

Financial Statements

Sharnbrook Academy Federation

For the Year Ended 31 August 2016

Registered number: 07500018

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Sharnbrook Academy Federation
(A company limited by guarantee)

Reference and Administrative Details of the Academy, its Governors and Advisers

For the Year Ended 31 August 2016

Members

Hugh Carr-Archer
Jacqui Hepburn
Julia Harrison
Kenneth Williams (resigned 22 July 2016)
Stephen Harris (appointed 10 May 2016)
Richard Paterson (appointed 10 May 2016)

Governors

Hugh Carr-Archer, Chair
Graham Russell, (Vice Chair) (A) (resigned 4 October 2016)
Iain Denning, (Accounting Officer) (F) (A)
Stephen Harris, (F) (appointed 10 May 2016)
Amrit Bahia, (F)
Richard Paterson, (F) (A) (appointed 10 May 2016)
Gareth Swidenbank, (F) (A)
Stelios Mores
Jacqui Hepburn
Julia Harrison
Philip McCarthy
Kenneth Williams (resigned 22 July 2016)

Membership of committees is indicated as follows:

F - Finance and Property

A - Audit and Risk

Company registered number

07500018

Company name

Sharnbrook Academy Federation

Principal and registered office

Sharnbrook Upper School
Odell Road
Sharnbrook
Bedfordshire
MK44 1JL

Sharnbrook Academy Federation
(A company limited by guarantee)

Reference and Administrative Details of the Academy, its Governors and Advisers

For the Year Ended 31 August 2016

Advisers (continued)

Senior management team

Mr I G Denning — Executive Principal, Principal - Sharnbrook Upper School
Mr P Rattu, Deputy Principal
Mr P Ives, Head of School - Margaret Beaufort Middle School
Mrs L Benson (Mrs H Dilley to April 2016), Head of School - Harrold Priory Middle School
Mr M Duke, Head of School - Lincroft School
Mrs J Chadbourne, Academy Finance Officer
Mr K Sharp, Chief Operating Officer

Independent auditor

Grant Thornton UK LLP
Chartered Accountants
Grant Thornton House
202 Silbury Boulevard
Milton Keynes
MK9 1LW

Bankers

HSBC Plc
1st Floor
Altius House
Milton Keynes
MK9 1NE

Solicitors

Browne Jacobson LLP
Mowbray House
Castle Meadow Road
Nottingham
NG2 1BJ

Governors' Report

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 1 September 2015 to 31 August 2016. The Annual report serves the purposes of both a Governors' report, and a Directors' report under company law.

Structure, governance and management

Constitution

The academy and the group is a charitable company limited by guarantee and an exempt charity.

The charitable company's Trust deed is the primary governing document of the academy trust.

The Governors of Sharnbrook Academy Federation are also the directors of the charitable company for the purpose of company law.

The company is known as Sharnbrook Academy Federation ("SAF"), which includes Sharnbrook Upper School, Lincroft School, Harrold Priory Middle School and Margaret Beaufort Middle School.

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

The principal activity and objective of the charitable company in the year under review was to advance for the public benefit education in the United Kingdom by establishing, maintaining, carrying on, managing and developing schools offering a broad and balanced curriculum.

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.

Governors' Report (continued)

For the Year Ended 31 August 2016

Method of recruitment and appointment or election of Governors

Trustees are appointed and inducted in accordance with the provisions detailed within the Memorandum and Articles of Association. New Trustees, appointed by existing Trustees, will undergo induction to brief them on their legal obligations under charity and company law, the content of the Memorandum and Articles, the Funding Agreement and the Board and decision making processes.

Trustees are appointed for a period of 4 years. Details of the composition of the Trustees are indicated on pages 1 and 2.

The current Governing Body contains education professionals representing the full range of provision including higher education. There is a strong representation from private enterprise and public sector roles with a wide range of professional backgrounds and experience.

All Trustees, other than the Academy Head Teachers and other Staff Trustees, who are employees of the company, give up their time freely and no remuneration or expenses were paid in the period in respect of their role as Trustees.

Policies and procedures adopted for the induction and training of Governors

The training and induction provided for new governors will depend on their existing experience. Where necessary induction will provide training on charity and educational, legal and financial matters. All new Governors are welcome to visit the Academy and to meet with staff and students. All Governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Governors. As there are normally only two to three new Governors a year, induction will be done informally and is tailored specifically to the individual.

Pay policy for key management personnel

Under FRS102 Key Management Personnel (KMP) are persons having authority and responsibility for planning, directing and controlling the activities of SAF. Pay for KMP is set in line with the AF pay policy and reviewed by line managers on an annual basis.

Organisational structure

The Sharnbrook Academy Federation is made up of four schools, which all report to the Trustees. Levels of delegation have been agreed by the Governing Body to the Finance Committee and also to the Chief Operations Officer and Heads of School. The Schedule of Delegation is reviewed annually.

The strategic direction of the Sharnbrook Academy Federation is overseen by the Executive Principal. The Trustees have constituted Local Governing Bodies for each school as required by its funding agreements. These are consultative and report back to the Governing Body.

The Heads of School and Senior Management Teams in each School is responsible for the day to day operations of that School, particularly in relation to staff and students.

Governors' Report (continued)

For the Year Ended 31 August 2016

Connected organisations, including related party relationships

The Sharnbrook Academy Federation is the accredited provider for the Pilgrim Partnership and all the Income and Expenditure is now included in the Academy accounts.

The Sharnbrook Academy Federation is also the sole member of Pilgrim Learning Trust (incorporated 28 November 2012), a company limited by guarantee and registered charity, and the sole shareholder of Pilgrim Academy Trading Limited (incorporated 25 March 2013).

Governors' indemnities

Subject to the provisions of the Companies Act 2006, every Governor or other officer or auditor of the Academy shall be indemnified out of the assets of the Academy against any liability incurred by him in that capacity in defending any proceedings, whether civil or criminal, in which judgment is given in favour or in which he is acquitted or in connection with any application in which relief is granted to him by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Academy.

Governors' Report (continued)

For the Year Ended 31 August 2016

Objectives and Activities

Objects and aims

The Sharnbrook Academy Federation brings together four Academies:

Our motto is 'Stronger Together'

- Sharnbrook Upper School (13-19);
- Lincroft School (9 - 13);
- Harrold Priory Middle School (9-13);
- Margaret Beaufort Middle School (9-13)

The schools have been federated under one Governing Body since September 2010 to further strengthen collaboration and accountability and securing high quality outcomes for over 3,000 students across the 9 to 19 age range. Executive leadership arrangements extend across the 4 sites to develop a seamless approach to curriculum design and teaching and learning. All 4 schools converted to Academies on 1 February 2011.

The Sharnbrook Academy Federation focuses on securing the very best achievement and examination results and developing an exciting, innovative and broad curriculum. All developments are supported by a wide area ICT network and virtual learning environment.

The Sharnbrook Academy Federation exists to provide an outstanding education for all our students, putting their progress at the heart of everything we do.

That means that we will always pursue excellence and shall focus upon achieving outstanding results by:

- ensuring that the curriculum offered is wholly focused upon the needs and requirements of our students;
- regularly measuring student progress and achievement so that their learning experience may be adapted to their needs;
- making available high quality support to our staff so that they deliver good and outstanding lessons for students.

The Academy Trust has been joined by two lower schools in October and November 2016, and is currently working with other schools who are interested in joining the Academy Trust within the next year.

Governors' Report (continued)

For the Year Ended 31 August 2016

Objectives, strategies and activities

In furtherance of the object the Academy may exercise powers to financially operate in the name of the Academy, raise funds and to invite and receive contributions, acquire, alter, improve or dispose of property, employ such staff as are necessary for the proper pursuit of the object and to make necessary provision for pensions and superannuation for staff and their dependents.

Also, they may establish or support any charitable trusts, associations or institutions formed for all or any of the purposes of the object, co-operate with other charities, other independent and maintained schools, voluntary bodies and statutory authorities operating in furtherance of the object and to exchange information and advice with them.

The Academy may offer scholarships, exhibitions, prizes and awards to pupils and former pupils, and otherwise to encourage and assist pupils and former pupils, provide educational facilities and services to students of all ages and the wider community for the public benefit.

It may carry out research into the development and application of new techniques in education in particular in relation to the areas of curricular specialisation of the Academy and to its approach to curriculum development and delivery and to publish the results of such research, and to develop means of benefiting from application of the experiences of industry, commerce, other schools and the voluntary sector to the education of pupils in academies.

To do all such other lawful things as are necessary for or are incidental to or conducive to the achievement of the object. The income and property of the Academy Trust shall be applied solely towards the promotion of the object.

Public benefit

The Academy Trust Trustees have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission, in exercising their powers and duties.

Governors' Report (continued)

For the Year Ended 31 August 2016

Achievements and performance and key performance indicators

Sharnbrook Upper School

AS/A2 Results 2016

Overall AS and A2 results were very pleasing this year. Please note that there were several re-marks pending so results below are provisional at this stage but the conclusions drawn should be consistent with final outcomes.

AS

This year was one of our best performances at AS level for many years in terms of grade profile, showing a significant improvement in the percentage of top grades and a reduction in the number of U grades.

<u>Grades</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
<u>A</u>	19.4	13.2	17.5	15.4	16.2
<u>B</u>	20.1	17.3	21.7	21	23
<u>C</u>	26.4	20.3	21.2	22.9	21.9
<u>D</u>	14.4	18.1	17.3	18.7	18.9
<u>E</u>	8.9	14	10.8	10.7	11.7
<u>U</u>	10.8	16.1	11.4	11.2	8.3

However, when compared with national 2015 data it appears that we have performed slightly below national expectations at AS, possibly due to the higher GCSE average point score of this cohort (which therefore raises expectations of progress). Given the quality of our results and then national picture of a slight decline in performance we have confidence that this VA figure will improve. Applied AS levels performed well although there were very few entries for these subjects within our cohort (25 only compared to 1038 at AS).

A2

This year's A2 cohort underperformed last year which meant that a number did not continue with 3 A levels and/or were required to do multiple resits of AS modules. To obtain results comparable with last year's was therefore very pleasing. The reduction in A* grades reflected the national picture but our overall A*/A percentage of 26.1% exceeds the national figure by 0.3 percentage points.

<u>Grades</u>	<u>2016</u> <u>A2 Only</u>	<u>2016</u>	<u>2015</u> <u>A2 only</u>	<u>2015</u>	<u>2015</u> <u>A2 only</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
<u>A*</u>	7.0	5.9	7.9	6.6	5.6	4.9	4	7.3
<u>A</u>	16.3	20.2	17.4	21.3	14.1	15.9	16.4	15.8
<u>B</u>	25.2	20.9	27.3	22.8	28.4	24.5	30.5	21.8
<u>C</u>	25.1	26.0	25.6	24.1	25.1	26.3	27.7	29.3
<u>D</u>	17.6	18.6	14.2	16.5	17.4	18.7	14.7	14.6
<u>E</u>	7.3	7.2	6.3	7.5	7.9	8.4	6.4	8.2
<u>U</u>	1.5	1.3	1.3	1.1	1.4	1.3	0.2	2.6

In respect of value added (compared with 2015 data) A2 results were excellent with performance being broadly in line with national expectations. In a reverse performance at AS, applied courses performed less well.

BTEC

Except for fashion and textiles, level 3 BTEC subjects all performed in line with national expectations with respect to value added.

Governors' Report (continued)

For the Year Ended 31 August 2016

Attainment

Attainment on entry is significantly above the national average (27.6 in 2016) with pupils arriving with an average point score (APS) of 28.4 at KS2 for students in the 2015-2016 year 11 cohort. At KS4, capped APS has shown a slight fluctuation over the past 4 years (2011 = 362.2, 2012 = 369.1, 2014 = 352.9, 2015 = 354.8) and in 2016 internal analyses calculate this as 351.6 which we expect to be recorded as sig+ in line with previous years. The slight decline in 2014 this was accompanied by a steeper decline nationally, and the gap between schools and national figures has widened for four successive years and we expect this trend to continue once national data is available. The average grade attained by KS4 students in 2016 was C+ with an average capped 8 grade B-, slightly down on 2015 and we also recorded a slight reduction in English and maths APS, with this more marked in maths.

<u>Average Points Scores Best 8</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>Y11 2016 RES T6</u>
<u>Cohort</u>	396	425	408	397
<u>School</u>	369.5	353.0	355.2	351.6
<u>National</u>	338.3	306.9	308.6	308.6
<u>Difference</u>	31.2	46.1	46.6	43.0
<u>Significance</u>	Sig+	Sig+	Sig+	Sig+

<u>Average Points Scores in English</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>Y11 2016 RES T6</u>
<u>Cohort</u>	396	425	408	397
<u>School</u>	44.3	42.8	42.8	41.7
<u>National</u>	38.8	38.7	38.7	38.7
<u>Difference</u>	5.5	4.1	4.1	3
<u>Significance</u>	Sig+	Sig+	Sig+	Sig+

<u>Average Points Scores in Maths</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>Y11 2016 RES T6</u>
<u>Cohort</u>	396	425	408	397
<u>School</u>	44.	43.3	43.2	41.2
<u>National</u>	38.8	38	38.3	38.
<u>Difference</u>	5.2	5.3	4.9	3.2.
<u>Significance</u>	Sig+	Sig+	Sig+	Sig+

Sharnbrook Upper School was awarded "Exceptional Outcomes Awards" by the SSAT for being in the top 10% of schools nationally for value added attainment and progress in 2015. Given our sustained quality performance in all measures in 2016, we anticipate remaining within the top 10% of schools nationally again this year.

Attainment is significantly above floor standards and national averages, as expected given the prior attainment of our students. In 2016 pass rates in EBacc subjects were above 2015 national data, with this being statistically significant for English, maths, science and humanities. The 31% attainment of the EBacc overall is again significantly above 2015 national data although it is a slight reduction compared to last year. Consistent with a gradual reduction in the percentage of our students taking the full suite of EBacc subjects as we steer towards maximising progress 8, EBacc pass rates have declined steadily over the past 4 years. Also consistent with previous years, girls outperform boys in EBacc subjects both in respect of the percentage of entries and attainment.

Governors' Report (continued)

For the Year Ended 31 August 2016

Harrold Priory

<u>Subject</u>	<u>% Achieved Standard</u>	<u>% Not Achieved Standard</u>	<u>B</u>	<u>A</u>
<u>GSP</u>	60.3	36.6	2.2	1.0
<u>Reading</u>	64.5	32.3	2.2	1.0
<u>Maths</u>	56.9	39.8	2.2	1.2

Lincroft

<u>Subject</u>	<u>% Achieved Standard</u>	<u>% Not Achieved Standard</u>	<u>B</u>	<u>A</u>
<u>GSP</u>	67.0	32.0	0.94	
<u>Reading</u>	70.3	28.7	0.94	
<u>Maths</u>	55.7	43.4	0.94	

Margaret Beaufort

<u>Subject</u>	<u>% Achieved Standard</u>	<u>% Not Achieved Standard</u>	<u>B</u>	<u>A</u>
<u>GSP</u>	82.0	18.0		
<u>Reading</u>	94.0	6.0		
<u>Maths</u>	84.0	16.0		

Marks required to Achieve Standard GSP 46+, Reading 21+ and maths 60+
SAS 100+ Achieved Standard

SAF End Year 8 Test Outcomes 2016

Harrold Priory Middle

<u>Subject</u>	<u>Level 7+ (M)</u>	<u>Level 6+ (A+)</u>	<u>Level 5+(N+)</u>	<u>APS</u>
<u>Reading</u>	18.2	59.7	87.0	35.0
<u>Writing</u>	15.7	42.2	79.5	33.7
<u>Maths</u>	41.8	74.4	89.5	39.4
<u>Science</u>	24.4	59.3	88.4	36.4

Maths GCSE

A	B+	C+	D+	E+	F+
	11.1	50.0	85.2	96.3	100

Lincroft

<u>Subject</u>	<u>Level 7+ (M)</u>	<u>Level 6+ (A+)</u>	<u>Level 5+(N+)</u>	<u>APS</u>
<u>Reading</u>	38.5	78.2	96.6	37.5
<u>Writing</u>	25.5	56.4	89.9	35.2
<u>Maths</u>	45.2	61.5	77.7	40.3
<u>Science</u>	20.3	59.9	83.2	36.2

Maths GCSE

A	B+	C+	D+	E+	F+
2.7	5.4	49.7	74.5	90.6	99.3

Governors' Report (continued)

For the Year Ended 31 August 2016

Margaret Beaufort

<u>Subject</u>	<u>Level 7+ (M)</u>	<u>Level 6+ (A+)</u>	<u>Level 5+(N+)</u>	<u>APS</u>
<u>Reading</u>	64.9	82.4	90.5	39.5
<u>Writing</u>	44.7	59.2	71.1	36.8
<u>Maths</u>	74.2	82.9	86.8	41.8
<u>Science</u>	60.5	64.5	80.3	38.9

Maths GCSE

A	B+	C+	D+	E+	F+
5.4	23.2	78.6	96.4	100	100

The Academy Federation Schools have reached healthy capacity with Admissions with a number on roll of over 3,600 students.

The intake into the Academies continues to be consistent. However for 2017 the change in the curriculum offered by the 6th Form decreased external applicants and as such a full review of the curriculum offered.

Attendance during the year

Sharnbrook Upper School - attendance at or below 85%	4%
Middle Schools - Attendance at or below 85%	
Lincroft School	4%
Harrold Priory Middle	2%
Margaret Beaufort Middle	3%

A reorganisation of staff at the Upper school has taken place at the end of the financial year, all schools are fully staffed and where possible vacancies have been filled internally.

Investment policy and performance

The Trustees aim to maximise income from any funds available for short term investment, all free funds are invested in cash deposits to ensure they can be accessed when required whilst generating income.

Financial review

Going concern

After making appropriate enquiries the board of Trustees has a reasonable expectation that the Academy Federation has adequate resources to continue in operational existence for the foreseeable future which is at least 12 months from the date of approval of the financial statements. For this reason the going concern basis has been adopted in preparing the financial statements.

Governors' Report (continued)

For the Year Ended 31 August 2016

Financial review

Most of the income is obtained from the EFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants from the EFA and the associated expenditure are shown as restricted funds in the statement of financial activities.

At Lincroft school investment was made in the 1st phase to increase the areas for teaching of science in readiness for two tier expansion when they become a secondary school., SAF is continuing with the process of collating bids and strategies to increase the teaching areas for the change to the 2 tier system in September 2017 in the middle schools

Note 18 to the financial statements show the movement on restricted and unrestricted funds. Total funds of the charity amount to £38,350,530 but only £899,502 of this is freely available because the balance is invested in fixed assets or has a restriction for other purposes including the deficit on the local government pension scheme of £6,640,000.

Principal risks and uncertainties

The major risks identified and addressed by the Board of Governors during the year have included:

- ensuring the required improvements in attainment for all pupils,
- preparation for future Ofsted inspections,
- establishing sufficient capacity at senior leadership levels,
- developing financial plans for the current and future years,
- developing strategic plans for each Academy and the Trust,
- ensuring compliance with legislative requirements,
- ensuring compliance with the Academies Financial Handbook.

Reserves policy

The Trustees have reviewed the resources of the Academy Federation and recognise the need to have sufficient reserves to be able to protect against future funding decreases, and for future refurbishments works required at the Schools to be able to cater for student numbers in years R – 11.

The Trustees have assessed the level of available free reserves and are confident that there are sufficient levels of reserves to meet current operating needs.

Plans for future periods

Future developments

The Federation must ensure that it provides the very best opportunities and outcomes for all its students, both in terms of educational progress and attainment and developing the whole person. All initiatives and developments will have this at their core.

The schools within the Federation continue to develop strong collaborative professional practice together to support school improvement alongside other member schools of the Pilgrim Learning Trust.

Governors' Report (continued)

For the Year Ended 31 August 2016

Employee involvement and employment of the disabled

The Academy operates a policy to support recruitment and retention for all students and employees with disabilities.

All employees are entitled to an annual performance management review as well as having regular staff meetings and the ability to work with the wellbeing committee.

Employee consultation

The Federation recognises that equal opportunities should be an integral part of good practice within the workplace. The Trust aims to establish equal opportunities in all areas of its activities including creating an environment in which the contribution and needs of all people are fully valued.

Disclosure of information to auditor

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

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

This report was approved by order of the board of trustees as the company directors, on **14/1/16** and signed on its behalf by:

Hugh Carr-Archer, (Chair)
Chair of Trustees

H. Carr-Archer

Governance Statement

Scope of Responsibility

As governors, we acknowledge we have overall responsibility for ensuring that Sharnbrook Academy Federation 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 Executive 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 Sharnbrook Academy Federation and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Governors' report and in the Statement of Governors' responsibilities. The board of trustees has formally met 8 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Governor	Meetings attended	Out of a possible
Hugh Carr-Archer, Chair	8	8
Julia Harrison	7	8
Philip McCarthy	5	8
Kenneth Williams	6	8
Jacqui Hepburn	6	8
Graham Russell, (Vice Chair) (A)	8	8
Amrit Bahia, (F)	6	8
Iain Denning, (Accounting Officer) (F) (A)	7	8
Gareth Swidenbank, (F) (A)	7	8
Stelios Mores	8	8
Stephen Harris, (F)	6	8
Richard Paterson, (F) (A)	7	8

The Finance Committee (F) is a committee of the main Governing Body. It meets twice a term and its purpose is to closely monitor income and expenditure across the Federation and within each school ensuring the prudent use of all resources, including any capital expenditure. Detailed tasks and remit for this committee are set out in the Schedule of Delegation agreed by the Governing Body which is reviewed each year.

Attendance at meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
Stephen Harris	7	7
Iain Denning, (Accounting Officer)	7	7
Amrit Bahia, (F)	3	3
Gareth Swidenbank (A)	4	4

Governance Statement (continued)

The Audit and Risk Committee (A) is a committee of the main Governing Body. Its purpose is to advise the Sharnbrook Academy Federation's Governing Body on the effectiveness of the corporate governance structures, and to monitor and recommend to them action in respect of the effectiveness of the strategic arrangements for governance, risk management and audit.

Attendance at meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
Iain Denning, (Accounting Officer)	4	4
Richard Paterson,(A)	4	4
Gareth Swidenbank	4	4

Review of Value for money

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

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

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

- The work of the Audit and Risk Committee, and internal reviews
- The work of the external auditor
- The financial management and governance self-assessment process
- The work of the Senior Leadership Team within the Academy Federation 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 the above work and a plan to address weaknesses continues.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Sharnbrook Academy Federation for the year 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

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

Governance Statement (continued)

The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- regular reviews by the Finance Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- Clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties;
- Identification and management of risks.
- termly meetings of the Audit and Risk Committee

The Academy Federation has involved their auditors to carry out this function and report to the Audit and Risk committee.

Review of Effectiveness

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

Approved by order of the members of the board of trustees on ^{14/12/16} and signed on their behalf, by:

Hugh Carr-Archer, (Chair)
Chair of Trustees

H. Carr-Archer

Iain Denning
Accounting Officer

I. Denning

Sharnbrook Academy Federation
(A company limited by guarantee)

Statement of Regularity, Propriety and Compliance

As Accounting Officer of Sharnbrook Academy Federation I have considered my responsibility to notify the academy trust board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2015.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2015.

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



Accounting Officer

14/12/16

Statement of Governors' Responsibilities

For the Year Ended 31 August 2016

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

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

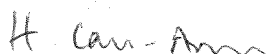
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies' Accounts Direction 2015 to 2016;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on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

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

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

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

Approved by order of the members of the board of trustees on 14/11/16 and signed on its behalf by:



Hugh Carr-Archer
Chair of Trustees