

**The Adnan Jaffery Academy
Trust**

**Annual Report and Financial
Statements**

Year to 31 August 2016

Company Limited by Guarantee
Registration Number
09026334 (England and Wales)

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Reference and administrative information

Members	Steve Adcock Hassan Al-Damluji Saeeda Jaffery Jacob Kestner Lee Pruitt Riaz Shah Xiaowei Xu
Trustees	Riaz Shah (Chairman) Hassan Al-Damluji Rachael Curzons (appointed 1 September 2016) Charlie Harrell (appointed 1 September 2016) Syed Jaffery Jacob Kestner Natasha Porter Anusha Sonpal (appointed 1 September 2016)
Senior Management Team	
Principal	Aidan Sadgrove
Chief Operating Officer	Joseph Howlett
Company name	The Adnan Jaffery Academy Trust
Academy name	One Degree Academy
Registered address	Queensway Enfield EN3 4SA United Kingdom
Company registration number	09026334
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Bankers	Lloyds Bank PO Box 1000 Andover BX1 1LT

Trustees' report Year to 31 August 2016

The trustees of The Adnan Jaffery Academy Trust ('the academy trust') present their annual report together with the financial statements and the auditor's reports of the charitable company for the year to 31 August 2016. The annual report serves the purposes of both a trustees' report and a directors' report under company law.

The financial statements have been prepared in accordance with the accounting policies set out on pages 21 to 24 of the attached financial statements and comply with the Academy's memorandum and articles of association, applicable laws and 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 United Kingdom and Republic of Ireland (FRS 102), effective from accounting periods commencing 1 January 2015 or later.

The trust operates an academy for pupils aged 4 to 19 serving a catchment area in Enfield, London. It has a pupil capacity in its temporary accommodation of 60 pupils for each year group and had a roll of 22 in the school census on 1 September 2016. On its permanent site it aims to accommodate up to 90 pupils in each year group.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The trustees of the Adnan Jaffery Educational Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as One Degree Academy.

Details of the trustees who served during the year are included in the Reference and Administrative Details on page 1.

Members' liability

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

Method of Recruitment and Appointment or Election of Trustees

- There shall be at least 5 Members and no more than 10, all of whom to be UK-based, in order to ensure both a range of views, but also that meetings can be scheduled and managed with ease. Less than half the Members will be Governors
- The governing body will contain at least 6 Governors and no more than 12, all of whom to be UK-based, in order to ensure both a range of views, but also that meetings can be scheduled and managed with ease
- The principal will for all purposes be treated as being an ex-officio Governor

- The Chair of the Governing Body will seek candidates, including by advertising or using organisations such as SGOSS where relevant. Other Governors are also invited to recommend suitable candidates.
- Prospective Governors will read the school's brochure setting out information for prospective Governors and visit the school ahead of submitting an application to familiarise themselves with One Degree Academy and ensure they fully understand the requirements.
- Candidates will then submit to the Chair of the Governing Body a formal CV and short statement setting out why they wish to become a Governor and what they think they can offer to the role.
- The applications will be considered at One Degree Academy governing body meetings or by correspondence.
- Depending on the outcome of this process the Chair will then make a recommendation to members as to whether candidates should be appointed to the governing body.
- One Degree Academy will not always fill vacant positions and will operate on the principle of preferring to leave a position vacant than fill it with an inappropriate candidate. It falls to the Chair of Governors to conduct succession planning and continuously scan for new candidates.

Staff and Parent Governors are elected by their respective constituencies. Elections operate as follows:

Staff - Governor elections

- Ahead of the election, the Principal shall publicise the nature of the role and the process for election to all (teaching and non-teaching) staff.
- Any member of staff who wishes to stand for election should notify the Principal and provide a short personal statement that will be circulated to all staff. This will set out who they are, why they wish to become a Staff Governor, and what they would bring to the role. Members of the school's Senior Leadership Team (SLT) may not stand for election.
- The full list of candidates and supporting personal statements will be circulated to staff, all of whom other than the Principal will have one vote.
- Staff votes are returned to the Principal through a secret ballot; email votes will be acceptable. The Principal will act as Returning Officer and in the event of a tie will draw lots to choose the successful candidate.
- If there is only one nominee per vacancy, that candidate will be deemed elected.

- If there are no nominees, the Governing Body will either ask a member of staff (including members of SLT) to become a Staff Governor without an election (known as co-opting) or leave the vacancy unfilled.

Parent - Governor elections

- Ahead of the election, the Principal shall publicise the nature of the role and the process for election to all parents.
- Any parent who wishes to stand for election should notify the Principal and provide a short personal statement that will be circulated to all parents. This will set out who they are, why they wish to become a Parent Governor, and what they would bring to the role.
- The full list of candidates and supporting personal statements will be circulated to parents, who will cast one vote for each child attending One Degree Academy at the point of election.
- Parent votes are returned to the Principal through a secret ballot; email votes will be acceptable. The Principal will act as Returning Officer and in the event of a tie will draw lots to choose the successful candidate(s). When the results are announced, the number of votes received by each candidate will not be published.
- If there is only one nominee per vacancy, that candidate will be deemed elected.
- If there are no nominees, the Governing Body will either ask a parent to become a Parent Governor without an election (known as co-opting) or will leave the vacancy unfilled or co-opt a parent who does not have a child attending the School, but who is a parent of a child or children attending other state-funded schools.

Policies and Procedures Adopted for the Induction and Training of Trustees

On appointment, new Governors follow an induction programme, which includes:

- Personal reading: within the first month of appointment, all new Governors must sign to indicate they have read:
 - The One Degree Academy Governors Handbook
 - Keeping children safe in education part 1 and 2
 - The DfE's 'Governors' Handbook'
 - One Degree Academy's Funding Agreement and Articles of Association
 - Ofsted's School Inspection Framework
 - One Degree Academy's Governors Code of Conduct

Other training includes

- Formal induction training: following their appointment, new governors will also undertake induction training covering the role of an effective governor, delivered in-house by an experienced school governor.

- A school visit: new Governors will also arrange to spend a day observing the school in operation as soon as possible after taking up their post. This will include a meeting with the Principal to receive a briefing on the current school priorities.
- Meeting with the Chair of Governors: within the first couple of months, new Governors will meet with the Chair and/or Vice-Chair of Governors to be briefed on their role and the school's over-arching priorities.

Organisational Structure

- **Governors** are responsible for setting the outcomes the school should achieve. This will always happen in discussion with SLT.
- **SLT** are responsible for deciding and implementing the methods by which the school should achieve those outcomes.
- **Governors** are responsible for assessing the efficacy of SLT's approaches and acting to secure an alternate approach if necessary.
- **SLT** are responsible for providing sufficient information to Governors to enable them to effectively assess the efficacy of the approaches and the likelihood of the chosen outcomes being achieved.
- **Governors** are responsible for setting parameters to guide SLT's freedom of manoeuvre to select their approaches (for example, placing restrictions on what qualifications may be offered, through the formulation of policies).
- **SLT** are responsible for discharging school policies once they are agreed, holding true to their intent – even with aspects with which they disagree.
- **Governors** are responsible for considering and approving what SLT think they need to be effective, whilst safeguarding value for public money.
- **SLT** are responsible for requesting support/ feeding back to Governors on what they need to be effective and continuously improving.
- **Governors** are responsible for discharging any functions where an impartial judgement is needed (for example, considering complaints or assessing the performance of the Principal).
- **SLT** are responsible for managing the day-to-day operations, specifically staff, facilities and pupils.

Arrangements for setting pay and remuneration of key management personnel

One Degree Academy has a set of banded pay scales to which staff are appointed to. These have been benchmarked against other school and academies and reviewed by HR advisors. Staff pay and progression are reviewed annually to ensure value for money is delivered.

Related Parties and other Connected Charities and Organisations

The Adnan Jaffery Academy Trust was set up by trustees of another charity, the Adnan Jaffery Educational Trust founded by the late Mr Adnan Jaffery in 2011.

The two charities are independent legal entities that also operate independently.

Mr Riaz Shah is a trustee of both charities and also a member of the Adnan Jaffery Academy Trust. Mr Syed Jaffery is a trustee of both charities. Ms Saeeda Jaffey is a trustee of the Adnan Jaffery Educational Trust and also a member of the Adnan Jaffery Academy Trust.

Objectives and Activities

The trust's objectives are set out in its articles of association. This is to establish, maintain, manage and develop an Academy Trust offering a broad and balanced curriculum, for the benefit of public education in the United Kingdom. Secondary to this, is an object to promote for the benefit of the inhabitants of the areas in which the Academy is situated

In accordance with the Articles of Association, the trust has adopted a Funding Agreement approved by the Secretary of State for Education. The Funding Agreement specifics, amongst other things the basis for admitting pupils to the academy trust.

Objectives, Strategies and Activities

The trust believes in the following principles referred to as STRIVE

- **Scholarship** – we focus relentlessly on academic achievement, great learning and continuous improvement to get results. We show a zest for new learning.
- **Teamwork** – we work together to overcome difficulties. When one of us succeeds, we all do.
- **Responsibility** – we take ownership of our actions, caring for each other and for our environment. We look to ourselves to do what's right or to find solutions. We do what needs to be done.
- **Integrity** – we are honest, kind and open with our community in everything we do. We treat everyone as we want to be treated: with respect.
- **Value** - we are useful and kind, adding what we do to the conversation of humanity. We embrace new opportunities to develop wisdom.
- **Effort** – we never give up on trying to improve - even when it's hard. We know there are no shortcuts: achievement comes step-by-step.

Public Benefit

As laid down in the articles of association the Academy exists for the benefit of public education in the United Kingdom. Secondary to this, is an object to promote for the benefit of the inhabitants of the areas in which the Academy is situated. In all instances the Academy exists for the benefit of the public.

STRATEGIC REPORT

Achievements and Performance

The academy trust was in its pre-opening phase during 2015/16 and successfully opened in September 2016.

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

Principal Funding Sources

Most of the trust's income is obtained from the Education Funding Agency (EFA), which is part of the Department for Education (DfE), in the form of recurrent grants. The grants received from the EFA in the period to 31 August 2016 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The trust also receives capital grants for fixed assets from the EFA. In accordance with the Charities Statement of Recommended Practice (FRS 102), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset balance is reduced by annual depreciation charges over the expected life of the relevant assets.

Reserves Policy

Funding for One Degree is made up of restricted funds funded by fixed asset funds, General Annual Grant (GAG) funding and unrestricted funds, for example donations and carry over from the Academy Trust's pre-opening development grant.

The restricted funds shall be spent in accordance with the terms of the particular funds. Unrestricted funds are the 'free reserves; for use on the general purpose of the trust at the discretion of the Governors. The aim of the governors is to increase this reserve to meet future working capital requirements.

Total revenue funds carried forward as of the 31st August 2016 was in excess of £120,000

Investment Policy

Governors will consider the investment of surplus funds of the academy trust should future circumstances require, in accordance with the Academies Handbook.

Principal Risks and Uncertainties

The academy trust is developing a formal risk management process in place to assess all risks and implements risk management strategies. The process, which will be overseen and reviewed by the trustees on an annual basis, identifies the types of risk the academy trust faces. These risks are then assessed and prioritised in terms of their potential impact and the likelihood of occurrence. Where necessary, actions to mitigate the risks identified are put in place.

The principal risks for the academy trust are connected with:

- The current funding climate for academy trusts;
- Management of the temporary site and the move to the permanent site; and
- Developing the reputation of the trust and achieving results for the pupils.

Plans for Future Periods

The Academy plans to:

- Recruit a full intake for its September 2017 reception intake.
- Develop Curriculum and Assessment for year 1 and beyond (3 part: character, knowledge, raising aspirations)
- Build a permanent site for the school

Auditor

Insófar as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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

Riaz Shah

Trustee

Date: 19 Dec 2016

Scope of Responsibility

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

The board of trustees has delegated the day-to-day responsibility to the principal, 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 Adnan Jaffery Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

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

Trustee	Meetings Attended	Out of a possible
Riaz Shah (Chair)	4	4
Hassan Al-Damluji	4	4
Syed Jaffery	3	4
Jacob Kestner	3	4
Natasha Porter	2	4

The finance and audit committee is a sub-committee of the main board of trustees. Attendance at the first meeting on 3 November 2016 was as follows:

Trustee	Meetings attended	Out of a possible
Rachael Curzons	0	1
Charlie Harrell	1	1
Syed Jaffery	1	1
Riaz Shah	0	1

Review of Value for Money

As accounting officer, the principal 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 appropriate.

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 Adnan Jaffery Academy Trust for the period 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The Risk and Control Framework

The 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 Syed Jaffery, a trustee, to carry out a programme of internal checks.

The reviewer's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems.

On a quarterly basis, the reviewer will report to the board of trustees, through the finance and audit committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

Review of Effectiveness

As accounting officer, the principal 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 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 and signed on its behalf by:

Riaz Shah

Trustee

Date: 19/12/16

Aidan Sadgrove

Accounting Officer

Statement on regularity, propriety and compliance 31 August 2016

As accounting officer of Adnan Jaffery 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. 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.

Aidan Sadgrove

Accounting Officer

Date: 19/12/16

Statement of trustees' responsibilities 31 August 2016

The trustees (who act as governors of the academy trust and are also the directors of the Academy for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

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

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Academy's transactions and disclose with reasonable accuracy at any time the financial position of the Academy 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 Academy and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

The trustees are responsible for the maintenance and integrity of the charity and financial information included on the Academy'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 and signed on its behalf by:

Riaz Shah

Trustee

Date: 19 Dec 2016

Independent auditor's report on the financial statements to the Members of the Adnan Jaffery Academy Trust

We have audited the financial statements of the Adnan Jaffery Academy Trust ("the charitable company") for the period ended 31 August 2016 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies 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) 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 charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

The governors act as trustees for the charitable activities of Adnan Jaffery Academy Trust and are also the directors of the charitable company for the purpose of company law.

As explained more fully in the statement of trustees' responsibilities set out in the trustees' report, including the strategic report, the trustees 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 (APB'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 charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the trustees' report, including the 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.

Opinion

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 income and expenditure for the period then ended;
- ◆ the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- ◆ the financial statements have been prepared in accordance with the Companies Act 2006; and
- ◆ the financial statements have been prepared in accordance with the Charities SORP 2015 and Academies Accounts Direction 2015 to 2016.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the trustees' report, including 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 trustees' remuneration specified by law are not made; or
- ◆ we have not received all the information and explanations we require for our audit.

Avnish Savjani, Senior Statutory Auditor
for and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

20 December 2016

Independent reporting auditor's assurance report on regularity to Adnan Jaffery Academy Trust and the Education Funding Agency

In accordance with the terms of our engagement letter dated 24 October 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 Adnan Jaffery Academy Trust during the period from 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 Adnan Jaffery Academy Trust and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Adnan Jaffery 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 Adnan Jaffery Academy Trust and the EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Adnan Jaffery Academy Trust's accounting officer and the reporting auditor

The accounting officer is responsible, under the requirements of Adnan Jaffery Academy Trust's funding agreement with the Secretary of State for Education dated June 2014 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 from 1 September 2015 to 31 August 2016 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

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

Approach (continued)

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:

- ◆ An assessment of the risk of material irregularity and impropriety across all of the academy trust's activities;
- ◆ Further testing and review of the areas identified through the risk assessment including enquiry, identification of control processes and examination of supporting evidence across all areas identified as well as additional verification work where considered necessary; and
- ◆ Consideration of evidence obtained through the work detailed above and the work completed as part of our financial statements audit in order to support the regularity conclusion.

Conclusion

Nothing has come to our attention in the course of our work which suggests that in all material respects the expenditure disbursed and income received during the period from 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.

Buzzacott LLP
Chartered Accountants
130 Wood Street
London
EC2V 6DL

20 December 2016

Statement of financial activities (including income and expenditure account)
Year to 31 August 2016

	Notes	Unrestricted general fund £	Restricted funds		2016 Total funds £	2015 Total funds £
			General £	Fixed assets fund £		
Income from:						
Donations and capital grants	1	—	—	189,814	189,814	—
Charitable activities						
Funding for the academy's educational operations	2	—	150,000	—	150,000	150,000
Total income		—	150,000	189,814	339,814	150,000
Expenditure on:						
Charitable activities						
Academy's educational operations	4	—	155,538	—	155,538	14,949
Total expenditure	3	—	155,538	—	155,538	14,949
Net (expenditure) income and net movement in funds		—	(5,538)	189,814	184,276	135,051
Reconciliation of funds						
Total fund balances brought forward at 31 August 2015		—	135,051	—	135,051	—
Total fund balances carried forward at 31 August 2016		—	129,513	189,814	319,327	135,051

All of the Academy's activities derived from continuing operations during the above two financial periods.

All income and expenditure for the period ended 31 August 2015 was within the restricted general fund.

Balance sheet 31 August 2016

	Notes	2016 £	2016 £	2015 £	2015 £
Fixed assets					
Tangible fixed assets	7		76,688		—
Current assets					
Debtors	8	197,057		—	
Cash at bank and in hand		141,392		135,879	
		<u>338,449</u>		<u>135,879</u>	
Liabilities					
Creditors: amounts falling due within one year	9	(95,810)		(828)	
Net current assets			<u>242,639</u>		<u>135,051</u>
Total assets less current liabilities			<u>319,327</u>		<u>135,051</u>
Total net assets			<u>319,327</u>		<u>135,051</u>
Funds of the Academy					
Restricted income funds					
. Fixed assets fund	10		189,814		—
. General fund	10		129,513		135,051
			<u>319,327</u>		<u>135,051</u>
Unrestricted funds					
. General fund	10		—		—
Total funds			<u>319,327</u>		<u>135,051</u>

The financial statements on page 18 to 31 were approved by the trustees, and authorised for issue on *19 Dec 2016* and are signed on their behalf by:

Riaz Shah
Chair

Adnan Jaffery Academy Trust
Company Limited by Guarantee
Registration Number: 09026334 (England and Wales)

Statement of cash flows Year to 31 August 2016

		2016 £	2015 £
Net cash inflow from operating activities			
Net cash provided by operating activities	A	5,513	135,879
Cash flows from investing activities	B	—	—
Change in cash and cash equivalents in the year		<u>5,513</u>	<u>135,879</u>
Reconciliation of net cash flow to movement in net funds:			
Cash and cash equivalents at 1 September 2015		135,879	—
Cash and cash equivalents at 31 August 2016	C	<u>141,392</u>	<u>135,879</u>

A Reconciliation of income to net cash flow from operating activities

		2016 £	2015 £
Net income for the year (as per the statement of financial activities)		184,276	135,051
Adjusted for:			
Capital grants from DfE and other capital income		(189,814)	—
Increase in debtors		(7,243)	—
Increase in creditors		18,294	828
Net cash provided by operating activities		<u>5,513</u>	<u>135,879</u>

B Cash flows from investing activities

		2016 £	2015 £
Purchase of tangible fixed assets		—	—
Capital grants from DfE/EFA		—	—
Net cash used in investing activities		<u>—</u>	<u>—</u>

C Analysis of cash and cash equivalents

		2016 £	2015 £
Cash at bank and in hand		141,392	135,879
Total cash and cash equivalents		<u>141,392</u>	<u>135,879</u>

Statement of 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.

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.

Transition to FRS 102

First time adoption of FRS 102

These financial statements are the first financial statements of the Adnan Jaffery Academy Trust 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 Adnan Jaffery Academy Trust 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.

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.

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

The transition to FRS 102 had no impact on the net funds or net income previously.

Going concern

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

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

Grants are included in the statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

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

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

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

All resources expended are stated net of recoverable VAT.

Tangible fixed assets

Assets costing £1,000 or more 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 their 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's depreciation policy.

Depreciation will be charged on assets once they are brought into use.

Debtors

Debtors are recognised at their settlement amount less any provision for non-recoverability. Prepayments are valued at the amounts prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand. Notice deposits are included on the balance sheet as short term deposits.

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.

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.

Pensions benefits

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ('TPS'). This is a defined benefit scheme.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 19, 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.

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 trustees.

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

Restricted general funds comprise all other grants received from the Education Funding Agency.

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.

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.

1 Donations and capital grants

	Unrestricted funds £	Restricted funds £	2016 Total funds £	2015 Total funds £
Capital grants	—	189,814	189,814	—
	—	189,814	189,814	—

The EFA has confirmed capital funding of £736,538 for ICT and £20,000 for Furniture, Fittings and Equipment. This funding will be received in a future accounting period and will be recognised as income once the academy trust commences implementation of the projects.

2 Funding for academy's educational operations

	Unrestricted funds £	Restricted funds £	2016 Total funds £	2015 Total funds £
DfE / EFA revenue grants				
Other DfE / EFA	—	150,000	150,000	150,000
	—	150,000	150,000	150,000

3 Expenditure

	Non pay expenditure			2016 Total funds £	2015 Total funds £
	Staff costs £	Premises £	Other costs £		
Charitable activities					
. Academy's educational operations					
.. Direct costs	—	—	—	—	—
.. Allocated support costs	64,103	4,998	86,437	155,538	14,949
	64,103	4,998	86,437	155,538	14,949
Income for the period includes:					
Fees payable to auditor					
. Statutory audit				2,250	—

4 Charitable activities - academy's educational operations

	2016 Total funds £	2015 Total funds £
Direct costs	—	—
Support costs	155,538	14,949
	155,538	14,949

Analysis of support costs	2016 Total funds £	2015 Total funds £
Support staff costs	64,103	—
Support costs	84,187	10,796
Website development costs	4,998	3,360
Governance costs	2,250	793
Total support costs	155,538	14,949

5 Staff

(a) Staff costs

Staff costs during the period were:

	2016 Total funds £	2015 Total funds £
Wages and salaries	50,000	—
Social security costs	5,863	—
Pension costs	8,240	—
	64,103	—

(b) Staff numbers

The average number of persons (including the senior management team) employed by the charitable company during the year ended 31 August 2016 was as follows:

Charitable activities	2016 No	2015 No
Management	1	—
	1	—

(c) Higher paid staff

No employee earned over £60,000 during the year (2015 – none).

(d) Key management personnel

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 £58,240 (2015: £nil).

6 Trustees' remuneration and expenses

The Principal only receives remuneration in respect of services he provides undertaking the role of Principal and not in respect of his services as trustee. Other trustees did not receive any payments from the academy in respect of their role as trustees. The value of trustee's remuneration was as follows:

	2016 £	2015 £
Aidan Sadgrove, Principal		
· Remuneration	50,000	—
· Employer's pension contributions	8,240	—

During the period ended 31 August 2016 no travel and subsistence expenses were reimbursed to trustees (2015 – none).

7 Tangible fixed assets

	Leasehold improvements £	Total funds £
Cost/valuation		
At 1 September 2015	—	—
Additions	76,688	76,688
At 31 August 2016	76,688	76,688
Depreciation		
At 1 September 2015 and 31 August 2016	—	—
Net book value		
At 31 August 2016	76,688	76,688
At 31 August 2015	—	—

8 Debtors

	2016 £	2015 £
Capital debtors	189,814	—
Other debtors	7,243	—
	197,057	—

9 Creditors: amounts falling due within one year

	2016 £	2015 £
Trade creditors	9,033	288
Other creditors	2,479	—
Capital accruals	76,688	—
Accruals and deferred income	7,610	540
	95,810	828

10 Funds

	Balance at 1 September 2015 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2016 £
Restricted general fund					
. EFA lead in grant	135,051	150,000	(155,538)	—	129,513
	135,051	150,000	(152,538)	—	129,513
Fixed assets fund					
. EFA capital grants	—	189,814	—	—	189,814
	—	189,814	—	—	189,814
Total restricted funds	135,051	339,814	(155,538)	—	319,327
Unrestricted funds					
. Unrestricted funds	—	—	—	—	—
Total unrestricted funds	—	—	—	—	—
Total funds	135,051	339,814	(155,538)	—	319,327

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

EFA revenue grant fund and other restricted funds

EFA lead in grant

The lead in funding is for the establishment of the academy trust pre-opening.

Fixed asset fund

Restricted fixed assets funds were funded by government grants. When capital expenditure is incurred a transfer is made from the fund which funded the acquisition to the restricted fixed asset fund. That asset is then depreciated through the restricted fixed asset fund over the lifetime of that asset.

11 Analysis of net assets between funds

	Unrestricted funds £	Restricted General Funds £	Restricted Fixed Asset Fund £	Total 2016 £
Fund balances at 31 August 2016 are represented by:				
Tangible fixed assets	—	—	76,688	76,688
Current assets	—	148,635	189,814	338,449
Current liabilities	—	(19,122)	(76,688)	(95,810)
Total net assets	—	(129,513)	189,814	319,327

12 Commitments under operating leases

During the year, the academy trust was given a Tenancy at Will at a peppercorn rent for the site at Heron Hall Academy, Ponders End. A tenancy agreement with Cuckoo Hall Academies Trust at an annual rental of £45,000 per annum became effective on 12 September 2016.

13 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

14 Pension and similar obligations

The academy trust's employee belongs to the Teachers' Pension Scheme England and Wales (TPS), which is a multi-employer defined benefit scheme.

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

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

- ◆ employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (previously 14.1%))

14 Pension and similar obligations (continued)

Teachers' Pension Scheme (continued)

- ◆ 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%.

Valuation of the Teachers' Pension Scheme (continued)

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 £8,240 (2015: £nil).

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

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.

15 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 a member of the trustee has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy's financial regulations and normal procurement procedures.

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