

Registered number: 8572898

RICHARD HALE SCHOOL

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2016



RICHARD HALE SCHOOL
(A Company Limited by Guarantee)

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RICHARD HALE SCHOOL
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS MEMBERS, TRUSTEES AND
ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2016**

Members	I Carter S Goodair P Mason
Trustees	G Anderson I Carter, Vice Chair H Brown P Camm A Goldthorpe S Goodair, Chair of Trustees B Holm M Lewis, Vice Chair J Loveridge C MacLeod P Mason, Vice Chair (resigned 1 January 2016) S Neate, Head Teacher H Owen (resigned 1 January 2016) D Rolph J Thornton A Tyrer, Chair of Finance N Hanlon (appointed 1 November 2015) R Powell (appointed 1 November 2015)
Chief Executive Officer	S Neate
Senior Leadership Team	S Neate, Head Teacher M Greenwood, Deputy Head J Beacom, Deputy Head H Davies, Assistant Head L Morris, Assistant Head C Pretty, Assistant Head S Robins, Assistant Head
Company name	Richard Hale School
Registered and principal office	Hale Road Hertford Hertfordshire SG13 8EN
Company registered number	8572898
Independent Auditors	Price Bailey LLP Chartered Accountants Causeway House 1 Dane Street Bishop's Stortford Hertfordshire CM23 3BT
Bankers	Lloyds Banking Commercial PO Box 3 (3rd Floor) Queen Square Wolverhampton WV1 1TF

RICHARD HALE 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 Auditor's Report of Richard Hale School (the Academy, The Trust or 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 School for pupils aged 11-18 serving a catchment area in Hertford, Ware and the surrounding villages. It has a pupil capacity of 1,220 and had a roll of 1,134 in the 2016 school census.

Structure, Governance and Management

The Academy Trust is a Company limited by guarantee and an exempt Charity. The Charitable Company's Memorandum and Articles of Association are its primary governing documents. The Trustees of the Charitable Company are also the Directors for the purposes of company law. The terms Trustee, Director and Governor are interchangeable. The Charitable Company is also known as Richard Hale School (the School).

Details of the Trustees who served during the year are included in the Reference and Administrative Details section.

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 and Officers' Indemnities

In accordance with normal commercial practice the Academy has purchased insurance to protect Trustees and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £5,000,000 on any one claim and details of the costs are disclosed in Note 11 to the accounts.

Method of Recruitment and Appointment or Election of Trustees

The arrangements are as set out in the Articles and Funding Agreement.

Trustees are appointed for a fixed term of 4 years. The Head Teacher is an ex officio member of the Governing Body. The Articles of Association make provision for a minimum of 4 Community Trustees who are appointed by the Governing Body, a minimum of 4 Parents, a minimum of 1 and a maximum of 4 Staff Trustees and a maximum of 3 Partnership Trustees. Parent Trustees and the Staff Trustees are elected to office or appointed if there are insufficient candidates offering themselves for election.

Policies and Procedures Adopted for the Induction and Training of Trustees

The Charitable Company is committed to providing adequate opportunities for Trustees to undertake and receive suitable training so as to enable them to perform their role effectively. To this end the Trust provides an internal programme continued professional development led by School staff and links with a number of local training providers.

Induction training is available for new Trustees from the Head Teacher, the Clerk to the Trustees and the Chair of Trustees. Mentoring from existing Trustees is also available for new Trustees. All Trustees attend at least one of the committees which support the work of the Board of Trustees.

Trustee training is provided by Hertfordshire County Council. Richard Hale School subscribes to the County Governor Service via Herts For Learning, to ensure all Trustees can benefit from the training courses provided to subscribers.

Organisational Structure

The governance of the Academy is defined in the Memorandum and Articles of Association together with the Funding Agreement with the Department of Education.

The Board of Trustees, which meets on at least five occasions per year and each individual committee at least three times per year, is responsible for the strategic direction of the Academy. The Board reviews progress towards educational objectives and results; approves major expenditure requests; sets the budget for the following year; sets the organisational staffing structure; agrees the performance objectives of the Head Teacher with the School Improvement Partner, and reviews them.

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

The Head Teacher is the designated Accounting Officer of the Academy and has overall responsibility for the day to day financial management of the Charitable Company. The Head Teacher has delegated responsibility for low values of expenditure to specific budget holders who are responsible for managing their own departments within their allocated budgets. A system of financial controls is in place to manage this process.

The Head Teacher manages the Academy on a daily basis supported by a Senior Leadership Team (SLT). The SLT meets frequently to discuss emerging matters and to help to develop strategies for future development to be put to the Head Teacher and the Board of Trustees as required for approval. Each member of the SLT has specific responsibilities to assist the Head Teacher to manage certain aspects of the Academy.

Arrangements for setting pay and remuneration of key management personnel

Key management personnel include Trustees and the SLT. The Personnel Committee determine a 5-point pay range for Deputy Heads and a further 5-point range for Assistant Heads. The range for individual posts will be determined according to the duties and responsibilities of the post and may vary between posts. In addition, pay levels may be affected by nationally agreed pay awards, the ability to recruit and retain in post.

The Head Teacher's pay award is managed in a meeting between the Chair of Personnel Committee and the Chair of Governors, following an annual performance review meeting.

Further details can be found in the Staff Pay Policy.

Related Parties and other Connected Charities and Organisations

Owing to the nature of the Academy's operations and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which a Trustee has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy's financial regulations and normal procurement procedures. The Academy is a member of the Hertford & Ware Secondary Schools Federation and work closely with up to ten local primary schools. Any transactions where the Trustee has a pecuniary interest is only undertaken in accordance with the 'at cost' principle stated in the Academies Financial Handbook.

The Trust does not have a formal sponsor.

Objectives and Activities

Aims

The principal object and aim of the Charitable Company is the operation of the School to provide free education and care for pupils of different abilities between the ages of 11 and 18.

Objectives, Strategies and Activities

During the year the School has worked towards these aims by:

- ensuring that every pupil enjoys the same high quality education in terms of resourcing, tuition and care;
- raising the standard of educational achievement of all pupils;
- improving the effectiveness of the School by keeping the curriculum and organisational structure under continual review;
- providing value for money for the funds expended;
- complying with all appropriate statutory and curriculum requirements; and
- conducting the Academy's business in accordance with the highest standards of integrity.

The School is working hard towards achieving significant improvements in sports facilities.

Public Benefit

The Trustees believe that by working towards the objects and aims of the School as detailed above, they have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission.

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

Strategic Report

Achievements and Performance

The Trust continued its mission to ensure that students achieved their potential in public examinations; encouraged a wide range of extra-curricular activities; developed and retained suitable staff and guided students in suitable progression when they left the school.

In February 2016, the School was inspected by Ofsted and was found to be good. A copy of the letter can be found at <http://www.richardhale.herts.sch.uk/wp-content/uploads/2016/03/Ofsted-Letter-2016.pdf>.

Key Performance Indicators

GCSE Results:	2016
5A*-C incl. E+M	77.50%
5A*-C	80.60%
5A* - G	98.80%
Avr Cap Pts Score	345.7
A*-C English	82.50%
A*-C Maths	90.60%
A*-C in 2+ Sci	81.30%
Making 3LP Eng	79.50%
Making 3LP Mat	90.50%
Average points score English	43.5
Average points score Math	46.1
Progress 8	0.26
Attainment 8	56.99
A Level Results:	2016
% A-level students achieving at least 3 A*-E	97%
% A-level students achieving at least 2 A*-E	100%
% A-level students achieving at least AAB in 2 facilitating	12%
Average point score per academic student	738.2
Average point score per academic entry	211.7
Average point score per academic student	854.5
Average point score per academic entry	219.82

Key Performance Indicators

The School's ageing boilers were replaced during 2015-16 following a SALIX loan of £205,000 and a grant of £41,000 from the Education Funding Agency.

The Trustees receive regular information at each committee meeting to enable them to monitor the performance of the School compared to aims, strategies and financial budgets.

As funding is based on pupil numbers this is a key performance indicator. Pupil numbers for 2015-16 were 1,093 (2014-15 was 1,129). Financial stability depends on the ability to ensure a full school. In September 2016, extra pupils were accepted into Y7 to help to achieve this.

Another key financial performance indicator is staffing costs as a percentage of total income. For 2015/16 this was 54%. The Board of Trustees is confident that staffing levels are closely monitored to agreed Full Time Equivalent and staffing structures all approved by the Board.

The Finance Committee also monitor premises costs to General Annual Grant (GAG) income, capitation spend for curriculum departments to GAG income, total income less grants and cash flow on a regular basis to ensure that the budget is set and managed appropriately.

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

Going Concern

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

The principal source of funding for the Trust is the GAG and other grants that it receives from the Education Funding agency (EFA). For the year ended 31 August 2016 the Trust received £5,953,503 of GAG and other funding. A high percentage of this income is spent on wages and salaries and support costs to deliver the Academy's primary objective of the provision of education. During the year the Trust spent £6,703,898 on expenditure including £273,157 of capital projects. The Academy brought forward from 14/15, £953,162 unrestricted funds and £13,268,974 restricted funding. The carry forward for 15/16 is £977,173 in unrestricted funding and £14,739,968 restricted funding.

Due to the accounting rules for the Local Government Pension Scheme under FRS102, the Academy is recognising a significant pension fund deficit of £2,143,000. This does not mean that an immediate liability for this amount crystallises and such a deficit generally results in a cash flow effect in the form of increased employer contributions over a number of years.

Reserves Policy

The Trustees are aware of the requirement to balance current and future needs and always aim to set a balanced budget with annual income balancing annual expenditure. The Trustees monitor estimated year-end carry forward figures via the monthly reports from the Business Manager. The budget plan identifies how any carry forward will be allocated in the plan for the following academic year, including the identification of any funds earmarked for a specific project or purpose.

The Academy's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £977,173. This has been built up from a mixture of locally raised income and balances transferred from the predecessor school.

The Trustees have made a decision to designate unrestricted balances of £300,000 for future capital projects, and is holding other unrestricted funds of £677,173 to cover future increases in costs and expenditure that may arise from uninsurable losses. The Trust holds £559,610 for in year contingencies to assist the Trustees in making strategic decisions to keep in line with national funding changes and curriculum needs.

The Trust's balance on restricted general funds (excluding pension reserve) plus the balance on unrestricted funds at 31 August 2016 was £942,375.

The cash balance of the Academy has been very healthy all year, ending the year with a balance of £2,255,483. A significant proportion of this cash is held against specific projects and is not available to meet normal recurring expenditure. The Trustees monitor cash flow as part of committee reports and their aim is to hold a minimum of 1% of income as a reserve with the aspiration of a reserve large enough to cover a typical month's expenditure.

Investment Policy

The aim of the policy is to ensure funds that the Academy does not immediately need to cover anticipated expenditure are invested to maximise the Academy's income but with minimal risk. The aim is to research where funds may be deposited applying prudence in ensuring there is minimum risk. The Trustees do not consider the investment of surplus funds as a primary activity, rather as good stewardship and as and when circumstances allow. During 2015-16, some money was moved to bank accounts yielding a slightly higher rate of interest but without increasing the risk.

Principal Risks and Uncertainties

The Trustees maintain a risk register identifying the major risks to which the Academy is exposed, and identifying actions and procedures to mitigate those risks. A formal review of the risk register process is undertaken on an annual basis and the internal control systems and the exposure to said risks are monitored on behalf of the Trustees by the Finance Committee. The principal risks facing the Trust are outlined below; those facing the Academy at an operational level are addressed by its systems and by internal financial and other controls.

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

The Trustees report that the Trust's financial and internal controls conform to guidelines issued by the EFA, and that improvements to the wider framework of systems dealing with business risk and risk management strategy continue to be made and formally documented.

It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

As an academy school, the level of financial risk is low. Cash flows can be reliably forecast, monitored and reported. Staff costs make up the majority of expenditure and are relatively stable with contingencies in place to cover such items as sickness and maternity.

The Trustees assess the other principal risks and uncertainties facing the Trust as follows:

- the Academy has considerable reliance on continued Government funding through the EFA and there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms;
- failures in governance and/or management - the risk in this area arises from potential failure to effectively manage the Academy's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks;
- reputational - the continuing success of the Academy is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Trustees ensure that student progress and outcomes are closely monitored and reviewed;
- safeguarding and child protection - the Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline;
- staffing - the success of the Academy is reliant on the quality of its staff and the Trustees monitor and review policies and procedures and recruitment to ensure continued development and training of staff as well as ensuring there is clear succession planning;
- fraud and mismanagement of funds - The Academy has appointed Price Bailey to carry out independent and external checks on financial systems and records as required by the Academy Financial Handbook. All finance staff receive training to keep up to date with financial practice requirements and develop their skills in this area; financial instruments – the Academy only deals with bank balances, cash and trade creditors, with limited trade (and other) debtors. The risk in this area is considered to be low; and
- defined benefit pension liability – as the Government has agreed to meet the defined benefit pension liability of any school ceasing to exist the main risk to the Academy is an annual cash flow funding of part of the deficit. Trustees take these payments into account when setting the annual budget plan.

The Academy has continued to strengthen its risk management process throughout the year by improving the process and ensuring staff awareness.

Plans for Future Periods

The Academy has a three year planning cycle to ensure direction and focus for financial and building plans alongside the core educational purpose to obtain the best results it can for all pupils. Plans are developing for the acquisition of a sports hall which is seen as the key achievement in the next couple of years. This project continues to be the major fundraising target for the School's 400th anniversary celebrations in 2017 and completion of the project is anticipated in March 2018. This has been aided by a £1.5M grant from the Education Funding Agency.

Work on the provision of an all-weather sports facility is due to commence in Autumn 2016. Separate grants of £50,000 and £376,000 have made this possible. This is another long-standing target of the Trustees. A major project to replace school's pitched roofs will be completed in Autumn 2016 thanks to a grant of £600,000 from the Education Funding Agency.

There are also plans to renovate the Technology, Art and Mathematics areas as funding permits. The School Development Plan continues to focus on building on the improvements made in teaching and learning and leadership and management through the promotion of good practice and co-operative working.

Funds Held as Custodian Trustee on Behalf of Others

There are no assets or arrangements for safe custody where the Academy Trust or its Trustees are acting as a custodian trustee.

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

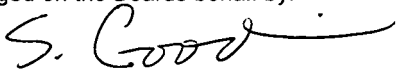
Provision of information to auditors

Insofar as the Trustees are aware:

- there is no relevant audit information of which the Charitable Company's Auditor is unaware, and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the Auditor is aware of that information.

The Auditors Price Bailey LLP are willing to continue in office and a resolution to appoint them will be proposed at the Annual General Meeting.

The Trustees Report, incorporating a Strategic Report was approved by the Board of Trustees on 14.12.16 and signed on the Boards behalf by:



S Goodair
Chair of Trustees

RICHARD HALE SCHOOL
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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As Trustees, we acknowledge we have overall responsibility for ensuring that Richard Hale 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 Board of Trustees has delegated the day-to-day responsibility to the Head Teacher, 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 Richard Hale School and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 5 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
G Anderson	4	5
I Carter	4	5
H Brown	5	5
P Camm	3	5
A Goldthorpe	4	5
S Goodair	5	5
B Holm	4	5
M Lewis	5	5
J Loveridge	3	5
C MacLeod	4	5
P Mason	1	1
S Neate	5	5
H Owen	1	2
D Rolph	3	5
J Thornton	4	5
A Tyrer	4	5
N Hanlon	3	4
R Powell	3	4

The Board has been bolstered by the addition of two new Trustees in the Autumn of 2016, both of whom have a background in the legal profession. Both staff Trustees left their posts at the end of the academic year and have been replaced.

Funding for 2016-17 has proved very difficult and the school has been forced to post a significant deficit budget.

A governance review was carried out by Price Bailey in March 2016. As a result, terms of reference for the committees have been improved.

In Autumn 2015, the Internal Auditor plans to carry out a review of the governance and financial "musts".

The Finance Committee is a sub-committee of the main Board of Trustees. Its purpose is to assist the Board of Trustees by enabling more detailed consideration to be given to the best means of fulfilling the Board of Trustees' responsibility to ensure sound management of the School's finances and resources including proper planning, monitoring and probity.

The remit of the Committee is to;

- Ensure that the grant from the EFA is used only for the purposes intended
- Agree and approve the annual budget
- Approve the Annual Report and Accounts
- Appoint the Auditors and Accounting Officer
- Review financial performance
- Monitor income and expenditure
- Review and approve applicable finance policies and procedures
- Assess and manage risk

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GOVERNANCE STATEMENT (continued)

The former Committee Chair, Peter Mason, resigned in Autumn 2015. Funding for 2016-17 has proved very difficult and the school has been forced to post a significant deficit budget. There are major projects taking place at school which also require careful financial management.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
S Goodair	6	6
A Tyrer	6	6
S Neate	6	6
P Mason	1	2
I Carter	5	6
H Brown	5	6
N Hanlon	3	5

REVIEW OF VALUE FOR MONEY

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

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

- competitive tendering of the roof replacement project.
- on-going monitoring of staffing levels to ensure that our staffing model is efficient.
- carrying out an internal procurement audit which ensured that Trustees took an active role in the appointment of large scale contracts.
- securing discounts on purchases of departmental resources and books.

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of 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 Richard Hale School for the year 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 Board of Trustees has reviewed the key risks to which the 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 ongoing process for identifying, evaluating and managing the Trust's significant risks, that has been in place for the year 1 September 2015 to 31 August 2016 and up to the date of approval of the Annual Report and financial statements. This process is regularly reviewed by the Board of Trustees.

THE RISK AND CONTROL FRAMEWORK

The 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 Board of Trustees;
- 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; and
- identification and management of risks.

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GOVERNANCE STATEMENT (continued)

The Board of Trustees has considered the need for a specific internal audit function and has decided to appoint Price Bailey LLP as Internal Auditor.

The Internal Auditor's role includes giving advice on financial matters and performing a range of checks on the Trust's financial systems. On a termly basis, the Internal Auditor reports to the Board of Trustees on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

The checks carried out in the year included:

- A procurement review to provide assurance to the Accounting Officer and Governors that the procurement procedures in place are sufficiently robust to ensure that the risk of fraud and collusion is being appropriately managed and that Value for Money is being secured in the procuring of goods and services.
- A governance review to provide assurance on the governance framework in place within the Academy and ensure that there is compliance with the Academies Financial Handbook 2015.
- A payroll review to provide assurance on the procedures and controls in place to ensure that they are appropriate for the needs of the Academy and where applicable in accordance with the Academies Financial Handbook 2015, and that the controls in place are operating effectively.

As a result of the visits the terms of reference for the committees have been improved and updated.

Price Bailey LLP delivered their schedule of works as planned and no material control issues were found.

REVIEW OF EFFECTIVENESS

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

- the work of the Internal Auditor;
- the work of the external Auditors;
- the financial management and governance self-assessment process; and
- the work of the executive managers within the 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 Finance Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by the Board of Trustees on 14/12/16 and signed on their behalf, by:



S Goodair
Chair of Trustees



S Neate
Accounting Officer

RICHARD HALE SCHOOL
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Richard Hale School I have considered my responsibility to notify the Board of Trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Academy 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 Board of Trustees are able to identify any material irregular or improper use of funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the 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.


S Neate
Accounting Officer

14.12.16

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

The Trustees (who act as Governors of Richard Hale School and are also the Directors of the Charitable Company for the purposes of company law) are responsible for preparing the financial statements in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in business.

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

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

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the Charitable Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the Board of Trustees on 14/12/16 and signed on its behalf by:



S Goodair
Chair of Trustees

RICHARD HALE SCHOOL
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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
RICHARD HALE SCHOOL**

We have audited the financial statements of Richard Hale School for the year ended 31 August 2016 which comprise the Statement of Financial Activities Incorporating Income and Expenditure Account, the Balance Sheet, the Statement of Cash Flows 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 Academy's Members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Academy's Members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy and its Members, as a body, for our audit work, for this report, or for the opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also the Directors of the Charitable Company 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 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 Charitable Company's affairs as at 31 August 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

RICHARD HALE SCHOOL
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
RICHARD HALE SCHOOL**

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

Gary Miller (Senior Statutory Auditor)

for and on behalf of

Price Bailey LLP

Chartered Accountants
Statutory Auditors

Causeway House
1 Dane Street
Bishop's Stortford
Hertfordshire
CM23 3BT
14 December 2016

RICHARD HALE SCHOOL
(A Company Limited by Guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO RICHARD HALE SCHOOL AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 8 August 2013 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 Richard Hale 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 Richard Hale School and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Richard Hale 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 Richard Hale School and the EFA, for our work, for this report, or for the conclusion we have formed.

RESPECTIVE RESPONSIBILITIES OF RICHARD HALE SCHOOL'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The Accounting Officer is responsible, under the requirements of Richard Hale School's funding agreement with the Secretary of State for Education dated 12 June 2013, 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 Trust's income and expenditure.

The work undertaken to draw to our conclusion includes:

- Consideration and corroboration of the evidence supporting the Accounting Officer's statement on regularity, propriety and compliance.
- Evaluation of the general control environment of the Trust, extending the procedures required for financial statements to include regularity.
- Discussions with and representations from the Accounting Officer and other key management personnel.
- An extension of substantive testing from our audit of the financial statements to cover matters pertaining to regularity, propriety and compliance in particular checking that selected items were appropriately authorised, and appropriate.

RICHARD HALE SCHOOL
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO RICHARD
HALE SCHOOL AND THE EDUCATION FUNDING AGENCY (continued)**

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

Price Bailey LLP

Chartered Accountants

14 December 2016

RICHARD HALE SCHOOL
(A Company Limited by Guarantee)

**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 £	As restated Total funds 2015 £
INCOME FROM:						
Donations and capital grants	2	46,668	289,706	2,528,560	2,864,934	582,755
Charitable activities	3	359,167	5,594,336	-	5,953,503	5,966,375
Other trading activities	4	82,800	-	-	82,800	58,786
Investments	5	2,666	-	-	2,666	1,886
TOTAL INCOME		491,301	5,884,042	2,528,560	8,903,903	6,609,802
EXPENDITURE ON:						
Charitable activities		446,295	5,813,910	443,693	6,703,898	6,702,416
TOTAL EXPENDITURE	6	446,295	5,813,910	443,693	6,703,898	6,702,416
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS		45,006	70,132	2,084,867	2,200,005	(92,614)
Transfers between funds	16	(20,995)	(310,391)	331,386	-	-
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES		24,011	(240,259)	2,416,253	2,200,005	(92,614)
Actuarial losses on defined benefit pension schemes	21	-	(705,000)	-	(705,000)	(22,000)
NET MOVEMENT IN FUNDS		24,011	(945,259)	2,416,253	1,495,005	(114,614)
RECONCILIATION OF FUNDS:						
Total funds brought forward		953,162	(1,232,539)	14,501,513	14,222,136	14,336,750
TOTAL FUNDS CARRIED FORWARD		977,173	(2,177,798)	16,917,766	15,717,141	14,222,136

RICHARD HALE SCHOOL
(A Company Limited by Guarantee)
REGISTERED NUMBER: 8572898

BALANCE SHEET
AS AT 31 AUGUST 2016

	Note	£	2016 £	£	2015 £
FIXED ASSETS					
Tangible assets	12		14,503,658		14,435,769
CURRENT ASSETS					
Debtors	13	1,994,304		146,082	
Cash at bank and in hand	19	2,255,483		1,633,158	
		<u>4,249,787</u>		<u>1,779,240</u>	
CREDITORS: amounts falling due within one year	14	(701,116)		(433,685)	
NET CURRENT ASSETS			<u>3,548,671</u>		<u>1,345,555</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>18,052,329</u>		<u>15,781,324</u>
CREDITORS: amounts falling due after more than one year	15		(192,188)		(192,188)
NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES			<u>17,860,141</u>		<u>15,589,136</u>
Defined benefit pension scheme liability	21	(2,143,000)			(1,367,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u><u>15,717,141</u></u>		<u><u>14,222,136</u></u>
FUNDS OF THE ACADEMY					
Restricted income funds:					
Restricted income funds	16	(34,798)		134,461	
Restricted fixed asset funds	16	16,917,766		14,501,513	
Restricted income funds excluding pension liability		<u>16,882,968</u>		<u>14,635,974</u>	
Pension reserve	16	(2,143,000)		(1,367,000)	
Total restricted income funds			<u>14,739,968</u>		<u>13,268,974</u>
Unrestricted income funds	16		977,173		953,162
TOTAL FUNDS			<u><u>15,717,141</u></u>		<u><u>14,222,136</u></u>

The financial statements were approved by the Board of Trustees, and authorised for issue, on 14.12.16 and are signed on their behalf, by:



S Goodair
Chair of Trustees

The notes on pages 20 to 35 form part of these financial statements.

RICHARD HALE SCHOOL
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE 12 MONTHS ENDED 31 AUGUST 2016

	Note	2016 £	2015 £
Cash flows from operating activities			
Net cash provided by operating activities	18	647,925	489,410
Cash flows from investing activities			
Interest received		2,666	1,886
Purchase of tangible fixed assets		(274,425)	(80,643)
Capital grants from DfE/EFA		246,159	65,744
Net cash used in investing activities		(25,600)	(13,013)
Change in cash and cash equivalents in the year		622,325	476,397
Cash and cash equivalents brought forward		1,633,158	1,156,761
Cash and cash equivalents carried forward		2,255,483	1,633,158

RICHARD HALE SCHOOL
(A Company Limited by Guarantee)

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 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.

Richard Hale School constitutes a public benefit entity as defined by FRS 102.

First time adoption of FRS 102

These financial statements are the first financial statements of Richard Hale 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 Richard Hale 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.

Any reconciliations to previous UK GAAP for the comparative figures are included in note 24.

1.2 Company status

The Academy is a company limited by guarantee. The Members of the company are the Trustees named on page 1. In the event of the Academy being wound up, the liability in respect of the guarantee is limited to £10 per Member of the Academy.

1.3 Fund accounting

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

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

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

RICHARD HALE SCHOOL
(A Company Limited by Guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.4 Income

All income is recognised once the 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 is certainty 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.

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.

Charitable activities and governance costs are costs incurred on the Trust's educational operations, including support costs and costs relating to the governance of the 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 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 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 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 Statement of Financial Activities Incorporating Income and Expenditure Account. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

RICHARD HALE SCHOOL
(A Company Limited by Guarantee)

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

1. ACCOUNTING POLICIES (continued)

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is not charged on freehold land. 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:

Freehold property	-	50 years straight line
Motor vehicles	-	10 years straight line
Fixtures and fittings	-	5 - 10 years straight line
Computer equipment	-	7 - 13 years straight line

1.8 Interest receivable

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

1.9 Taxation

The Academy is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Academy is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.10 Debtors

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

1.11 Cash at Bank and in hand

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

1.12 Liabilities and provisions

Liabilities 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 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.

1.13 Financial instruments

The Academy only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable.

RICHARD HALE SCHOOL
(A Company Limited by Guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.14 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 21, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded scheme and the assets are held separately from those of the Academy 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 Incorporating Income and Expenditure Account 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.

1.15 Concessionary loans

Concessionary loans are initially recognised and measured at the amount received with the carrying amount adjusted in subsequent years to reflect repayments and any accrued interest and adjusted if necessary for any impairment.

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

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

RICHARD HALE 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	46,668	289,706	-	336,374	517,011
Capital grants	-	-	2,528,560	2,528,560	65,744
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total donations and capital grants	46,668	289,706	2,528,560	2,864,934	582,755
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

In 2015, of the total income from donations and capital grants, £72,676 was to unrestricted funds and £444,335 was to restricted funds and £65,744 was to restricted fixed asset funds.

3. 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)	-	5,297,186	5,297,186	5,314,922
Other DfE / EFA grants	-	253,020	253,020	307,566
	<hr/>	<hr/>	<hr/>	<hr/>
	-	5,550,206	5,550,206	5,622,488
	<hr/>	<hr/>	<hr/>	<hr/>
Other government grants				
Local Authority grants	-	44,130	44,130	23,873
	<hr/>	<hr/>	<hr/>	<hr/>
	-	44,130	44,130	23,873
	<hr/>	<hr/>	<hr/>	<hr/>
Other funding				
Catering income	359,167	-	359,167	320,014
	<hr/>	<hr/>	<hr/>	<hr/>
	359,167	-	359,167	320,014
	<hr/>	<hr/>	<hr/>	<hr/>
	359,167	5,594,336	5,953,503	5,966,375
	<hr/>	<hr/>	<hr/>	<hr/>

In 2015, of the total income from charitable activities, £320,014 was to unrestricted funds and £5,646,361 was to restricted funds.

RICHARD HALE SCHOOL
(A Company Limited by Guarantee)

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

4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Hire of facilities	5,510	5,510	1,602
Other income	77,290	77,290	57,184
	<u>82,800</u>	<u>82,800</u>	<u>58,786</u>

In 2015, of the total income from other trading activities, £58,786 was to unrestricted funds and £NIL was to restricted funds.

5. INVESTMENT INCOME

	Unrestricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Bank interest	2,666	2,666	1,886

In 2015, of the total investment income, £1,886 was to unrestricted funds and £NIL was to restricted funds.

6. EXPENDITURE

	Staff costs 2016 £	Premises 2016 £	Other costs 2016 £	Total 2016 £	As restated Total 2015 £
Provision of education:					
Direct costs	4,179,462	-	669,855	4,849,317	4,967,602
Support costs	632,803	631,676	590,102	1,854,581	1,733,814
	<u>4,812,265</u>	<u>631,676</u>	<u>1,259,957</u>	<u>6,703,898</u>	<u>6,701,416</u>

In 2016, of the total expenditure, £446,295 (2015 - £479,090) was to unrestricted funds and £5,813,910 (2015 - £6,010,333) was to restricted funds and £443,693 (2015: £212,993) was to restricted fixed asset funds.

RICHARD HALE SCHOOL
(A Company Limited by Guarantee)

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

7. CHARITABLE ACTIVITIES

	2016 £	As restated 2015 £
Direct costs	4,849,317	4,968,602
Support costs	1,854,581	1,733,814
	<u>6,703,898</u>	<u>6,702,416</u>
Total	<u><u>6,703,898</u></u>	<u><u>6,702,416</u></u>

	2016 £	2015 £
Analysis of support costs		
Support staff costs	632,803	632,624
Depreciation costs	206,536	212,993
Governance costs	18,288	14,878
Technology costs	46,589	45,390
Premises costs (excluding depreciation)	631,676	516,223
Other support costs	318,689	311,706
	<u>1,854,581</u>	<u>1,733,814</u>
Total	<u><u>1,854,581</u></u>	<u><u>1,733,814</u></u>

8. NET INCOMING RESOURCES/(RESOURCES EXPENDED)

This is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets:		
- owned or leased by the Trust	206,536	212,993
Auditors' remuneration - audit	6,750	6,750
Auditors' remuneration - non-audit	7,750	5,450
	<u><u>221,036</u></u>	<u><u>225,193</u></u>

RICHARD HALE SCHOOL
(A Company Limited by Guarantee)

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

9. STAFF COSTS

Staff costs were as follows:

	2016 £	2015 £
Wages and salaries	3,821,691	3,937,214
Social security costs	333,801	308,963
Pension costs	639,686	582,644
	<u>4,795,178</u>	<u>4,828,821</u>
Supply teacher costs	17,087	3,484
	<u>4,812,265</u>	<u>4,832,305</u>

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

	2016 No.	2015 No.
Teaching	82	83
Administration & support	46	35
Management	6	7
	<u>134</u>	<u>125</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	3	2
In the band £100,001 - £110,000	1	1

The key management personnel of the Academy Trust comprise the Trustees and the Senior Leadership 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 £618,975 (2015: £595,845).

RICHARD HALE SCHOOL
(A Company Limited by Guarantee)

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

10. TRUSTEES' REMUNERATION AND EXPENSE

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Trust. The Head Teacher and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Head Teacher and 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:

S Neate (Head Teacher)

Remuneration £100,000 - £105,000 (2015 £100,000 - £105,000)

Employer's pension contributions £15,000-£20,000 (2015 £10,000-£15,000)

P Camm (Staff Trustee)

Remuneration £35,000 - £40,000 (2015 £35,000 - £40,000)

Employer's pension contributions £5,000-£10,000 (2015 £5,000-£10,000)

D Rolph (Staff Trustee)

Remuneration £20,000 - £25,000 (2015 £20,000-£25,000)

Employer's pension contributions £5,000-£10,000 (2015 £5,000-£10,000)

During the period 31 August 2016, no Trustees received any reimbursement of expenses for their role as Trustees (2015: £NIL).

Other related party transactions involving the Trustees are set out in note 23.

11. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy has purchased insurance to protect Trustees and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2016 was included in the total insurance cost.

12. TANGIBLE FIXED ASSETS

	Freehold property £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
Cost					
At 1 September 2015	14,531,381	25,229	61,795	282,489	14,900,894
Additions	-	-	265,346	9,079	274,425
At 31 August 2016	14,531,381	25,229	327,141	291,568	15,175,319
Depreciation					
At 1 September 2015	330,434	6,597	31,904	96,190	465,125
Charge for the year	152,508	3,623	8,669	41,736	206,536
At 31 August 2016	482,942	10,220	40,573	137,926	671,661
Net book value					
At 31 August 2016	14,048,439	15,009	286,568	153,642	14,503,658
At 31 August 2015	14,200,947	18,632	29,891	186,299	14,435,769

Included within freehold property is land of £6,906,000 which is not depreciated.

RICHARD HALE SCHOOL
(A Company Limited by Guarantee)

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

13. DEBTORS

	2016 £	2015 £
Trade debtors	288	1,236
VAT recoverable	56,382	41,947
Prepayments and accrued income	80,786	88,490
Grants receivable	1,856,848	14,409
	<u>1,994,304</u>	<u>146,082</u>

14. CREDITORS: Amounts falling due within one year

	2016 £	2015 £
Other taxation and social security	181,577	159,415
Other creditors	271,659	151,591
Accruals and deferred income	247,880	122,679
	<u>701,116</u>	<u>433,685</u>

	2016 £	2015 £
Deferred income		
Deferred income at 1 September 2015	94,054	101,635
Resources deferred during the year	186,087	94,054
Amounts released from previous years	(94,054)	(101,635)
Deferred income at 31 August 2016	<u>186,087</u>	<u>94,054</u>

Resources deferred at the year ended 31 August 2016 relate to contributions towards future educational visits, catering income and music tuition.

**15. CREDITORS:
Amounts falling due after more than one year**

	2016 £	2015 £
Salix Loan	<u>192,188</u>	<u>192,188</u>

Creditors include amounts not wholly repayable within 5 years as follows:

	2016 £	2015 £
Repayable by instalments	<u>89,692</u>	<u>89,692</u>

Included within creditors is an interest free Salix loan of £192,188 which is repayable by 2024.

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

16. STATEMENT OF FUNDS

	Brought forward £	Income £	Resources expended £	Transfers in/out £	Gains/ (losses) £	Carried forward £
Designated funds						
Capital improvements	300,000	-	-	-	-	300,000
General funds						
Unrestricted funds	653,162	491,301	(446,295)	(20,995)	-	677,173
Total unrestricted funds	953,162	491,301	(446,295)	(20,995)	-	977,173
Restricted funds						
General annual grant (GAG)	-	5,297,186	(5,200,801)	(41,375)	-	55,010
Other DfE/EFA grants	-	168,759	(162,849)	7,105	-	13,015
Pupil premium	-	84,261	(84,261)	-	-	-
Local authority grants	-	44,130	(44,130)	-	-	-
Restricted trip donations	-	236,084	(236,084)	-	-	-
Restricted donation - Sports hall fund	86,741	11,270	-	(98,011)	-	-
Restricted donations	47,720	42,352	(14,785)	13,890	-	89,177
Salix Fund - Boiler	-	-	-	(192,000)	-	(192,000)
Pension reserve	(1,367,000)	-	(71,000)	-	(705,000)	(2,143,000)
	(1,232,539)	5,884,042	(5,813,910)	(310,391)	(705,000)	(2,177,798)
Restricted fixed asset funds						
Restricted Fixed Assets	14,435,769	-	(206,536)	274,425	-	14,503,658
Devolved formula capital (DFC)	24,694	-	(24,694)	-	-	-
Capital improvement fund	41,050	2,077,867	(174,996)	(41,050)	-	1,902,871
Other capital income	-	450,693	(37,467)	98,011	-	511,237
	14,501,513	2,528,560	(443,693)	331,386	-	16,917,766
Total restricted funds	13,268,974	8,412,602	(6,257,603)	20,995	(705,000)	14,739,968
Total of funds	14,222,136	8,903,903	(6,703,898)	-	(705,000)	15,717,141

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

16. STATEMENT OF FUNDS (continued)

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

General annual grant (GAG)

This represents money from the EFA to cover costs of recurrent expenditure.

Other DFE/EFA grants

This represents funding to be used to help raise achievement and improve outcomes for pupils from low income families who are eligible for free school meals.

Pupil premium

This represents funding to help raise achievement and improve outcomes for pupils from low income families who are eligible for free school meals.

Local Authority grants

This represents various grants from local and national Government bodies for the provision of specific services to pupils of the Trust.

Restricted trip donations

This represents contributions made by parents to the running of educational visits for the pupils of the Trust and the associated costs of running the trips.

Restricted donation - sports hall fund

This represents donations made for the Sports Hall. This amount had been transferred into other capital income fund.

Restricted donations

This represents other restricted donations for various specific activities.

Salix Fund - Boiler

This fund represents the balance of the Salix loan liability (greater than one year) used to purchase the new boiler. The deficit on this fund will be cleared by the future energy savings relating to the boiler over the term of the Salix loan.

Pension reserve

This fund represents the Trust's share of the deficit on the Local Government Pension Scheme (LGPS) transferred to the Academy on conversion from a state controlled school.

Devolved formula capital (DFC) fund

The Trust is to use the DFC allocation to maintain and improve its buildings and facilities.

Capital improvement fund (CIF)

The Trust is required to use the funding for the specific project as defined within the funding agreement.

Other capital income

This represents other capital income received for the Sports Hall and the 3G Football pitch.

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

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Tangible fixed assets	-	-	14,503,658	14,503,658	14,435,769
Current assets	1,678,289	157,390	2,414,108	4,249,787	1,779,240
Creditors due within one year	(701,116)	-	-	(701,116)	(433,685)
Creditors due in more than one year	-	(192,188)	-	(192,188)	(192,188)
Provisions for liabilities and charges	-	(2,143,000)	-	(2,143,000)	(1,367,000)
	<u>977,173</u>	<u>(2,177,798)</u>	<u>16,917,766</u>	<u>15,717,141</u>	<u>14,222,136</u>

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

	2016 £	2015 £
Net income/(expenditure) for the year (as per Statement of financial activities)	2,200,005	(92,614)
Adjustment for:		
Depreciation charges	206,536	212,993
Dividends, interest and rents from investments	(2,666)	(1,886)
Decrease in debtors (excluding capital grants)	434,179	61,135
Increase in creditors	267,431	327,526
Capital grants from DfE and other capital income	(2,528,560)	(65,744)
Pension adjustment	71,000	48,000
Net cash provided by operating activities	<u>647,925</u>	<u>489,410</u>

19. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2016 £	2015 £
Cash in hand	2,255,483	1,633,158
Total	<u>2,255,483</u>	<u>1,633,158</u>

20. 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.

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

21. PENSION COMMITMENTS

The Trust'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 Hertfordshire 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 £78,831 were payable to the schemes at 31 August 2016 (2015 - £72,106) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

- employer contribution rates set at 16.48% of pensionable pay, including a 0.08% employer administration charge (currently 14.1%);
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million;
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations; and
- 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 £450,106 (2015 - £406,869).

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.

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

21. PENSION COMMITMENTS (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2016 was £212,000 (2015 - £222,000), of which employer's contributions totalled £170,000 (2015 - £178,000) and employees' contributions totalled £42,000 (2015 - £44,000). The agreed contribution rates for future years are 25.4% for employers and 6.5% 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.

Principal actuarial assumptions:

	2016	2015
Discount rate for scheme liabilities	2.10 %	3.80 %
Expected return on scheme assets at 31 August	2.10 %	3.80 %
Rate of increase in salaries	3.60 %	4.10 %
Rate of increase for pensions in payment	2.10 %	2.70 %

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

	2016	2015
Retiring today		
Males	22.3	22.3
Females	24.5	24.5
Retiring in 20 years		
Males	24.3	24.3
Females	26.7	26.7

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

	Fair value at 31 August 2016 £	Fair value at 31 August 2015 £
Equities	989,000	719,000
Bonds	440,000	313,000
Property	110,000	81,000
Cash	31,000	46,000
Total market value of assets	1,570,000	1,159,000

The actual return on scheme assets was £199,000 (2015 - £35,000).

The amounts recognised in the Statement of Financial Activities Incorporating Income and Expenditure Account are as follows:

	2016 £	2015 £
Current service cost (net of employee contributions)	(189,000)	(178,000)
Net interest cost	(52,000)	(48,000)
Total	(241,000)	(226,000)

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21. PENSION COMMITMENTS (continued)

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

	2016 £	2015 £
Opening defined benefit obligation	2,526,000	2,124,000
Current service cost	189,000	178,000
Interest cost	100,000	83,000
Contributions by employees	42,000	44,000
Actuarial losses	856,000	97,000
	<u>3,713,000</u>	<u>2,526,000</u>
Closing defined benefit obligation	<u>3,713,000</u>	<u>2,526,000</u>

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

	2016 £	2015 £
Opening fair value of scheme assets	1,159,000	827,000
Interest income	48,000	35,000
Actuarial gains	151,000	75,000
Contributions by employer	170,000	178,000
Contributions by employees	42,000	44,000
	<u>1,570,000</u>	<u>1,159,000</u>
Closing fair value of scheme assets	<u>1,570,000</u>	<u>1,159,000</u>

22. OPERATING LEASE COMMITMENTS

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

	2016 £	2015 £
Amounts payable:		
Within 1 year	9,961	9,009
Between 1 and 5 years	4,982	12,160
	<u>14,943</u>	<u>21,169</u>
Total	<u>14,943</u>	<u>21,169</u>

23. RELATED PARTY TRANSACTIONS

No related party transactions took place in the period of account.

24. 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.

The policies applied under the Academy's previous accounting framework are not materially different to FRS 102 and have not impacted on funds or net income/expenditure.