

Company Limited by Guarantee
Registration number: 07706726 (England and Wales)

THE AVENUE SCHOOL SPECIAL NEEDS ACADEMY TRUST

(A company limited by guarantee)

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2016

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THE AVENUE SCHOOL SPECIAL NEEDS ACADEMY TRUST
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THE AVENUE SCHOOL SPECIAL NEEDS ACADEMY TRUST
REFERENCE AND ADMINISTRATIVE DETAILS

Governors (Trustees)	I R N Ballsdon Dame S M Bourne H B Azam A N Butt S Cooke R D Fitzgerald M Harris J A Kettell J M Loftus R I Proyart J E Reynolds J Rynn C Smith	(Chair of Governors) (Headteacher and Accounting Officer) (Associate Governor) (Support Staff Governor) (Associate Governor) (resigned 7 December 2015) (appointed 8 March 2016) (Chairman of Audit Committee)
Company Secretary	T Green	
Senior Leadership Team	Head Teacher Deputy Head Teacher Deputy Head Teacher	– Dame S M Bourne – M Harris – S Cooke
Registered Office	The Avenue School Special Needs Academy Trust Conway Close Tilehurst Reading Berkshire RG30 4BZ	
Company Registration Number	07706726	
Auditors	Crowe Clark Whitehill LLP Aquis House 49-51 Blagrove Street Reading Berkshire RG1 1PL	
Bankers	Lloyds Broad Street Reading RG1 2BT	
Solicitors	Browne Jacobson Mowbray House Cattle Meadow Road Nottingham NG2 1BJ	

THE AVENUE SCHOOL SPECIAL NEEDS ACADEMY TRUST
REPORT OF THE GOVERNORS
FOR THE YEAR 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 1 September 2015 to 31 August 2016. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

Structure, Governance and Management

Constitution

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

The Governors act as the Trustees for the charitable activities of The Avenue School Special Needs Academy Trust and are also the Directors of the Charitable Company for the purposes of Company Law. The Charitable Company is known as The Avenue School. Details of the Governors who served throughout the year except as noted are included in the Reference and Administrative Details.

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.

Governor' Indemnities

The Academy Trust holds an insurance policy with Zurich Municipal which included Governors Liability insurance. This qualifies as third party indemnity insurance as defined by section 236 of the Companies Act 2006.

Principal Activities

The special educational provision is made at the Academy for one or more categories of Special Educational Needs. These categories may include, but are not limited to, severe and complex learning difficulties, autistic spectrum disorders and needs associated with physical disabilities. The Academy has a specialism in Performing Arts.

Method of Recruitment and Appointment or Election of Governors

The Members may appoint nine Governors save that no more than one third of the total number of individuals appointed as Governors shall be employees of the Academy Trust (including the Head Teacher).

THE AVENUE SCHOOL SPECIAL NEEDS ACADEMY TRUST
REPORT OF THE GOVERNORS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2016

Policies and Procedures Adopted for the Induction and Training of Governors

The Academy purchases membership of Reading Borough Council Governor's Services as part of the Academy SLA agreement. Induction and training course dates are highlighted to the members of the Governing Body immediately. Governors are encouraged to take up this training as well as other relevant training for example from The National College. The school is also a member of the School Bus Organisation and The Key, which provide support for Governors and the Senior Leadership Team.

Organisational Structure

As specified in the Articles of Association the business of the Academy Trust is managed by the Governors who exercise all the powers of the Academy Trust. The Governors consider advice given by the Headteacher and Senior Leadership Team. Governors are responsible for setting policies, planning and budget setting and making senior staff appointments and monitoring the performance of the Headteacher annually.

The Governing Body takes a strategic role, and delegates the responsibility of advising on all financial matters to the Finance & Audit committee, though retains overall approval for financial decisions.

The day to day running of the academy is delegated to the Headteacher and Senior Leadership Team who implement the policies agreed by the Governors. The Senior Leadership Team is responsible for the authorisation of spending within agreed budgetary limits and appointment of staff except the Senior Leadership Team. The Headteacher has been appointed as the Accounting Officer. A member of the Governing Body has been appointed as the Responsible Officer.

Arrangements for setting pay and remuneration of key management personnel

All key personnel can expect to receive regular, constructive feedback on their performance and are subject to annual appraisal that recognizes their strengths, informs plans for their future development and helps to enhance their professional practice.

Governors review all pay decisions, but delegate responsibility for all staff appraisals and pay reviews (apart from the Headteacher) to the Headteacher. The Headteacher's performance and pay reviews are carried out by a delegation of Governors. Teacher's pay reviews are paid with effect from 1st September, backdated as appropriate.

Related Parties and other Connected Charities and Organisations

The Boddington Trust Fund is a related charity by virtue of common control.

Objects and Aims

In setting the objectives, the Trustees have given careful consideration to the Charity Commission's general guidance on public benefits and in particular to its supplementary public benefit guidance on advancing education.

The charitable company's objectives are to provide and maintain, manage and develop Special Needs Education.

The main objectives of the Academy during the period ended 31 August 2016 are summarised below:

- To provide the very best opportunities for all pupils to enable them to fulfil their full potential mentally, physically, socially and emotionally;
- To provide a broad and balanced curriculum for all pupil to develop the skills and knowledge needed for life;

THE AVENUE SCHOOL SPECIAL NEEDS ACADEMY TRUST
REPORT OF THE GOVERNORS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2016

Objects and Aims (continued)

- To develop and maintain a high quality learning environment;
- To support staff with their own personal development and preparation for the future of special education within the authority;
- To develop the school as a specialist resource.

The special educational provision is made at the Academy for one or more categories of Special Educational Needs. These categories may include, but are not limited to, severe and complex learning difficulties, autistic spectrum disorders and needs associated with physical disabilities. The Academy has specialism in Performing Arts.

Objectives, Strategies and Activities

The main strategy is encompassed in the mission statement "Working Together, Learning Together, Moving Forward".

Public Benefit

The Governors confirm that they have referred to the guidance contained in the Charity Commission's general guidance on Public Benefit when reviewing the charity's aims and objectives and in planning future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives they have set.

The Academy's objective is to advance, for the public benefit, education in the area in particular but without prejudice to the area of establishing, maintaining and developing a school offering special needs education for statemented pupils.

THE AVENUE SCHOOL SPECIAL NEEDS ACADEMY TRUST
REPORT OF THE GOVERNORS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2016

STRATEGIC REPORT

Achievements and Performance

The academy has completed its fifth year of operation.

Pupils have a baseline assessment completed on admission including both social skills and attainment in basic skills to enable any rapid early progress to be noted. The schools database bring together a wide range of data including attendance and any additional interventions to support individual learning.

Close scrutiny and analysis of this information leads to a judgement that no one group under-performs. Individual pupils on free school meals who receive additional pupil premium funding are provided with the relevant and necessary support to help them meet their maximum potential.

The school prides itself in having a clear focus on the needs of individual pupils and no one pupil is disadvantaged.

Key Performance Indicators

An Ofsted inspection carried out in February 2016 stated that "the school continues to be outstanding".

The report stated: "Together with the visionary leadership of the Headteacher, senior leaders make an extremely effective team"; "Leaders' checks on teaching and learning are comprehensive and accurate"; "The quality of teaching, learning and assessment is extremely well developed to meet the needs of the pupils". The report highlighted that all groups of pupils make outstanding progress.

Recommendations following the inspection were that the new assessment system is refined further so that it is more immediately accessible.

Going Concern

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

Financial Review

The school's funding is obtained from EFA General Annual Grant, plus Special Educational Needs Top Up funding from the local authorities in which the pupils reside. The school saw a small surplus of funds of £8k in the financial year, which will be held in reserve for future investment in educational facilities and resources. However, as the ESG grant reduces per pupil, the school will be required to reduce the expenditure or find sources of additional income.

The school currently provides special needs education for 122 children, and is working with the local authority to potentially expand the school in the future, which would enable the school to reduce the cost per pupil of running the school, by spreading the costs of administration and overheads.

Reserves Policy

The directors' policy is to generate reserves to provide funds to continue to enhance the educational facilities and services of the school and to fund future projects. The directors intend to review the reserves policy annually to ensure that this aim can be achieved.

Funds balances as at 31st August 2016 totalled £6,267,027 (2015:£8,149,029). This is comprised of £359,343 (2015:£281,150) of unrestricted Funds, and a deficit of £3,367,438 (2015: £1,548,239) restricted general funds, after accounting for a pension deficit of £3,537,000, and £9,275,122 of Restricted Fixed Assets funds (2015: 9,416,118).

THE AVENUE SCHOOL SPECIAL NEEDS ACADEMY TRUST
REPORT OF THE GOVERNORS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2016

Reserves Policy (continued)

The policy of the Trust is to carry forward a prudent level of resources designed to meet the long term cyclical needs of renewal and any other unforeseen contingencies, subject to the constraint that the level of resources does not exceed the level permitted by the EFA. The Trust's free reserves as at 31st August 2016 were £387,455 (2015: £493,911). These free reserves represent 10% of total incoming resources in the year. The reason for this reserve is to provide sufficient working capital and to provide a cushion to deal with unexpected emergencies. In future years capital maintenance and development projects may be considered in the reserves policy review.

Investments Policy

The directors' investment powers are set down in the charitable company's Memorandum and Articles of Association, which permit the investment of monies of the charitable company that are not immediately required for its purposes in such investments, securities or property as may be thought fit subject to any restrictions which may from time to time be imposed or required by law.

The policy is to minimise risk and maintain liquidity.

Principal Risks and Uncertainties

The full governing body has responsibility for overseeing risk management within the academy as a whole. An open and receptive approach to solving risk problems is adopted by the governors and the Head Teacher and the senior management team support, advice and implement policies approved by the governing body.

The school makes conservative and prudent recognition and disclosure of the financial and non-financial implications of risks, whilst the senior management team are responsible for encouraging good risk management practice within the school.

Key risk indicators will be identified and closely monitored on a regular basis, through the annual review of the risk register, whilst the risk management policy is reviewed and updated each year.

The principal risks are the pension fund where the school must make good its long term obligations. Due to the nature of these obligations and the timeframes they are due to be realised over, there is a material uncertainty over the final balance. The Academy obtains advice from the scheme actuaries when discussing the pension scheme.

The other principal risk is the grants received for the funding of the school, these are decided annually and hence reduce the Governors' ability to produce long term budgets.

Plans for future Periods

The aims and objectives for providing special needs education for 2016-2019 are:

- To review the possibility of converting to a Multi Academy Trust to provide greater opportunities to take advantage of academies freedoms and economies of scale;
- Specialist Status – to continue to develop the specialism as a performing arts academy as a recognised feature of the school's curriculum and ethos;
- Outreach – To continue to develop a professional service across a breadth of expertise using a range of methodologies and styles of delivery as per the requirements of Academy status.

THE AVENUE SCHOOL SPECIAL NEEDS ACADEMY TRUST
REPORT OF THE GOVERNORS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2016

Funds Held as Custodian

Although the charitable company maintains restricted funds to deal with incoming resources that are earmarked for a particular purpose by donors, sponsors, and other funders, The Avenue Special Needs Academy Trust does not hold, and the directors do not anticipate that it will in the future hold, any funds as custodian for any third party.

Auditor

Crowe Clarke Whitehill LLP has been appointed as Auditor for the financial year 2015/16.

The directors at the date of approval of this report of the directors confirm that so far as each of them is aware:

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

This report, incorporating a strategic report, was approved by the Board of Governors on 30th NOVEMBER 2016 and was signed for and on behalf of the board by:



I R N Ballsdon
Chair

THE AVENUE SCHOOL SPECIAL NEEDS ACADEMY TRUST
GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2016

Scope of Responsibility

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

The Governing Body 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 The Avenue School Special Needs Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Governors' Report and in the Statement of Governor's responsibilities. The Governing Body has formally met 5 times during the year. Attendance during the year at meetings of the Governing Body was as follows:

Governor	Meetings attended	Out of a possible
Isobel Ballsdon (Chairman)	6	6
Christopher Smith (Vice Chairman)	5	6
Sue Bourne (Head Teacher & Accounting Officer)	6	6
Mike Loftus – resigned Dec 2015	1	1
Jennie Kettell (Parent Governor)	6	6
Asif Butt (Community Governor)	4	6
Mary Harris (Associate Governor)	6	6
Roz Proyart (Co-opted Staff Governor)	5	6
Beth Reynolds (Teacher Governor)	5	6
H B Azam (Parent Governor)	5	6
Jenny Parr (Community Governor) –appointed March 2016	3	3
Jane Vokins (Staff Governor)	5	6

Tracey Green was appointed Finance Director in February 2015.

Governance reviews

During work carried out to set up a Multi-Academy Trust, governance of the Trust was reviewed, including the structure of the governing bodies.

The outcome highlighted that the challenge faced by the Trust is appointing governors with the correct skills to run the Trust, along with the knowledge and understanding to provide the right level of challenge to the school.

A further review of governance will be carried out in 2015/16.

THE AVENUE SCHOOL SPECIAL NEEDS ACADEMY TRUST
GOVERNANCE STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2016

The Finance and Audit Committee is a sub-committee of the main Governing Body. Its purpose is to assist the decision making of the Governing Body, by enabling more detailed consideration to be given to the best means of fulfilling the Governing Body's responsibility to ensure sound management of the academy's finances and resources, including proper planning, monitoring and probity. Attendance at meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
Christopher Smith (Chairman)	5	6
Isobel Ballsdon	6	6
Mike Loftus – resigned Dec 2015	1	1
Sue Bourne	6	6
Mary Harris	6	6
Jenny Parr – appointed March 2016	3	3

Review of Value for Money

As accounting officer the Head Teacher has responsibility for ensuring that the academy 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 available. The accounting officer for the academy trust has delivered improved value for money during the year by:

1. Agreement with Churchend Primary Academy Trust to share the Finance Director between both Academy Trusts;
2. Review of Staff Absence insurance provider;
3. Bringing the school lunch catering provision in house;
4. Review of the after school provision and funding

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Avenue School Special Needs Academy Trust for the year ended 31 August 2016 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Governing Body has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Governing Body is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year ending 31 August 2016 and up to the date of approval of the annual report and financial statements. This process will be regularly reviewed by the Governing Body.

THE AVENUE SCHOOL SPECIAL NEEDS ACADEMY TRUST
GOVERNANCE STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2016

The Risk and Control Framework

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

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

The board of trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However the trustees have appointed Jennie Kettell, a Governor, to carry out a programme of internal checks. The internal reviewer's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. In particular the checks carried out in the current period included:

- testing of payroll systems
- testing of control accounts
- testing of income
- comparing financial procedures against CC8
- testing staff expenses
- testing controls over cash

On a quarterly basis, the reviewer reports to the board of trustees, through the audit committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities. There were no material control issues identified as a result of the reviewers work.

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

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

Approved by order of the members of the board of trustees on 30/11/16 and signed on its behalf by:



I R N Ballsdon
Chair



Dame S M Bourne
Accounting Officer

THE AVENUE SCHOOL SPECIAL NEEDS ACADEMY TRUST
STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE
FOR THE YEAR ENDED 31 AUGUST 2016

As accounting officer of The Avenue School Special Needs Academy Trust, 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.

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.

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.



Dame SM Bourne
Accounting Officer

30.11.16

THE AVENUE SCHOOL SPECIAL NEEDS ACADEMY TRUST
STATEMENT OF GOVERNORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2016

The Governors (who are also Directors of The Avenue Special Needs Academy Trust for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Annual Accounts Direction published 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 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 the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year. In preparing these financial statements, the Trustees are required to:

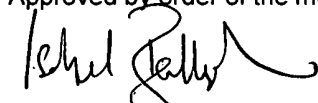
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 Governors are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions, 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 and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity 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 requirement 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 on 30/11/16 and signed on its behalf by:



I R N Ballsdon
Chair

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE AVENUE SCHOOL SPECIAL NEEDS ACADEMY TRUST

We have audited the financial statements of the Avenue School Special Needs Academy Trust for the year ended 31 August 2016 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes numbered 1 to 29.

The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice) 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 the company's members as a body, for our audit work, for this report, or for the opinions 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 charitable company for the purpose 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 Financial reporting Council'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 company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Governors' Report and Strategic 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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE AVENUE SCHOOL SPECIAL NEEDS ACADEMY TRUST

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, including the Academies' Accounts Direction 2015 to 2016 issued by the Education Funding Agency; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept; or
- the 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



Janette Joyce
Senior Statutory Auditor

For and on behalf of
Crowe Clark Whitehill LLP
Statutory Auditor
Aquis House
49-51 Blagrove Street
Reading
Berkshire
RG1 1PL

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE MEMBERS OF THE AVENUE SCHOOL SPECIAL NEEDS ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 2 June 2015 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Avenue School Special Needs Academy Trust during the period 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 the governing body and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The Avenue School Special Needs Academy Trust and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the governing body and the EFA, for our review work, for this report, or for the conclusion we have formed.

Respective responsibilities of The Avenue School Special Needs Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of The Avenue School Special Needs Academy Trust's funding agreement with the Secretary of State of Education and the Academies Financial Handbook, extant from 1 September 2013, 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 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.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2015 to 2016 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the academy trust's income and expenditure. The work undertaken to draw to our conclusion includes a review of the design and implementation of the Academy's internal controls and review processes on regularity, supported by detailed tests on samples of costs incurred by the academy and specific transactions identified from our review.

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY
TO THE MEMBERS OF THE AVENUE SCHOOL SPECIAL NEEDS ACADEMY TRUST AND
THE EDUCATION FUNDING AGENCY**

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

Crowe Clark Whitehill LLP

Crowe Clark Whitehill LLP

Reporting Accountant
Aquis House
49-51 Blagrove Street
Reading
Berkshire
RG1 1PL

9.12.16

THE AVENUE SCHOOL SPECIAL NEEDS ACADEMY TRUST
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2016

(INCLUDING INCOME AND EXPENDITURE ACCOUNT AND STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES)

	Notes	Un-restricted Funds £	Restricted Funds General £	Restricted Fixed Asset Funds £	Total 2016 £	Total 2015 £
Income from:						
Donations and capital grants	4	2,599	-	7,841	10,440	38,029
<i>Income from charitable activities</i>						
Academy's educational operations	7	-	3,787,086	-	3,787,086	3,724,847
Other trading activities	5	101,946			101,946	23,083
Investments	6	495	-	-	495	2,763
Total		<u>105,040</u>	<u>3,787,086</u>	<u>7,841</u>	<u>3,899,967</u>	<u>3,788,722</u>
Expenditure on:						
<i>Raising Funds:</i>						
Fundraising trading	8	4,714	-	-	4,714	16,914
<i>Charitable activities:</i>						
Academy's educational operations	8	<u>22,133</u>	<u>4,070,863</u>	<u>232,259</u>	<u>4,325,255</u>	<u>4,095,206</u>
Total	8	<u>26,847</u>	<u>4,070,863</u>	<u>232,259</u>	<u>4,329,969</u>	<u>4,112,120</u>
Net income/(expenditure)		78,193	(283,777)	(224,418)	(430,002)	(323,398)
Gross transfers between funds	16	<u>(41,450)</u>	<u>(83,422)</u>	<u>124,872</u>	<u>-</u>	<u>-</u>
Other recognised gains and losses						
Actuarial losses on defined benefit pension schemes		-	(1,452,000)	-	(1,452,000)	(22,000)
Net movement in funds		36,743	(1,819,199)	(99,546)	(1,882,002)	(345,398)
Reconciliation of funds						
Total funds brought forward		<u>281,150</u>	<u>(1,548,239)</u>	<u>9,416,118</u>	<u>8,149,029</u>	<u>8,494,427</u>
Total funds carried forward	16	<u>317,893</u>	<u>(3,367,438)</u>	<u>9,316,572</u>	<u>6,267,027</u>	<u>8,149,029</u>

The notes on pages 20 – 39 form part of these financial statements.

THE AVENUE SCHOOL SPECIAL NEEDS ACADEMY TRUST

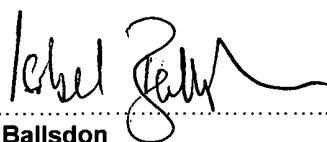
BALANCE SHEET

31 AUGUST 2016

COMPANY NUMBER: 07706726

	Note	2016 £	2015 £
Fixed assets			
Tangible assets	13	<u>9,316,572</u>	<u>9,440,464</u>
Current assets			
Debtors	14	<u>142,476</u>	122,226
Cash at bank and in hand		<u>371,348</u>	<u>530,839</u>
		513,824	653,065
CREDITORS: amounts falling due within one year	15	<u>(126,369)</u>	<u>(183,500)</u>
Net current assets		<u>387,455</u>	<u>469,565</u>
TOTAL ASSETS LESS CURRENT LIABILITIES AND NET ASSETS EXCLUDING PENSION LIABILITY		9,704,027	9,910,029
Pension scheme liability	24	<u>(3,437,000)</u>	<u>(1,761,000)</u>
TOTAL NET ASSETS		<u>6,267,027</u>	<u>8,149,029</u>
FUNDS OF THE ACADEMY TRUST:			
Restricted funds			
Fixed asset fund	16	<u>9,316,572</u>	9,416,118
General funds	16	<u>69,562</u>	<u>212,761</u>
Restricted funds excluding pension reserve		9,386,134	9,628,879
Pension reserve	16	<u>(3,437,000)</u>	<u>(1,761,000)</u>
Total restricted funds		5,949,134	7,867,879
Total unrestricted funds	16	<u>317,893</u>	<u>281,150</u>
Total funds	17	<u>6,267,027</u>	<u>8,149,029</u>

The financial statements were approved by the Governors and authorised for issue on 30th November 2016 and are signed on their behalf by


 I Ballsdon
 Chair

The notes on pages 20 – 39 form part of these financial statements.

THE AVENUE SCHOOL SPECIAL NEEDS ACADEMY TRUST
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2016

	Notes	2016 £	2015 £
Cash flows from operating activities	19	(55,088)	10,320
Cash flows from investing activities	20	(104,377)	(21,436)
Cash flows from financing activities – interest paid		<u>(26)</u>	<u>-</u>
Change in cash and cash equivalents in the year		(159,491)	(11,116)
Cash and cash equivalents at the beginning of the year		<u>530,839</u>	<u>541,955</u>
Total cash and cash equivalents at the end of the year		<u>£ 371,348</u>	<u>£ 530,839</u>

The notes on pages 20 – 39 form part of these financial statements.

THE AVENUE SCHOOL SPECIAL NEEDS ACADEMY TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. CHARITY INFORMATION

The principal activity of the trust is the special educational provision for one or more categories of Special Educational Needs. The Academy Trust is a company limited by guarantee and an exempt Charitable Company (Company number: 07706726.) It is incorporated and domiciled in the UK. The address of the registered office is The Avenue School Special Needs Academy Trust, Conway Close, Tilehurst, Reading, Berkshire, RG30 4BZ.

2. ACCOUNTING POLICIES

Basis of preparation

"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.

The Avenue School Special Needs Academy Trust meets the definition of a public benefit entity under FRS 102.

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 company to continue as a going concern.

After making appropriate enquiries, the Governors have a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. The Governors make this assessment in respect of a period of one year from the date of approval of the financial statements.

Income

All incoming resources are recognised when the Academy Trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

Grants Receivable

Grants receivable are included in the statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the year is shown in the relevant funds on the balance sheet.

General Annual Grant

General Annual Grant is recognised in full in the year for which it is relievable and any unspent amount is reflected as a balance in the restricted general fund.

Capital Grants

Capital grants are recognised when relievable 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 Sheet in the restricted fixed asset fund.

Sponsorship Income

Sponsorship income provided to the Academy which amounts to a donation is recognised in the statement of financial activities in the year in which it is receivable.

Donations

Donations are included in the statement of financial activities on a cash received basis or on an accruals basis where they are assured with reasonable certainty and are receivable at the balance sheet date.

THE AVENUE SCHOOL SPECIAL NEEDS ACADEMY TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

Other income

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

Interest receivable is included within the statement of financial activities on a receivable basis.

Expenditure

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

Costs of generating funds

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

Charitable activities

These are costs incurred on the Academy Trust's educational operations.

All resources expended are inclusive of irrecoverable VAT.

Tangible Fixed Assets

Assets costing £1,000 or more, which have been acquired since the Academy was established, are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the Government or from the private sector, they are included in the Balance Sheet at cost and depreciated over the expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy Trust's depreciation policy.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset on a straight line basis over its expected useful lives, as follows:

Freehold land and buildings	0.8%-2%
Fixtures and fittings and equipment	10%-33%

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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.

It is the Academy Trust's policy to transfer any amounts in the Unrestricted Fund that have been spent on capitalised fixed assets to the Restricted Fixed Asset Fund. This policy has been formally approved, minuted and adopted by the Governing Body.

Taxation

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

THE AVENUE SCHOOL SPECIAL NEEDS ACADEMY TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2016

Liabilities

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 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.

Leased Assets

Rentals under operating leases are charged on a straight line basis over the lease term.

Pensions Benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 13, the TPS is a multi-employer scheme and the Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised in the period to which they relate.

The LGPS is a funded scheme and the assets are held separately from those of the Academy Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

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

Fund accounting

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

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

Restricted general funds comprise all other restricted funds received and include grants from the EFA.

3. CRITICAL 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.

The Governors consider that there are no material judgements in applying accounting policies or key sources of estimation uncertainty.

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 24, 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.

THE AVENUE SCHOOL SPECIAL NEEDS ACADEMY TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2016

4. DONATIONS AND CAPITAL GRANTS

	Unrestricted funds £	Restricted funds £	Restricted Fixed asset funds £	2016 Total £
DfE/EFA Capital grants	-	-	7,841	7,841
Other donations	<u>2,599</u>	<u>-</u>	<u>-</u>	<u>2,599</u>
	<u>2,599</u>	<u>-</u>	<u>7,841</u>	<u>10,440</u>

	Unrestricted funds £	Restricted funds £	Restricted Fixed asset funds £	2015 Total £
DfE/EFA Capital grants	-	-	7,699	7,699
Other donations	<u>30,330</u>	<u>-</u>	<u>-</u>	<u>30,330</u>
	<u>30,330</u>	<u>-</u>	<u>7,699</u>	<u>38,029</u>

5. OTHER TRADING ACTIVITIES

	Un-restricted Funds £	Restricted Funds £	Total 2016 £	Un-restricted Funds £	Restricted Funds £	Total 2015 £
School fund income	-	-	-	-	14,905	14,905
Sundry Income	22,178	-	22,178	-	-	-
Sundry lettings and hire of facilities	22,597	-	22,597	6,303	-	6,303
Receipts from supply teacher insurance claims	<u>57,171</u>	<u>-</u>	<u>57,171</u>	<u>1,875</u>	<u>-</u>	<u>1,875</u>
	<u>101,946</u>	<u>-</u>	<u>101,946</u>	<u>8,178</u>	<u>14,905</u>	<u>23,083</u>

THE AVENUE SCHOOL SPECIAL NEEDS ACADEMY TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2016

6. INVESTMENT INCOME

	Unrestricted Funds £	Restricted Funds £	2016 Total £	<i>Unrestricted Funds £</i>	<i>Restricted Funds £</i>	<i>2015 Total £</i>
Bank interest	<u>495</u>	<u>-</u>	<u>495</u>	<u>2,763</u>	<u>-</u>	<u>2,763</u>
	<u>495</u>	<u>-</u>	<u>495</u>	<u>2,763</u>	<u>-</u>	<u>2,763</u>

7. FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted Funds £	Restricted Funds £	Restricted Fixed Assets Funds £	2016 Total £
DfE/EFA revenue grants:				
General annual grant (GAG)	-	1,346,997	-	1,346,997
Other DfE/EFA grants	-	80,053	-	80,053
Other government grants:				
Local Authority grants	-	2,356,922	-	2,356,922
Other Academy income	<u>-</u>	<u>3,114</u>	<u>-</u>	<u>3,114</u>
	<u>-</u>	<u>3,787,086</u>	<u>-</u>	<u>3,787,086</u>

	<i>Unrestricted Funds £</i>	<i>Restricted Funds £</i>	<i>Restricted Fixed Assets Funds £</i>	<i>2015 Total £</i>
DfE/EFA revenue grants:				
General annual grant (GAG)	-	1,374,748	-	1,374,748
Other DfE/EFA grants	-	81,473	-	81,473
Other government grants:				
Local Authority grants	-	2,260,060	-	2,260,060
Other Academy income	<u>-</u>	<u>8,566</u>	<u>-</u>	<u>8,566</u>
	<u>-</u>	<u>3,724,847</u>	<u>-</u>	<u>3,724,847</u>

THE AVENUE SCHOOL SPECIAL NEEDS ACADEMY TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2016

8. EXPENDITURE

	Staff costs £	Non pay expenditure Premises £	Other costs £	2016 Total £	2015 Total £
Raising funds	-	-	4,714	4,714	16,914
Academy's educational Operations					
Direct costs	2,938,688	-	125,977	3,064,665	2,953,065
Allocated support costs	<u>468,703</u>	<u>508,258</u>	<u>283,629</u>	<u>1,260,590</u>	<u>1,142,141</u>
	<u>3,407,391</u>	<u>508,258</u>	<u>414,320</u>	<u>4,329,969</u>	<u>4,112,120</u>

Net outgoing resources for the year are stated after charging:

	2016 £	2015 £
Operating leases		
Plant and machinery	4,410	4,410
Audit fees	10,250	10,000
Other audit services	<u>4,955</u>	<u>1,120</u>

THE AVENUE SCHOOL SPECIAL NEEDS ACADEMY TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2016

9. CHARITABLE ACTIVITIES – ACADEMY'S EDUCATIONAL OPERATIONS

	2016 £	2015 £
DIRECT COSTS		
Teaching and educational support staff costs	2,938,688	2,832,306
Technology costs	3,079	3,942
Educational supplies	74,607	53,129
Examination fees	152	413
Staff development	24,842	37,375
Educational consultancy	13,589	20,659
Other direct costs	<u>9,708</u>	<u>5,241</u>
	<u>3,064,665</u>	<u>2,953,065</u>
	2016 £	2015 £
ALLOCATED SUPPORT COSTS		
Support staff costs	468,703	409,082
Depreciation	236,605	223,549
Recruitment and support	54,293	60,217
Technology costs	37,129	21,160
Maintenance of premises and equipment	68,772	34,070
Cleaning	53,520	31,728
Rent and rates	18,564	26,583
Energy costs	41,466	48,187
Insurance	92,389	73,288
Security and transport	21,551	10,711
Catering	29,282	22,573
Bank interest and charges	26	3,369
Other support costs	46,149	47,644
Pension finance cost	67,000	65,000
Governance costs	<u>14,141</u>	<u>64,980</u>
	<u>1,260,590</u>	<u>1,142,141</u>
Total	<u>4,325,255</u>	<u>4,095,206</u>

Included within governance costs are any costs associated with the strategic as opposed to day-to-day management of the charity's activities. These costs will include any employee benefits for trusteeship, the cost of charity employees involved in meetings with trustees, the cost of any administrative support provided to the trustees, and costs relating to constitutional and statutory requirements including audit and preparation of statutory accounts.

THE AVENUE SCHOOL SPECIAL NEEDS ACADEMY TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2016

10. STAFF COSTS

	2016 £	2015 £
Staff costs during the year were:		
Wages and salaries	2,650,942	2,567,942
Social security costs	179,036	154,815
Pension costs	<u>577,413</u>	<u>518,631</u>
	<u>3,407,391</u>	<u>3,241,388</u>

	2016 Number	2015 Number
The average monthly number of persons (including senior management team) employed by the Academy Trust during the year was as follows:		
Teachers	15	15
Administration and support	126	124
Management	<u>6</u>	<u>6</u>
	<u>147</u>	<u>145</u>

	2016 Number	2015 Number
The number of employees whose emoluments exceeded £60,000 was:		
£60,001 - £70,000	1	-
£70,001 - £80,000	1	-
£80,001 - £90,000	<u>-</u>	<u>1</u>

The above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2016 pension contributions were £23,160 (2015: 12,422).

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 £360,468 (2015: £358,310).

THE AVENUE SCHOOL SPECIAL NEEDS ACADEMY TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2016

11. GOVERNORS' REMUNERATION AND EXPENSES

One or more trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and 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 M Bourne (Headteacher and Trustee)

Remuneration £75,000-£80,000 (2015: £85,000-£90,000)

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

R D Fitzgerald (Teacher and Trustee)

Remuneration £25,000-£30,000 (2015: £25,000-£30,000)

Employer's pension contributions £0-£5,000 (2015: £0-£5,000)

R Proyart (Teacher and Trustee)

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

Employer's pension contributions £0-£5,000 (2015: £0-£5,000)

J E Reynolds (Teacher and Trustee)

Remuneration £40,000-£45,000 (2015: £40,000-£45,000)

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

J Vokins (Teacher and Trustee)

Remuneration £20,000-£25,000 (2015: £15,000-£20,000)

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

During the year ended 31 August 2016 travel and subsistence expenses totalling £Nil (2015: £2,047) were reimbursed to no (2015: one) Governors.

12. GOVERNORS' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy Trust has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business. The insurance provides cover up to £1,000,000 on any one claim and the cost for the year ended 31 August 2016 was £592 (2015: £592). The cost of this insurance is included in the total insurance cost.

THE AVENUE SCHOOL SPECIAL NEEDS ACADEMY TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2016

13. TANGIBLE FIXED ASSETS

	Long leasehold land and buildings	Building improvements	Plant, fixtures, fittings, computer equipment and motor vehicles	Total
	£	£	£	£
Cost				
At 1 September 2015	10,061,770	46,641	190,470	10,298,881
Additions	-	13,350	99,363	112,713
At 31 August 2016	<u>10,061,770</u>	<u>59,991</u>	<u>289,833</u>	<u>10,411,594</u>
Depreciation				
At 1 September 2015	761,500	11,599	85,318	858,417
Charged in year	<u>190,375</u>	<u>4,814</u>	<u>41,416</u>	<u>236,605</u>
At 31 August 2016	<u>951,875</u>	<u>16,413</u>	<u>126,734</u>	<u>1,095,022</u>
Net book value				
At 31 August 2016	<u>9,109,895</u>	<u>43,578</u>	<u>163,099</u>	<u>9,316,572</u>
At 1 August 2015	<u>9,300,270</u>	<u>35,042</u>	<u>105,152</u>	<u>9,440,464</u>

14. DEBTORS

	2016 £	2015 £
Trade debtors	31,884	44,341
Prepayments	90,562	68,488
Other debtors	<u>20,030</u>	<u>9,397</u>
	<u>142,476</u>	<u>122,226</u>

THE AVENUE SCHOOL SPECIAL NEEDS ACADEMY TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2016

15. CREDITORS: amounts falling due within one year

	2016 £	2015 £
Trade Creditors	56,462	56,021
Other taxation and social security	51,234	43,594
Accruals and deferred income	<u>18,673</u>	<u>83,885</u>
	<u><u>126,369</u></u>	<u><u>183,500</u></u>
 Deferred income		
Deferred income at 1 September 2015	-	142,595
Resources deferred in the year	-	-
Amounts released from previous years	<u>-</u>	<u>(142,595)</u>
Deferred income at 31 August 2016	<u><u>-</u></u>	<u><u>-</u></u>

16. FUNDS

	At 1 September 2015 £	Incoming Resources £	Resources expended £	Gains, losses and transfers £	At 31 August 2016 £
Restricted General Funds					
General Annual Grant (GAG)	188,551	1,348,179	(1,398,174)	(83,422)	55,134
Other DfE/EFA grants	8,304	78,749	(87,053)	-	-
Local Authority grants	-	2,356,922	(2,356,922)	-	-
Other activity funding	15,906	3,236	(4,714)	-	14,428
LGPS deficit fund	<u>(1,761,000)</u>	<u>-</u>	<u>(224,000)</u>	<u>(1,452,000)</u>	<u>(3,437,000)</u>
	<u>(1,548,239)</u>	<u>3,787,086</u>	<u>(4,070,863)</u>	<u>(1,535,422)</u>	<u>(3,367,438)</u>
 Restricted Fixed Asset Funds					
Inherited Fixed assets fund	9,416,118	-	(232,259)	132,713	9,316,572
Capital grants	<u>-</u>	<u>7,841</u>	<u>-</u>	<u>(7,841)</u>	<u>-</u>
	<u>9,416,118</u>	<u>7,841</u>	<u>(232,259)</u>	<u>124,872</u>	<u>9,316,572</u>
 Total Restricted Funds	<u>7,867,879</u>	<u>3,794,927</u>	<u>(4,303,122)</u>	<u>(1,410,550)</u>	<u>5,949,134</u>
 Total Unrestricted Funds	<u>281,150</u>	<u>105,040</u>	<u>(26,847)</u>	<u>(41,450)</u>	<u>317,893</u>
 Total Funds	<u><u>8,149,029</u></u>	<u><u>3,899,967</u></u>	<u><u>(4,329,969)</u></u>	<u><u>(1,452,000)</u></u>	<u><u>6,267,027</u></u>

THE AVENUE SCHOOL SPECIAL NEEDS ACADEMY TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2016

16. FUNDS (continued)

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

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

The fixed assets fund was set up to recognise the tangible assets gifted to the Academy upon conversion which represents the school site including the freehold and long leasehold land and buildings and all material items of plant and machinery included therein. It also includes all fixed assets subsequently purchased by way of grants and other funding. Transfers from the Restricted General Fund represents capital additions purchased from GAG income.

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

Other DfE/EFA grants including the pupil premium fund has been set up to manage the restricted pupil premium income received for the purposes of supporting children who have been eligible for free school meals at any point in the last six years. The relevant expenditure incurred is recorded through this fund. Other funding includes the PE grant and the grant for the production of the March 2012 accounts return.

The other restricted income fund has been created to recognise all sundry sources of restricted income from various sources that are individually immaterial in value. The relevant expenditure is then also recorded through this fund.

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	9,316,572	9,316,572
Current assets	317,893	195,931	-	513,824
Current liabilities	-	(126,369)	-	(126,369)
Pension scheme liability	-	(3,437,000)	-	(3,437,000)
TOTAL NET ASSETS AT 31 AUGUST 2016	<u>317,893</u>	<u>(3,367,438)</u>	<u>9,316,572</u>	<u>6,267,027</u>

THE AVENUE SCHOOL SPECIAL NEEDS ACADEMY TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2016

18. FINANCIAL COMMITMENTS

OPERATING LEASES

At 31 August 2016 the academy trust had future minimum lease payments under non-cancellable operating leases as follows:

	2016 £	2015 £
Other		
Within one year	4,410	4,410
Within two and five years inclusive	<u>12,126</u>	<u>16,536</u>
	<u><u>15,536</u></u>	<u><u>20,946</u></u>

19. RECONCILIATION OF NET INCOME TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2016 £	2015 £
Net income/(expenditure)	(430,002)	(323,398)
Depreciation	236,605	223,549
Investment income receivable	(495)	(2,763)
Interest Paid	26	-
DfE/EFA capital grants and capital donations	(7,841)	(7,699)
Defined benefit pension scheme cost less contributions payable	157,000	173,000
Defined Benefit pension scheme finance cost	67,000	38,000
(Increase)/decrease in debtors	(20,250)	(8,278)
(Decrease)/increase in creditors	<u>(57,131)</u>	<u>(82,091)</u>
Cash used in operating activities	<u><u>(55,088)</u></u>	<u><u>10,320</u></u>

20. CASH FLOWS FROM INVESTING ACTIVITIES

	2016 £	2015 £
Purchase of tangible fixed assets	(112,713)	(31,898)
Capital grants received	7,841	7,699
Interest received	<u>495</u>	<u>2,763</u>
Cash Provided by (used in) Investing Activities	<u><u>(104,377)</u></u>	<u><u>(21,436)</u></u>

THE AVENUE SCHOOL SPECIAL NEEDS ACADEMY TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2016

22. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2016 £	2015 £
Cash at bank	<u>371,348</u>	<u>530,839</u>

23. 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 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. PENSION AND SIMILAR OBLIGATIONS

The Academy Trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by The Royal Borough of Windsor & Maidenhead. Both are defined-benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS was March 2012 and the LGPS, 31 March 2013.

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

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.

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:

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2016

24. PENSION AND SIMILAR OBLIGATIONS (continued)

- 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 year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4% from September 2015, which will be payable during the implementation period until the next valuation as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The pension costs paid to TPS in the period amounted to £119,150. (2015: £109,900).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, 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 the assets held in separate Trustee-administered funds. The total contribution made for the year ended 31 August 2016 was £392,000 (2015: £353,000) of which employer's contributions totalled £290,000 (2015: £260,000) and employees' contribution totalled £102,000 (2015: £93,000). The agreed rates for future years are 14.10% for employers.

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
	%	%
Rate of increase in salaries	4.1	4.5
Rate of increase for pensions in payment	2.3	2.7
Discount rate	2.2	4.0
Inflation (CPI)	2.3	2.7
Inflation (RPI)	<u>3.2</u>	<u>3.6</u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2016

24. PENSION AND SIMILAR OBLIGATIONS (continued)

Local Government Pension Scheme (continued)

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

	2016 Years	2015 years
Retiring today:		
Males	22.9	22.8
Females	26.2	26.1
Retiring in 20 years:		
Males	25.2	25.1
Females	<u>28.5</u>	<u>28.4</u>

	Fair Value at 31 August 2016 £	<i>Fair value at 31 August 2015 £</i>
Equities	1,028,000	696,000
Gilts	34,000	21,000
Bonds	289,000	196,000
Property	273,000	209,000
Cash	89,000	76,000
Target return rates portfolio	337,000	278,000
Commodities	50,000	60,000
Infrastructure	103,000	66,000
Longevity insurance	<u>(87,000)</u>	<u>(60,000)</u>
TOTAL MARKET VALUE OF ASSETS	<u>2,116,000</u>	<u>1,542,000</u>

The actual return on scheme assets was £213,000.

Amounts recognised in the statement of financial activities	2016 £	2015 £
Current service cost (net of employer contributions)	157,000	146,000
Net Interest costs	<u>67,000</u>	<u>65,000</u>
Total operating charge	<u>224,000</u>	<u>211,000</u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2016

24. PENSION AND SIMILAR OBLIGATIONS (continued)

Local Government Pension Scheme (continued)

Movements in the present value of defined benefit obligations were as follows:	2016	2015
	£	£
Opening defined benefit obligations	3,303,000	2,691,000
Current service cost	447,000	406,000
Interest cost	134,000	117,000
Contributions	102,000	93,000
Actuarial loss	1,596,000	1,000
Estimated benefits paid	(29,000)	(5,000)
At 31 August 2016	<u>5,553,000</u>	<u>3,303,000</u>

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

Opening fair value of assets	1,542,000	1,163,000
Interest on assets	67,000	52,000
Return on plan assets (excluding net interest on the net defined pension liability)	144,000	(21,000)
Employer contributions	290,000	260,000
Employee contributions	102,000	93,000
Estimated benefits paid	(29,000)	(5,000)
At 31 August 2016	<u>2,116,000</u>	<u>1,542,000</u>

THE AVENUE SCHOOL SPECIAL NEEDS ACADEMY TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2016

25. FIRST TIME ADOPTION OF CHARITIES SORP (FRS 102)

These financial statements are the first financial statements of The Avenue 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 The Avenue 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.

1 Explanation of transition to 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.

1 – Change in recognition of LGPS interest cost

Under previous UK GAAP the trust recognised an expected return on defined benefit plan assets in income/expense. Under FRS 102 a net interest expense, based on the net defined benefit liability, is recognised in income/expense. There has been no change in the defined benefit liability at either 1 September 2014 or 31 August 2015. The effect of the change has been to increase the debit to expense by £27,000 and decrease the debit in other recognised gains and losses in the SoFA by an equivalent amount.

2 – Valuation Adjustments

The valuation for the land held was performed by DVS as at 1 September 2011 valuing the land at £905,000 no subsequent valuations have occurred. The Land is valued at £1,250,000 in the accounts, therefore an adjustment of £345,000 has been put through the accounts to reflect the correct valuation reducing fixed assets and reserves in addition this has been depreciated over the life of the 125 year lease held for the land.

Reconciliation of funds:

	At 1 April 2014 £	At 31 March 2015 £
Funds as previously stated	8,831,147	8,482,989
Valuation Adjustment	<u>(336,720)</u>	<u>(333,960)</u>
Funds as restated	<u>8,494,427</u>	<u>8,149,029</u>
		Year ending 31 March 2015 £
Deficit as previously stated		(348,158)
Valuation Adjustment		<u>2,760</u>
Funds as restated		<u>(345,398)</u>

THE AVENUE SCHOOL SPECIAL NEEDS ACADEMY TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2016

26. RELATED PARTIES

Owing to the nature of the Academy Trust's operations and the composition of the Board of Governors being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the Board of Governors may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy Trust's financial regulations and normal procurement procedures.

27. AGENCY ARRANGEMENTS

The Academy Trust administers the disbursement of the new discretionary support for learners, 16-19 Bursary Funds, on behalf of the EFA. In the year it received £966 (2015: £946), therefore, £966 (2015: £nil) was repayable to the EFA from the Academy Trust at 31 August 2016. This is included in other creditors.

THE AVENUE SCHOOL SPECIAL NEEDS ACADEMY TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2016

29. COMPARATIVE 2015 STATEMENT OF FINANCIAL ACTIVITIES

	Un- restricted Funds £	Restricted Funds General £	Restricted Fixed Asset Funds £	Total 2015 £
Income from:				
Donations and capital grants	30,330	-	7,699	38,029
<i>Income from charitable activities</i>				
Academy's educational operations	-	3,724,847	-	3,724,847
Other trading activities	8,178	14,905	-	23,083
Investments	<u>2,763</u>	<u>-</u>	<u>-</u>	<u>2,763</u>
Total	<u>41,271</u>	<u>3,739,752</u>	<u>7,699</u>	<u>3,788,722</u>
Expenditure on:				
<i>Raising Funds:</i>				
Fundraising trading	-	16,914	-	16,914
<i>Charitable activities:</i>				
Academy's educational operations	<u>13,961</u>	<u>3,857,696</u>	<u>223,549</u>	<u>4,095,206</u>
Total	<u>13,961</u>	<u>3,874,610</u>	<u>223,549</u>	<u>4,112,120</u>
Net income/(expenditure)	27,310	(134,858)	(215,850)	(323,398)
Gross transfers between funds	<u>-</u>	<u>(31,898)</u>	<u>31,898</u>	<u>-</u>
Other recognised gains and losses				
Actuarial losses on defined benefit pension schemes	<u>-</u>	<u>(22,000)</u>	<u>-</u>	<u>(22,000)</u>
Net movement in funds	27,310	(188,756)	(183,952)	(345,398)
Reconciliation of funds				
Total funds brought forward	<u>253,840</u>	<u>(1,359,483)</u>	<u>9,600,070</u>	<u>8,494,427</u>
Total funds carried forward	<u>281,150</u>	<u>(1,548,239)</u>	<u>9,416,118</u>	<u>8,149,029</u>