

Registered number: 09016294

WATFORD ST JOHN'S CHURCH OF ENGLAND PRIMARY SCHOOL
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 AUGUST 2016

WATFORD ST JOHN'S CHURCH OF ENGLAND PRIMARY SCHOOL
(A company limited by guarantee)

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS GOVERNORS AND ADVISERS
FOR THE PERIOD ENDED 31 AUGUST 2016**

Members

The Diocese of St Albans Educational Trust (appointed 29 April 2015)

J Griffiths

D Stevenson

D Morton

D Thornhill

Governors

D Stevenson

J Griffiths

R Davis

J Reynolds (resigned 1 September 2015)

D Morton (appointed 1 November 2015, resigned 12 May 2016)

A Clough (appointed 15 January 2016)

H Langeveld (nee Davis) (appointed 1 January 2016)

E Grundy (appointed 28 September 2016)

F Handley (appointed 23 May 2016)

S Lavender (appointed 18 May 2016)

R Martins (appointed 18 May 2016)

A Rindl (appointed 23 May 2016)

Company registered number

09016294

Company name

Watford St John's Church of England Primary School

Principal and registered office

9 Monmouth Road, Watford, Hertfordshire, WD17 1QW

Independent auditor

Hillier Hopkins LLP, Radius House, 51 Clarendon Road, Watford, Herts, WD17 1HP

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GOVERNORS' REPORT
FOR THE PERIOD ENDED 31 AUGUST 2016

The Governors present their annual report together with the financial statements and auditor's report of the charitable company for the period 30 April 2015 to 31 August 2016. The Annual report serves the purposes of both a Governors' report, and a Directors' report under company law.

Since the academy qualifies as small under section 383, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

Structure, governance and management

a. Constitution

The academy is a charitable company limited by guarantee and an exempt charity. It converted from a limited company to academy status upon the signing of the Funding Agreement which took place on 29th April 2016.

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

The Governors of Watford St John's Church of England Primary School are also the directors of the charitable company for the purpose of company law.

The charitable company is known as Watford St John's Church of England Primary School.

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

b. Members' liability

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

c. Method of recruitment and appointment or election of Governors

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

d. Policies and procedures adopted for the induction and training of Governors

The Induction process is contained within the Governance Plan. All new Governors are provided with an induction pack when they first become a Governor and are required to attend Governor Induction Training (currently provided by the LA). The training and induction for new Governors is co-ordinated by the Chair of Governors and Governors are expected to attend at least one training event per school year.

e. Pay policy for key management personnel

The Headteacher's pay is linked to the performance management structure and any recommendations are placed for approval by the Full Governing Body.

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GOVERNORS' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2016

f. Organisational structure

The leadership structure consists of the Governors and the Senior Leadership Team (SLT). This aim of the leadership structure is to devolve responsibility and encourage involvement in decision making at all levels.

The Headteacher is the Accounting Officer.

The Governors are responsible for setting general policies, adopting a School Development Plan, the annual budget, approving the accounts, monitoring the use of budgets and other data and making major decisions about the strategic direction of the Free School, its capital expenditure and staff appointments.

The SLT consists of the Headteacher, a Special Educational Needs Coordinator (SenCo) and the School Office and Business Manager. The Headteacher, supported by the SLT controls at an executive level, implementing policies set by the Governing Body and/or Headteacher.

The Headteacher, as Principal Accounting Officer, is responsible for the authorisation of spending within agreed budgets, a summary of this is contained in the Schedule of Financial Delegation.

Subject to the provisions of the Companies Act 2006, the Articles and to any directions given by Special Resolution, the business of the Academy Trust shall be managed by the Governors who may exercise all the powers of the Trust. No alteration of the Articles and no such direction shall invalidate any prior act of the Governors which would have been valid if the alteration had not been made or that direction had not been given. The powers given by the Article shall not be limited by any special power given to the Governors by the Articles and a meeting of Governors at which a quorum is present may exercise all the power exercisable by the Governors.

In addition to all powers hereby expressly conferred upon them and without detracting from the generality of their powers under the Articles, the Governors shall have the following powers, namely:

- (a) To expand the funds of the Academy Trust in such manner as they shall consider most beneficial for the achievement of the Object and to invest in the name of the Academy Trust such part of the funds as they may see fit and to direct the sale or transposition of any such investments and to expend the proceeds of any such sale in furtherance of the Object, and
- (b) To enter into contracts on behalf of the Academy Trust.

In the exercise of their powers and functions, the Governors may consider any advice given by the Principal and any other executive officer.

The Governors may delegate any of their powers or functions (including the power to sub-delegate) to any Governor, committee, the Principal or any other holder of an executive office. Any such delegation may be made subject to any conditions the Governors may impose and may be revoked or altered. Where any power or function of the Governors is exercised by any committee, any Governor, Principal or any other holder of an executive office, or a person to whom a power or function has been sub-delegated, that person or committee shall report to the Governors in respect of any action taken or decision made with respect to the exercise of that power or function at the meeting of the Governors immediately following the taking of the action or the making of the decision.

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GOVERNORS' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2016

g. Connected organisations, including related party relationships

During the pre-opening period, Mr Clough through his company IP Squared was engaged to support the IT procurement process and ensure value for money through the IT contract. Platinum Press was also engaged to provide services, which were cost matched against other quotes and found to provide the best value for money in line with our financial procedures- this is a company owned by a relative of the Headteacher.

Objectives and Activities

a. Objects and aims

The Academy Trust's object is specifically restricted to the following:

To advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school with a designated Church of England religious character offering a broad and balanced curriculum conducted in accordance with the principles, practices and tenets of the Church of England both generally and in particular in relation to arranging for religious education and daily acts of worship, and having regards to any advice of the Diocesan Board of Education.

b. Objectives, strategies and activities

Our key objectives for the period ending August 2016 were:

- To complete the due process so that our school could open in September 2016
- To develop the school's curriculum
- To recruit sufficient pupil numbers so that our school is financially viable
- To establish the school as a part of the wider community
- To recruit and retain quality staff.

c. Activities for achieving objectives

In this pre-opening period, the school team have worked hard to develop a school plan, to recruit sufficient pupil numbers to ensure that the school is financially viable and recruit and retain staff to deliver quality education.

d. Main activities undertaken to further the charity's purposes for the public benefit

The school team were established and have created an inclusive church school serving a wide community of different backgrounds and faiths (including children of no faith). The school has been developing links to fulfil our commitment of serving our community.

Achievements and performance

a. Key financial performance indicators

- Opened within budget
- Aim to open with a surplus

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GOVERNORS' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2016

b. Review of activities

All targets were met and school opened. The Steering Group had progressed the project through various sub-committees or buildings/premises, HR, education, governance, policies, admissions, consultation, finance, recruitment and marketing.

c. Investment policy and performance

The purpose of the Investments Policy is to set out the processes by which Academy trustees will meet their duties under the Academy's Articles of Association and Academies Financial Handbook issued by the EFA to invest monies surplus to operational requirements in furtherance of the Academy's charitable aims and to ensure that investment risk is properly and prudently managed.

Any significant unrestricted reserves are placed on deposit for a period that the school deems will maintain sufficient operating liquidity.

d. Factors relevant to achieve objectives

- Successful completion of Pre-opening Ofsted inspection and Readiness to Open Meeting.
- Recruitment of Headteacher.
- Sound financial management and rigorous procedures.

Financial review

a. Going concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the academy has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

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GOVERNORS' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2016

b. Principal risks and uncertainties

One of the main risks to the Academy is how it responds to and plans for the effect on school funding reforms due to the current and continuing economic uncertainty. Future funding decisions may lead to an actual reduction in funding over time which would threaten school's viability to provide quality education.

The Academy also has based budgeting decisions on estimated operating costs that have been calculated through benchmarking and judgments based on the best information available. However, opening a new school in a temporary building where there is insufficient comparable data in relation to the facilities management, as well as predicting for the permanent building without a fully developed design, means that the Trust has to be prepared to respond to changing financial concerns.

As a new school, we have been unable to build up reserves over time which means that cash flow is finely balanced, so we must monitor carefully our expenditure versus income.

For these risks, we have regular meetings to monitor and review income and expenditure and have a process for managing risk in place.

Pupil recruitment is based on the ongoing predictions for demand, but due to the small size of our school in terms of pupils and staffing currently, pupil recruitment can have a substantial impact. We are managing this risk through effective marketing.

c. Reserves policy

The governors review the reserve levels of the establishment annually.

This review encompasses the nature of income and expenditure streams, the need to match income with commitments, and the nature of reserves.

The governors have determined that the appropriate level of free reserves should be equivalent to six weeks' average operating expenses.

This level of free reserves will provide sufficient working capital to cover delays between spending and receipt of income and to provide a cushion to facilitate any unexpected emergencies, such as urgent property maintenance.

The current level set for free reserves will be reviewed by governors regularly, but at least annually.

d. Principal funding

For 2015/16, this was the PDG (pre-opening grant).

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GOVERNORS' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2016

Plans for future periods

a. Future developments

The school opened in September 2016 in temporary accommodation.

The key future developments are establishing the school in the temporary accommodation for the next two year period and the preparation for the decant to the permanent site in 2018. The first two years of operation will provide a benchmark in relation to some aspects of the school, whilst others will be dependent upon the design of the new building which has yet to be confirmed. The Governors will continue to monitor expenditure and review the financial forecasts.

Funds held as custodian

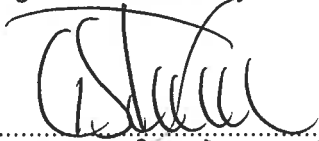
Currently, there are no funds held.

Disclosure of information to auditor

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

- so far as that Governor is aware, there is no relevant audit information of which the charitable company's auditor is unaware, and
- that Governor has taken all the steps that ought to have been taken as a Governor in order to be aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

This report was approved by order of the board of trustees as the company directors, on *22-12-16* and signed on its behalf by:



J Griffiths *DAVID STEVENSON*
VICE Chair of Trustees

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GOVERNANCE STATEMENT

Scope of Responsibility

As governors, we acknowledge we have overall responsibility for ensuring that Watford St John's Church of England Primary 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 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 Watford St John's Church of England Primary 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 Governors' report and in the Statement of Governors' responsibilities. The board of trustees has formally met 3 times during the period. The Governing Body did not formally take on any responsibilities until the Funding Agreement has been signed on 18 April 2016. Attendance during the period at meetings of the board of trustees was as follows:

Governor	Meetings attended	Out of a possible
D Stevenson	3	3
J Griffiths	3	3
R Davis	3	3
J Reynolds	0	3
D Morton	0	3
A Clough	3	3
H Langeveld (nee Davis)	3	3
E Grundy	0	3
F Handley	3	3
S Lavender	2	3
R Martins	2	3
A Rindl	1	3

Prior to opening, there were two resignations of directors. J Reynolds when he ceased to be Director of Education for the Diocese of St Albans. He was replaced by D Morton who resigned when the Governing body was incorporated. E Grundy was appointed to the Governing Body in September 2016 as governor with experience of primary education.

Pre-opening, the Steering Group was a sub-committee of the main board of trustees. Its purpose was to work with the Headteacher, as accounting officer, and the chair of governors to ensure that financial decisions enable the school to provide value for money, and to ensure that processes are compliant with The Academies Financial Handbook. The Group met at least twice monthly and all meeting were quorate.

Review of Value for money

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

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

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GOVERNANCE STATEMENT (continued)

The Trust has also appointed a catering contractor for the two years in the temporary accommodation through a procurement process. This proved quite difficult as the provision of a comparatively low level of meals with just 30 children in the first year and 60 in the second meant that most companies did not view it as financially viable, but we have secured a partner that can deliver our vision for family style eating.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Watford St John's Church of England Primary School for the period 30 April 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 academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy's significant risks, that has been in place for the period 30 April 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 academy's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

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

The board of trustees has considered the need for a specific internal audit function and has decided to appoint Mr Clough as internal auditor from September 2016.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the academy's financial systems. On a quarterly basis, the internal auditor will report 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 appointee has delivered their schedule of work as planned.

Review of Effectiveness

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

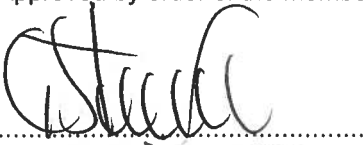
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GOVERNANCE STATEMENT (continued)

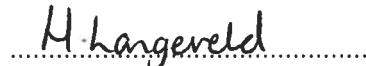
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Steering Group 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 22-12-16 and signed on their behalf, by:



~~J Griffiths~~ DAVID STEVENSON
VICE Chair of Trustees



H Langeveld
Accounting Officer

WATFORD ST JOHN'S CHURCH OF ENGLAND PRIMARY SCHOOL
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Watford St John's Church of England Primary School I have considered my responsibility to notify the academy trust 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 academy trust board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 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.


.....
H Langeveld
Accounting Officer

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

The Governors (who act as governors of Watford St John's Church of England Primary School and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Governors' report and the financial statements in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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


- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies' Accounts Direction 2015 to 2016;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

Approved by order of the members of the board of trustees on 22.12.16 and signed on its behalf by:



~~J Griffiths~~ DAVID STEVENSON
VICE Chair of Trustees

WATFORD ST JOHN'S CHURCH OF ENGLAND PRIMARY SCHOOL
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**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
WATFORD ST JOHN'S CHURCH OF ENGLAND PRIMARY SCHOOL**

We have audited the financial statements of Watford St John's Church of England Primary School for the period 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 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 to them in an Auditor's 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 Governors and auditor

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

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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the academy's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Governors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Governors' 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 period 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.

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**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
WATFORD ST JOHN'S CHURCH OF ENGLAND PRIMARY SCHOOL**

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Governors' report, incorporating the Strategic report, for the financial period 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 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 Governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Governors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic report.



Alexander Bottom ACA (Senior statutory auditor)

for and on behalf of

Hillier Hopkins LLP

Chartered Accountants
Statutory Auditor

Radius House
51 Clarendon Road
Watford
Herts
WD17 1HP

Date: 23rd December 2016

WATFORD ST JOHN'S CHURCH OF ENGLAND PRIMARY SCHOOL
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INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO WATFORD ST JOHN'S CHURCH OF ENGLAND PRIMARY SCHOOL AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated April 2016 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 Watford St John's Church of England Primary School during the period 30 April 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 Watford St John's Church of England Primary School and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Watford St John's Church of England Primary 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 Watford St John's Church of England Primary School and the EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Watford St John's Church of England Primary School's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Watford St John's Church of England Primary School's funding agreement with the Secretary of State for Education dated 29 April 2016, 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 period 30 April 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's income and expenditure.

The work undertaken to draw to our conclusion includes:

- An assessment of the risk of material misstatement and irregularity across the Academy Trust's activities.
- Testing and review of areas identified through risk assessment including enquiry, observation, inspection and review of supporting evidence.

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**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO WATFORD
ST JOHN'S CHURCH OF ENGLAND PRIMARY SCHOOL AND THE EDUCATION FUNDING AGENCY**
(continued)

- Review of system controls, policies and procedures in place to ensure compliance with the regularity regime.
- Consideration of evidence obtained through the work performed as part of our financial statements audit in order to support the regularity conclusion.

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 period 30 April 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.

Hillier Hopkins LLP

Hillier Hopkins LLP

Chartered Accountants
Statutory Auditor

Radius House
51 Clarendon Road
Watford
Herts
WD17 1HP

Date: *23rd June 2016*

WATFORD ST JOHN'S CHURCH OF ENGLAND PRIMARY SCHOOL
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE PERIOD ENDED 31 AUGUST 2016**

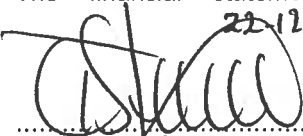
	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	<i>Total funds 2015 £</i>
Income from:					
Donations & capital grants:					
Assets and liabilities donated upon conversion	2 (73)	-	73	-	-
Other donations and capital grants	2 -	-	543,109	543,109	-
Charitable activities	3 -	207,379	-	207,379	12,621
Other trading activities	4 715	-	-	715	-
Investments	5 115	-	-	115	14
Total income	<u>757</u>	<u>207,379</u>	<u>543,182</u>	<u>751,318</u>	<u>12,635</u>
Expenditure on:					
Charitable activities	-	178,502	403	178,905	12,635
Total expenditure	8 -	<u>178,502</u>	<u>403</u>	<u>178,905</u>	<u>12,635</u>
Net income before transfers	757	28,877	542,779	572,413	-
Transfers between Funds	16 -	(7,826)	7,826	-	-
Net income before other recognised gains and losses	757	21,051	550,605	572,413	-
Net movement in funds	757	21,051	550,605	572,413	-
Reconciliation of funds:					
Total funds brought forward	-	-	-	-	-
Total funds carried forward	<u><u>757</u></u>	<u><u>21,051</u></u>	<u><u>550,605</u></u>	<u><u>572,413</u></u>	<u><u>-</u></u>

WATFORD ST JOHN'S CHURCH OF ENGLAND PRIMARY SCHOOL
(A company limited by guarantee)
REGISTERED NUMBER: 09016294

BALANCE SHEET
AS AT 31 AUGUST 2016

	Note	£	31 August 2016 £	£	29 April 2015 £
Fixed assets					
Tangible assets	13		7,496		73
Current assets					
Debtors	14	547,832		941	
Cash at bank and in hand		42,831		75,865	
		<u>590,663</u>		<u>76,806</u>	
Creditors: amounts falling due within one year	15	<u>(25,746)</u>		<u>(76,879)</u>	
Net current assets/(liabilities)			<u>564,917</u>		<u>(73)</u>
Net assets			<u><u>572,413</u></u>		<u><u>-</u></u>
Funds of the academy					
Restricted income funds:					
Restricted income funds	16	21,051		-	
Restricted fixed asset funds	16	550,605		-	
		<u>571,656</u>		<u>-</u>	
Total restricted income funds			571,656		-
Unrestricted income funds	16		757		-
			<u>572,413</u>		<u>-</u>
Total funds			<u><u>572,413</u></u>		<u><u>-</u></u>

The financial statements were approved by the Governors, and authorised for issue, on 22.12.16 and are signed on their behalf, by:



 J Griffiths DAVID STEVENSON
 VICE Chair of Trustees

The notes on pages 20 to 37 form part of these financial statements.

WATFORD ST JOHN'S CHURCH OF ENGLAND PRIMARY SCHOOL
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 AUGUST 2016

	Note	16 months ended 31 August 2016 £	12 months ended 29 April 2015 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	18	(568,432)	75,959
Cash flows from investing activities:			
Dividends, interest and rents from investments		115	14
Purchase of tangible fixed assets		(7,826)	(108)
Capital grants from DfE/EFA		543,109	-
Net cash provided by/(used in) investing activities		535,398	(94)
Change in cash and cash equivalents in the period		(33,034)	75,865
Cash and cash equivalents brought forward		75,865	-
Cash and cash equivalents carried forward	19	42,831	75,865

All of the cash flows are derived from acquisitions in the current financial period.

WATFORD ST JOHN'S CHURCH OF ENGLAND PRIMARY SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 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.

Watford St John's Church of England Primary 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 Watford St John's Church of England Primary 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 Watford St John's Church of England Primary School for the year ended 29 April 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 Governors 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 25.

1.2 Fund accounting

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

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.

WATFORD ST JOHN'S CHURCH OF ENGLAND PRIMARY SCHOOL
(A company limited by guarantee)

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

1. Accounting Policies (continued)

1.3 Income

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

Grants are included in the Statement of financial activities 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.

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

1.4 Expenditure

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

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Going concern

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

WATFORD ST JOHN'S CHURCH OF ENGLAND PRIMARY SCHOOL
(A company limited by guarantee)

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

1. Accounting Policies (continued)

1.6 Tangible fixed assets and depreciation

All assets costing more than £100 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.

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

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:

Fixtures and fittings	-	20% reducing balance
Office equipment	-	33% reducing balance
Computer equipment	-	50% reducing balance

1.7 Interest receivable

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

1.8 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.

1.9 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.

WATFORD ST JOHN'S CHURCH OF ENGLAND PRIMARY SCHOOL
(A company limited by guarantee)

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

1. Accounting Policies (continued)

1.10 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 academy anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.11 Financial instruments

The academy 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.

1.12 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.

1.13 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.

WATFORD ST JOHN'S CHURCH OF ENGLAND PRIMARY SCHOOL
(A company limited by guarantee)

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

1. Accounting Policies (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 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.

During the financial period ended 31 August 2016, the academy only had one member under the LGPS scheme, who joined the academy during the accounting period. Due to the immaterial nature of the expected LGPS liability as at 31 August 2016, an actuarial valuation has not been obtained.

1.14 Conversion to an academy trust

The conversion from a state maintained school to an academy trust involved the transfer of identifiable assets and liabilities and the operation of the school for £NIL consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

The assets and liabilities transferred on conversion from Watford St John's Church of England Primary School to an academy trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Donations in the Statement of financial activities incorporating income and expenditure account and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Further details of the transaction are set out in note 20.

WATFORD ST JOHN'S CHURCH OF ENGLAND PRIMARY SCHOOL
(A company limited by guarantee)

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

1. Accounting Policies (continued)

1.15 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 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 (LGPS) defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. During the financial period ended 31 August 2016, the academy only had one member under the LGPS scheme, who joined the academy during the accounting period. Due to the immaterial nature of the expected LGPS liability as at 31 August 2016, an actuarial valuation has not been obtained.

Critical areas of judgement:

Valuation of tangible fixed assets:

Trustees have considered the value of tangible fixed assets. Changes in the circumstances of expectations of future performance of an individual asset may be an indicator that the asset is impaired, which would require the book value to be written down to its recoverable amount. Impairments are reversed if conditions for impairment are no longer present. Due to their nature, evaluating whether an asset is impaired requires a significant degree of judgement and may to a large extent depend on the assumptions made in its evaluation. The trustees have concluded that the valuation of the tangible fixed assets at the year end are appropriate.

Depreciation and residual values

The trustees have reviewed the asset lives and associated residual values of all fixed asset classes and have concluded that asset lives and residual values are appropriate.

WATFORD ST JOHN'S CHURCH OF ENGLAND PRIMARY SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 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 £
Assets and liabilities donated upon conversion	(73)	-	73	-	-
Government grants	-	-	543,109	543,109	-
Total donations and capital grants	(73)	-	543,182	543,109	-

In 2015, of the total income from donations and capital grants, £ NIL was to unrestricted funds and £ NIL was to restricted funds

3. Funding for Academy's educational operations

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
DfE/EFA grants				
Project Development Grant	-	207,379	207,379	12,621
	-	207,379	207,379	12,621

In 2015, of the total income from charitable activities, £12,621 was to unrestricted funds and £ NIL was to restricted funds.

4. Other trading activities

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Other income	715	-	715	-

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

WATFORD ST JOHN'S CHURCH OF ENGLAND PRIMARY SCHOOL
(A company limited by guarantee)

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

5. Investment income

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Interest received	115	-	115	14

In 2015, of the total investment income, £ 14 was to unrestricted funds and £ NIL was to restricted funds.

6. Direct costs

	Educational activities £	Total 2016 £	Total 2015 £
Educational supplies	1,565	1,565	-
Educational consultancy	26,993	26,993	1,850
	<u>28,558</u>	<u>28,558</u>	<u>1,850</u>

In 2015, the academy incurred the following Direct costs:

£1,850 in respect of Educational activities

7. Support costs

	Educational activities £	Total 2016 £	Total 2015 £
Staff development	933	933	-
Rent and rates	11,355	11,355	573
Repairs and maintenance	3,316	3,316	-
Catering costs	5,549	5,549	-
Technology costs	1,152	1,152	450
Insurance costs	310	310	32
Professional fees	16,405	16,405	369
Other support costs	30,378	30,378	5,619
Governance costs	3,216	3,216	-
Wages and salaries	60,843	60,843	3,707
National insurance	6,095	6,095	-
Pension cost	10,392	10,392	-
Depreciation	403	403	35
	<u>150,347</u>	<u>150,347</u>	<u>10,785</u>

WATFORD ST JOHN'S CHURCH OF ENGLAND PRIMARY SCHOOL
(A company limited by guarantee)

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

7. Support costs (continued)

During the period ended 31 August 2016, the academy incurred the following Governance costs:
£NIL (2015 - £NIL) included within the table above in respect of Educational activities.

In 2015, the academy incurred the following Support costs:
£10,785 in respect of Educational activities

8. Expenditure

	Staff costs 2016 £	Premises 2016 £	Other costs 2016 £	Total 2016 £	Total 2015 £
Educational activities:					
Direct costs	-	-	28,558	28,558	-
Support costs	77,330	11,890	61,127	150,347	-
	<u>77,330</u>	<u>11,890</u>	<u>89,685</u>	<u>178,905</u>	<u>-</u>

In 2016, of the total expenditure, £NIL (2015 - £NIL) was to unrestricted funds and £NIL (2015 - £NIL) was to restricted funds.

9. Net incoming resources/(resources expended)

This is stated after charging:

	16 months ended 31 August 2016 £	12 months ended 29 April 2015 £
Depreciation of tangible fixed assets:		
- owned by the charity	403	-
- held under finance leases	-	35
	<u>403</u>	<u>35</u>

WATFORD ST JOHN'S CHURCH OF ENGLAND PRIMARY SCHOOL
(A company limited by guarantee)

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

10. Staff costs

Staff costs were as follows:

	16 months ended 31 August 2016 £	<i>12 months ended 29 April 2015 £</i>
Wages and salaries	60,843	3,707
Social security costs	6,095	-
Operating costs of defined benefit pension schemes	10,392	-
	77,330	<i>3,707</i>
	77,330	<i>3,707</i>

The average number of persons employed by the academy during the period was as follows:

	16 months ended 31 August 2016 No.	<i>12 months ended 29 April 2015 No.</i>
Support and administration	1	0
Management	1	0
	2	<i>0</i>
	2	<i>0</i>

No employee received remuneration amounting to more than £60,000 in either year.

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £44,278 (2015: £nil).

11. Governors' remuneration and expenses

During the period retirement benefits were accruing to 1 Governor (2015 - NIL) in respect of defined benefit pension schemes.

WATFORD ST JOHN'S CHURCH OF ENGLAND PRIMARY SCHOOL
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2016**

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

		16 months ended 31 August 2016 £	<i>12 months ended 29 April 2015 £</i>
H Davis	Remuneration	35,000-40,000	<i>n/a</i>
	Pension contributions paid	5,000-10,000	<i>n/a</i>
A Handley*	Remuneration	0-5,000	<i>n/a</i>
	Pension contributions paid	0-5,000	<i>n/a</i>

During the period, no Governors received any reimbursement of expenses (2015 - £NIL).

* The individual indicated is a related party by virtue of being a close relative of a governor.

12. Governors' and Officers' Insurance

The academy trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000. It is not possible to quantify the Governors and officers indemnity element from the overall cost of the RPA scheme.

WATFORD ST JOHN'S CHURCH OF ENGLAND PRIMARY SCHOOL
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2016**

13. Tangible fixed assets

	Fixtures and fittings £	Office equipment £	Computer equipment £	Total £
Cost				
At 30 April 2015	-	108	-	108
Additions	5,760	1,309	757	7,826
At 31 August 2016	<u>5,760</u>	<u>1,417</u>	<u>757</u>	<u>7,934</u>
Depreciation				
At 30 April 2015	-	35	-	35
Charge for the period	-	25	378	403
At 31 August 2016	<u>-</u>	<u>60</u>	<u>378</u>	<u>438</u>
Net book value				
At 31 August 2016	<u>5,760</u>	<u>1,357</u>	<u>379</u>	<u>7,496</u>
At 29 April 2015	<u>-</u>	<u>73</u>	<u>-</u>	<u>73</u>

14. Debtors

	31 August 2016 £	29 April 2015 £
Trade debtors	770	-
Other debtors	3,953	941
Prepayments and accrued income	543,109	-
	<u>547,832</u>	<u>941</u>

15. Creditors: Amounts falling due within one year

	31 August 2016 £	29 April 2015 £
Trade creditors	24,745	-
Other taxation and social security	221	-
Other creditors	780	1,500
Accruals and deferred income	-	75,379
	<u>25,746</u>	<u>76,879</u>

WATFORD ST JOHN'S CHURCH OF ENGLAND PRIMARY SCHOOL
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2016**

16. Statement of funds

	Brought Forward £	Income £	Expenditure £	Transfers in/out £	Carried Forward £
Unrestricted funds					
General Funds - all funds	-	757	-	-	757
Restricted funds					
Project Development Grant	-	207,379	(178,502)	(7,826)	21,051
Restricted fixed asset funds					
Restricted Fixed Assets	-	73	(403)	7,826	7,496
EFA capital grants	-	543,109	-	-	543,109
	-	543,182	(403)	7,826	550,605
Total restricted funds	-	750,561	(178,905)	-	571,656
Total of funds	-	751,318	(178,905)	-	572,413

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

The Project Development Grant is funding received from the EFA for the purposes of setting up the academy.

Included in restricted fixed asset funds carried forward is an EFA grant for capital expenditure of £543,109 granted in the year but unspent by 31 August 2016.

The transfer of £7,826 from the restricted fund to the restricted fixed asset fund represents expenditure from the Project Development Grant on capital items, as permitted by the terms of the grant.

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

WATFORD ST JOHN'S CHURCH OF ENGLAND PRIMARY SCHOOL
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 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	-	-	7,496	7,496	73
Current assets	757	46,796	543,109	590,662	76,806
Creditors due within one year	-	(25,745)	-	(25,745)	(76,879)
	<u>757</u>	<u>21,051</u>	<u>550,605</u>	<u>572,413</u>	<u>-</u>

18. Reconciliation of net movement in funds to net cash flow from operating activities

	16 months ended 31 August 2016 £	12 months ended 29 April 2015 £
Net income for the year (as per Statement of financial activities)	572,413	-
Adjustment for:		
Depreciation charges	403	35
Dividends, interest and rents from investments	(115)	(14)
Increase in debtors	(546,891)	(941)
(Decrease)/increase in creditors	(51,133)	76,879
Capital grants from DfE and other capital income	(543,109)	-
Net cash (used in)/provided by operating activities	<u>(568,432)</u>	<u>75,959</u>

19. Analysis of cash and cash equivalents

	16 months ended 31 August 2016 £	12 months ended 29 April 2015 £
Cash in hand	42,831	75,865
Total	<u>42,831</u>	<u>75,865</u>

20. Conversion to an academy trust

On 29 April 2016 Watford St John's Church of England Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Watford St John's Church of England Primary School from its previous legal status as a limited company for £NIL consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities

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20. Conversion to an academy trust (continued)

transferred were valued at their fair value and recognised in the Balance sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the Statement of financial activities incorporating income and expenditure account as Donations - transfer from local authority on conversion

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of financial activities incorporating income and expenditure account.

	Unrestrict ed funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Other tangible fixed assets	-	73	-	73
Other assets	76,806	-	-	76,806
other liabilities	(76,879)	-	-	(76,879)
Net assets/(liabilities)	<u>(73)</u>	<u>73</u>	<u>-</u>	<u>-</u>

21. Pension commitments

The academy's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff. Both are Multi-employer defined benefit pension schemes.

There were no outstanding or prepaid contributions at either the beginning or the end of the financial period

Teachers' Pension Scheme

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

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

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

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21. Pension commitments (continued)

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
- 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 £4,127.

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 employer's pension costs paid to LGPS in the period amounted to £6,265.

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.

During the financial period ended 31 August 2016, the academy only had one member under the Local Government Pension Scheme scheme, who joined the academy during the accounting period. Due to the immaterial nature of the expected LGPS liability as at 31 August 2016, an actuarial valuation has not been obtained.

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22. Operating lease commitments

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

	31 August 2016 £	29 April 2015 £
Amounts payable:		
Within 1 year	30,000	-
Between 1 and 5 years	60,000	-
Total	<u>90,000</u>	<u>-</u>

23. Members' liability

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

24. Related party transactions

Owing to the nature of the academy'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 the trust 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.

During the accounting period, the academy made purchases relating to the hire of the Church hall totalling £13,284 from Watford St John's Parochial Church Council, related by virtue of trustees A Clough, R Davis and D Stevenson also being members of Watford St John's Parochial Church Council. £7,500 was due to Watford St John's Parochial Church Council at year end.

During the accounting period, the academy made purchases relating to the supply of professional consultancy services totalling £10,200 from IP Squared Limited, a company in which trustee A Clough is a director. £3,595 was due to IP Squared Limited at year end. Purchases have been supplied at cost.

During the accounting period, the academy made purchases relating to printing costs totalling £948 from Platinum Press Limited, a company related by virtue of a director of the company being a close family member of trustee H Langeveld. £nil was due to Platinum Press Limited at year end.

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25. 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 29 April 2015 and the date of transition to FRS 102 and SORP 2015 was therefore 29 August 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.