,279	-	1,557,854	1,640,183
Creditors due within one year	-	(532,637)	-	(532,637)	(539,554)
Pension liability	-	(2,146,000)	-	(2,146,000)	(1,101,000)
	<u>73,575</u>	<u>(1,194,358)</u>	<u>16,454,246</u>	<u>15,333,463</u>	<u>16,765,249</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

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

	2016 £	2015 £
Net expenditure for the year (as per Statement of financial activities)	(494,786)	(90,440)
Adjustment for:		
Depreciation charges	477,132	435,061
Dividends, interest and rents from investments	(2,213)	(3,333)
Decrease/(increase) in debtors	66,974	(73,581)
(Decrease)/increase in creditors	(6,917)	76,923
Capital grants from DfE and other capital income	(23,307)	(51,938)
Pension adjustments	108,000	99,000
Net cash provided by operating activities	124,883	391,692

22. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2016 £	2015 £
Cash in hand	605,841	1,371,196
Total	605,841	1,371,196

23. PENSION COMMITMENTS

The school'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 Buckinghamshire 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 2013.

Contributions amounting to £64,700 were payable to the schemes at 31 August 2016 (2015 - NIL) 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

23. PENSION COMMITMENTS (continued)

Valuation of the Teachers' Pension Scheme

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

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

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS will be as at March 2016, 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 £364,500 (2015 - £313,000).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2016 was £216,000 (2015 - £201,000), of which employer's contributions totalled £170,000 (2015 - £159,000) and employees' contributions totalled £46,000 (2015 - £42,000). The agreed contribution rates for future years are 22.8% for employers and between 5.5% and 8.5% for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

The next triennial valuation of the LGPS is as at 31 March 2016 and contributions are expected to change with effect from 1 April 2017.

JOHN HAMPDEN GRAMMAR SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

23. PENSION COMMITMENTS (continued)

Principal actuarial assumptions:

	2016	2015
Discount rate for scheme liabilities	2.20 %	4.00 %
Rate of increase in salaries	4.10 %	4.50 %
Rate of increase for pensions in payment / inflation	2.30 %	2.70 %
Inflation assumption (CPI)	2.30 %	2.70 %
RPI increases	3.20 %	3.60 %

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

	2016	2015
Retiring today		
Males	23.8	23.7
Females	26.2	26.1
Retiring in 20 years		
Males	26.1	26.0
Females	28.5	28.4

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

	Fair value at 31 August 2016 £	Fair value at 31 August 2015 £
Equities	764,000	560,000
Bonds	170,000	127,000
Property	114,000	81,000
Cash	46,000	34,000
Gilts	181,000	123,000
Alternative assets	121,000	92,000
Total market value of assets	<u>1,396,000</u>	<u>1,017,000</u>

The actual return on scheme assets was £180,000 (2015 - £32,000).

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

	2016 £	2015 £
Current service cost (net of employee contributions)	(230,000)	(210,000)
Net interest cost	(40,000)	(41,000)
Administration expenses	(8,000)	(7,000)
Total	<u>(278,000)</u>	<u>(258,000)</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

23. PENSION COMMITMENTS (continued)

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

	2016 £	2015 £
Opening defined benefit obligation	2,118,000	1,832,000
Current service cost	230,000	210,000
Interest cost	85,000	77,000
Contributions by employees	46,000	42,000
Actuarial losses	1,072,000	1,000
Benefits paid	(9,000)	(44,000)
Closing defined benefit obligation	<u>3,542,000</u>	<u>2,118,000</u>

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

	2016 £	2015 £
Opening fair value of scheme assets	1,017,000	828,000
Return on plan assets (excluding net interest on the net defined pension liability)	45,000	36,000
Actuarial gains and (losses)	135,000	3,000
Contributions by employer	170,000	159,000
Contributions by employees	46,000	42,000
Benefits paid	(9,000)	(44,000)
Administration expenses	(8,000)	(7,000)
Closing fair value of scheme assets	<u>1,396,000</u>	<u>1,017,000</u>

The amount shown in the balance sheet is as follows:

	2016 £	2015 £
Present value of defined benefit obligation	(3,542,000)	(2,118,000)
Fair value of scheme assets	1,396,000	1,017,000
Defined benefit pension scheme liability	<u>(2,146,000)</u>	<u>(1,101,000)</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

24. OPERATING LEASE COMMITMENTS

At 31 August 2016 the total of the group's future minimum lease payments under non-cancellable operating leases was:

	2016 £	2015 £
Group and Academy trust		
Amounts payable:		
Within 1 year	44,995	47,896
Between 1 and 5 years	37,043	23,251
After more than 5 years	2,155	-
Total	84,193	71,147

25. 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.

26. PRINCIPAL SUBSIDIARIES

Company name	Country	Percentage Shareholding	Description
John Hampden Grammar School Fund	England	100%	Fundraising to enhance learning and facilities

27. 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

28. FIRST TIME ADOPTION OF FRS 102

It is the first year that the Academy Trust has presented its financial statements under SORP 2015 and FRS 102. The following disclosures are required in the year of transition. The last financial statements prepared under previous UK GAAP were for the year ended 31 August 2015 and the date of transition to FRS 102 and SORP 2015 was therefore 1 September 2014. As a consequence of adopting FRS 102 and SORP 2015, a number of accounting policies have changed to comply with those standards.

Comparative figures have been restated to reflect the adjustments made, except to the extent that the Trustees have taken advantage of exemptions to retrospective application of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'.

Reconciliations and descriptions of the effect of the transition to FRS 102 and SORP 2015 on total funds and net income/(expenditure) for the comparative period reported under previous UK GAAP and SORP 2005 are given below.

RECONCILIATION OF TOTAL FUNDS	Notes	1 September 2014	31 August 2015
		£	£
Total funds under previous UK GAAP		16,685,689	16,712,249
Change in recognition of grant income	B	168,000	53,000
Total funds reported under FRS 102		<u>16,853,689</u>	<u>16,765,249</u>

Reconciliation of net (expenditure)	Notes	31 August 2015
		£
Net income previously reported under UK GAAP		46,560
Change in recognition of LGPS interest cost	A	(22,000)
Change in recognition of grant income	B	(115,000)
Net expenditure reported under FRS 102		<u>(90,440)</u>

Explanation of changes to previously reported funds and net income/expenditure:

A Under previous UK GAAP the trust recognised an expected return on defined benefit pension plan assets in income/expense. Under FRS 102 a net interest expense, based on the net defined benefit liability, is recognised in income/expense. There has been no change in the defined benefit liability at either 1 September 2014 or 31 August 2015. The effect of the change has been to reduce the credit to expense by £22,000 and increase the debit in other recognised gains and losses in the SoFA by an equivalent amount.

B Under FRS 102 grant income must be recognised when receipt is probable rather than virtually certain under previous UK GAAP. At 31 August 2014, ACMF grant income for windows and roof work of £145,000 was not recognised as accrued income under previous UK GAAP but has been under FRS 102. In addition, devolved formula capital income of £23,000 has now been recognised at 31 August 2014 instead of being deferred. Consequently funds have increased by £168,000 at the transition date of 1 September 2014.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

FIRST TIME ADOPTION OF FRS 102 (continued)

Also at 31 August 2015 grant income of £30,000 for the refurbishment of science laboratories was not recognised as accrued income under previous UK GAAP but has been under FRS 102. In addition, devolved formula capital income of £23,000 has now been recognised at 31 August 2015 instead of being deferred. Consequently funds have increased by £53,000 at 1 September 2015.

The effect on the SOFA has been an increase in grant income of £115,000 in the year ended 31 August 2015.



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