REGISTERED COMPANY NUMBER: 07939747 (England and Wales)

# Hungerhill Academy Trust

## Financial Statements

### 31 August 2014

Smailes Goldie

Chartered Accountants

UK200Group

independent quality assured professionals

# Hungerhill Academy Trust

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**for the year ended 31 August 2014**


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# Hungerhill Academy Trust

## Reference and Administrative Details

**for the year ended 31 August 2014**

| | |
|---|---|
| **Governors (Trustees)** | M Bates[(i)(ii)(iii)]<br>T Brown[(i)]<br>N Burne[(i)(ii)(iii)(iv)]<br>K Flanagan[(ii)(iii)(iv)] (appointed 26.9.2013)<br>J Fletcher[(iv)]<br>K Hall[(iv)] (appointed 20.2.2014)<br>N Holliday[(i)(iii)] (appointed 20.2.2014)<br>R Kiddle[(i)]<br>T Ladley[(iii)]<br>J McGlone[(ii)]<br>A Monk[(iv)]<br>Z Piggott[(iii)] (appointed 20.2.2014)<br>H Redford-Hemandez[(i)(ii)(iii)(iv)] (appointed 1.9.2013)<br>A Robinson[(i)(iii)]<br>S Stone[(iii)(iv)]<br>W Sumner[(iv)]<br>R Young[(i)(ii)(iii)]<br>S Betts[(ii)] (resigned 28.11.2013)<br>E Laud[(i)(ii)(iii)] (resigned 31.8.2014)<br>M Wraith (appointed 28.2.2014) (resigned 16.3.2014) |

[(i)] member of the Finance and Resources committee
[(ii)] member of the Teaching, Learning and Performance committee
[(iii)] member of the Human Resources committee
[(iv)] member of the Student Welfare committee including Educational Visits and School Admissions sub committees

| | |
|---|---|
| **Accounting Officer** | H Redford-Hernandez |
| **Company Secretary** | S Williams-McGlone |
| **Senior Leadership Team** | |
| Executive Headteacher | H Redford-Hernandez |
| Associate Headteacher | K Stephenson |
| Business Manager | S Williams-McGlone |
| Assistant Headteacher | S Crossley |
| Assistant Headteacher | P Allman |
| Assistant Headteacher | L Pond |
| Assistant Headteacher | J Rivers |
| Associate Assistant Headteacher | S Parker-Browne |
| Clerk to the Governors | C Keogan |
| **Company Registration Number** | 07939747 (England and Wales) |

| | |
|---|---|
| **Registered Office:** | **Independent Auditor:** |
| Hungerhill School | Smailes Goldie |
| Hungerhill Lane | Regent's Court |
| Edenthorpe | Princess Street |
| Doncaster | Hull |
| South Yorkshire | HU2 8BA |
| DN3 2JY | |
| **Bankers:** | **Solicitors:** |
| Barclays Bank plc | Wrigleys Solicitors LLP |
| Barclays Corporate Banking | 19 Cookridge Street |
| 2nd Floor | Leeds |
| 1 St Paul's Place | LS2 3AG |
| 121 Norfolk Street | |
| Sheffield | |
| S1 2JW | |

# Hungerhill Academy Trust

## Governors' Report
**for the year ended 31 August 2014**

The governors present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2013 to 31 August 2014. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

## Structure, Governance and Management

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

The governors act as the trustees for the charitable activities of Hungerhill Academy Trust and are also the directors of the charitable company for the purposes of company law. The charitable company is known as Hungerhill Academy Trust operating as Hungerhill School.

Details of the governors who served throughout the period are included in the Reference and Administrative Details on page 1. In addition, A Robinson has been appointed as Vice-Chair following the resignation of E Laud.

**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' Indemnities**
In accordance with normal commercial practice the Academy Trust has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £2,000,000 aggregated during the period of the insurance.

**Method of Recruitment and Appointment or Election of Trustees**
In accordance with the articles of association the governors are appointed as follows:

a. The Members may appoint up to 7 parent governors, 3 staff governors and 9 community governors

b. Staff governors are appointed through any process they may determine, including by a suitable election process. The total number of governors (including the Head) who are employees of the Academy Trust shall not exceed one third of the total number of governors.

c. The Head shall be treated for all purposes as being an ex officio governor.

d. The parent governors shall be elected in a secret ballot by parents of registered students at the Academy Trust. Where a vacancy for a parent governor is to be filled by election, the governing body takes such steps as are reasonably practical to secure that every person who is known to them to be a parent of a registered pupil is informed of the vacancy and that he is entitled to stand as a candidate, and vote at the election, and be given an opportunity to do so. If it is not practical to fill the vacancy by a parent of a registered pupil at the Academy Trust, the members may appoint a person who is the parent of a child of compulsory school age.

**Policies and Procedures Adopted for the Induction and Training of Trustees**
All governors, on appointment receive a 'Governor's Year Plan' which outlines the role of a governor; the structure of the governing body; the composition and remit of each committee; a calendar of meetings; the structure of the senior leadership team and on line links to further training. Each new governor then meets with the Chair and Headteacher, is given a tour of the school and an outline of the work of the governing body. A skills audit is undertaken and the governor is asked to consider the committees to which s/he is able to make a contribution. In addition induction training is offered by the Local Authority and each new governor is strongly advised to attend.

Training for existing governors is provided on a 'bespoke' basis. Each meeting of the full board is preceded by a training session on a topic identified by the governors themselves. For example, topics covered during 2013-14 include the new Ofsted framework; the school development plan; teaching and learning and careers information guidance, the new accountability measures including progress 8 and the recent SEN reforms and pupil premium. In addition annual training is provided on value added analysis of a school's examination results. Governors have also attended child protection training and other staff training activities. The Local Authority also provides Governor Forums - termly update sessions which are well attended by the governors of the school.

**Organisational structure**
The governors are responsible for establishing the strategic direction; setting general policy; approving and adopting a three year and annual development plan; setting and monitoring the budget; approving capital expenditure and staff appointments above a defined level.

The Senior Leadership Team (SLT) consists of the Headteacher; Associate Headteacher; the Business Manager; four Assistant Headteachers; an Associate Assistant Headteacher; and the Clerk to the Governors. The SLT meet twice weekly, one meeting to focus upon strategic issues and the other operational issues. Each member of the SLT has direct line management and project management responsibilities, linked to curriculum areas, pupil support areas, administrative and support staff.

The Headteacher meets with the Chair and Vice Chair of Governors weekly.

The Headteacher attends all governor committee meetings and the Business Manager attends all Full Board, all Finance and Resources and other committee meetings as Company Secretary. The Headteacher's PA clerks all governor meetings.

Day-to-day management is delegated to the Headteacher. All strategic decisions are delegated to the SLT and all staff appointments are ratified by the governors. The Headteacher is the Accounting Officer.

**Connected Organisations including Related Party Relationships**
Hungerhill Academy Trust is an Associate Member of the Brighter Futures Learning Partnership Trust which is an educational charitable trust established on 4 February 2010 consisting of: Barnby Dun Primary Academy; Canon Popham (Voluntary Aided) Church of England School; Dunsville Primary School; Edenthorpe Hall Primary School; Kirk Sandall Infant School; Kirk Sandall Junior School; the 'BEAK' Sure Start Children's Centre; John Leggott College; Doncaster Rovers Football Club and RDASH.

# Hungerhill Academy Trust

## Governors' Report
**for the year ended 31 August 2014**

## Objectives and Activities

**Objects and aims**
The objectives of the Academy Trust, as set out in the Articles of Association are:

1. To advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum ("the Academy Trust").

2. Promoting for the benefit of the inhabitants of Edenthorpe and the surrounding area the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of life of the said inhabitants.

The core purpose of the Academy Trust is to help young people to cope with the difficult task of growing up in today's society and to prepare themselves for adult life in a rapidly changing world. It is important to the school that all of our students are valued as unique individuals and are given every opportunity to fulfil their potential. Every person has talents and it is the job of the school to help youngsters to discover and nurture these talents.

The pursuit of excellence is important for everyone at the school and it is totally committed to achieving the highest quality in all areas. High expectations lead to high standards, not only in academic performance but in all other areas of school life.

The success of Hungerhill School has been based on students, parents, governors and staff working together in partnership. In summary, it is a learning partnership dedicated to achieving the best education possible.

**Objectives, Strategies and Activities**
The school's aims are:

- to develop the potential of all students – their knowledge, skills and understanding – through an appropriate and relevant curriculum incorporating legal requirements;

- to use methods of learning and teaching which meet individual needs, develop feelings of confidence, bring success and maximise students' standards of achievement;

- to foster a caring, well-behaved community where students:
  - are well behaved and self-disciplined
  - feel they belong and are valued, are happy and emotionally secure, so that they are able to explore their feelings within a positive environment
  - value their own health and wellbeing
  - learn co-operation, tolerance and mutual respect and involve themselves fully in the life of the community

- to strive for quality and excellence in all aspects of school life;

- to provide clean, stimulating and safe surroundings which enhance learning and foster respect for the environment;

- to encourage a positive and active partnership with parents and the wider community.

# Governors' Report
**for the year ended 31 August 2014**

More detailed information on the Academy Trust's main objectives for the year can be found in the development plan, which is divided into the following key areas:

- achievement in the core subjects
- learning and teaching
- learning support
- leadership capacity
- strategic direction of the school

**Public benefit**
In setting objectives and planning activities the Governing Body has given careful consideration to the Charity Commission's Guidance on exercising its powers and duties. The achievement and performance of the Academy Trust in the period provides clear evidence that it is meeting its obligations as a charity to deliver public benefit.

The admissions policy ensures that members of the surrounding community benefit from Academy Trust activities as children residing in the catchment area are given highest priority, followed by other children at partner Trust schools. Children with statements of special educational needs and those who are in care are always admitted, as required by law.

In addition the facilities of the Academy Trust are made available for community and public use outside school hours, at weekends and in school holidays.

## Strategic Report

**Achievement and performance**
It has been an excellent year for achievement and performance, with almost all targets set by the governors being met. 76% of students achieved 5+A*-C including English and mathematics (highest 25% of similar schools in the country); 81% achieved C+ in mathematics and 92% achieved C+ in English. 37% of students achieved at least 3 GCSE grades at A* or A. Historically value added measures of pupil progress show the Academy Trust to be one of the highest performing schools in Yorkshire and Humberside, with students who have special educational needs making particularly strong progress, disadvantaged students make outstanding progress and the gap between disadvantaged and non-disadvantaged students has significantly reduced over the last three years. Progress across all subjects is outstanding with a significant number of students making more than expected progress.

Attendance also improved this year to above 96.77%, which is a record high and well into the highest 10% of secondary schools in the country.

Almost all students progress into further education or training, with less than 1% each year not going into education, employment or training (NEET).

Grants received from the DfE such as pupil premium have been targeted to have maximum impact on those students intended. As a result the achievement of these specific groups has improved at a faster rate than others in the school.

In October 2012 the Academy Trust was inspected by Ofsted and was awarded 'outstanding' status in all areas. It was the first secondary school in Yorkshire and Humberside to receive this grading using the new Ofsted framework and only the sixth secondary school in the country.

**Going Concern**
After making appropriate enquiries, the governing body 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.

# Governors' Report
**for the year ended 31 August 2014**

**Key Financial Performance Indicators**
The Academy Trust uses the following key financial performance indicators:

- pupil numbers on school roll remain above 1,120;
- employee salary costs to General Annual Grant is below 82%;
- maintaining a level of £1,500,000 including free reserves for a major school building project.

For the period to 31 August 2014:

- the Academy Trust achieved a school roll of 1,128;
- the percentage of employee salary costs to General Annual Grant was 79%.

At 31 August 2014 the Academy Trust had free reserves of £1,190,383.

## Financial review

**Reserves policy**
The governors review the reserve levels of the Academy Trust annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The educational obligations that the Academy Trust has on a day-to-day basis are funded from its restricted reserves that were provided for this purpose. The governors need to ensure that the Academy Trust has sufficient working capital to cover delays between spending and receipts of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. The governors have determined that the appropriate level of free reserves should be equivalent to one month's expenditure, approximately £500,000. The Academy Trust's current level of free reserves (total funds less the amount held in restricted fixed asset funds) is £1,190,383. Taking into account the nature of the Academy Trust's income streams, the governors are of the view that reserves at this level are sufficient to cover its working capital needs.

In addition, the governors have determined that the Academy Trust should build reserves for the purpose of large capital expenditure that cannot be funded from the annual budget. The main priority over the next few years will be for the school to deliver post-16 education on site. Such reserves can be from either unrestricted general funds or restricted funds.

At 31 August 2014 the Academy Trust held cash at bank and in hand of £2,849,491. These funds are being held in anticipation of the construction and other setup costs required in order to deliver post-16 education on site, which are estimated at circa £2 million, as well as other capital projects that have been identified for attention during the year ended 31 August 2015.

The restricted pension reserve fund shows a deficit of £1,462,000 at 31 August 2014. At the date of transfer the Academy Trust entered into an agreement to reduce the past service deficit over 18 years. During the year it was agreed that the Academy Trust would make additional annual contributions totalling £79,500 in 2014/15, £81,600 in 2015/16 and £83,700 in 2016/17, in respect of past service debt. The repayment amount will be reassessed in 2017 with revised payments taking effect from April 2017.

**Investment policy and objectives**
The Academy Trust regularly reviews the level of funds which are not immediately required as working capital and invests this on the UK money market in a treasury deposit account with a high street institution to maximise interest. The Academy Trust will not invest funds with overseas financial institutions.

## Principal risks and uncertainties

The principal risks and uncertainties affecting the Academy Trust include the following:

Income risk: Due to a new Free School setting up locally, we are concerned that in the future there could be a potential impact on the numbers in year 7.

Pension funding risk: The Local Government Pension Scheme is currently £1,462,000 in deficit and changes each year, although the deficit will only crystallise if the school became unable to service its commitments.

Major disruption/disaster: the Academy Trust has contingency plans which it reviews regularly.

Legislation: the Academy Trust monitors current and forthcoming legislation regularly. The Academy Trust not only seeks to ensure ongoing compliance but strives to ensure that it incorporates best practice.

Litigation: the Academy Trust may be subject to litigation from time to time. The outcome of legal action is always uncertain and there is always the risk that it may prove more costly and time consuming than expected. There is a risk that litigation could be instigated in the future which could materially impact the Academy Trust. The Academy Trust endeavours to maintain adequate insurance levels for all appropriate insurable risks.

**Financial and risk management objectives and policies**
The governors have introduced systems and internal financial controls in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover. The Academy Trust has an effective system of internal financial controls and this is explained in more detail in the following statement:

The Members and Governors have reviewed current examples of best practice and have:

- set policies on internal controls which cover the following:
  - the type of risk the Academy Trust faces
  - the level of risks which they regard as acceptable
  - the likelihood of the risks materialising
  - the Academy Trust's ability to reduce the incidence and impact on the Academy Trust's operations of risks that do materialise
  - the costs of operating particular controls relative to the benefits obtained

- clarified the responsibility of the senior leadership team to implement the governors' policies and to identify and evaluate risks for the governors' consideration;

- explained to employees that they have responsibility for internal control as part of their accountability for achieving objectives;

- embedded the control system in the Academy Trust's operations so that it becomes part of the culture of the Academy Trust;

- developed systems to respond quickly to evolving risks arising from factors within the Academy Trust and to changes in the external environments; and

- included procedures for reporting failing immediately to appropriate levels of management and the governors together with details of corrective action being taken.

# Governors' Report
**for the year ended 31 August 2014**

## Plans for Future Periods

The Academy Trust has plans in the following areas:

- to change its age range to 11 - 18 and develop post-16 education on site;
- to work closer with other schools in the Brighter Futures Learning Partnership Trust;
- to develop as a strategic member of the Humber School Alliance and the Doncaster Primary Teaching School Alliance with a view to the possibility of becoming a teaching school in the future;
- to build on its outstanding academy status by improving partnership work with other schools.

## Auditors

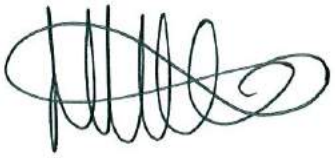
Insofar as the governors are aware:

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

The auditors, Smailes Goldie, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Governors' report, incorporating a strategic report, approved by order of the board of governors, as the company directors, on 27 November 2014 and signed on the board's behalf by:

**M Bates**
**Chair**



# Hungerhill Academy Trust

## Governance Statement
**for the year ended 31 August 2014**

### Scope of Responsibility
As governors, we acknowledge we have overall responsibility for ensuring that Hungerhill 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 of loss.

The board of the governors has delegated the day-to-day responsibility to the Headteacher, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Hungerhill Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the board of governors 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 6 times during the year. Attendance during the year at meetings of the board of trustees, and sub-committees of the board, was as follows:

| | Full Board of Governors Meetings | | Finances & Resources Committee | | Human Resources Committee | | Teaching, Learning and Performance Committee | |
|---|---|---|---|---|---|---|---|---|
| | No. Attended | Out of possible | No. Attended | Out of possible | No. Attended | Out of possible | No. Attended | Out of possible |
| M Bates | 6 | 6 | 6 | 10 | 1 | 1 | 4 | 4 |
| T Brown | 6 | 6 | 6 | 10 | - | - | - | - |
| N Burne | 4 | 6 | 8 | 10 | 1 | 1 | 3 | 4 |
| P Flanagan | 6 | 6 | - | - | - | - | - | - |
| J Fletcher | 4 | 6 | - | - | - | - | - | - |
| K Hall | 2 | 3 | - | - | - | - | - | - |
| N Holliday | 2 | 3 | - | - | - | - | - | - |
| B Kiddle | 6 | 6 | 7 | 8 | - | - | 0 | 1 |
| T Ladley | 4 | 6 | - | - | 1 | 1 | - | - |
| J McGlone | 5 | 6 | - | - | - | - | 3 | 4 |
| A Monk | 2 | 6 | - | - | - | - | - | - |
| Z Piggott | 3 | 3 | - | - | - | - | - | - |
| H Redford-Hernandez | 6 | 6 | 10 | 10 | 1 | 1 | 4 | 4 |
| A Robinson | 6 | 6 | 4 | 8 | - | - | - | - |
| S Stone | 5 | 6 | - | - | 1 | 1 | - | - |
| W Sumner | 4 | 6 | - | - | - | - | - | - |
| R Young | 6 | 6 | 8 | 10 | - | - | 4 | 4 |
| S Betts | 1 | 1 | - | - | - | - | 2 | 3 |
| E Laud | 5 | 6 | 10 | 10 | 1 | 1 | 4 | 4 |
| M Wraith | 0 | 3 | - | - | - | - | - | - |
| S Williams-McGlone | 5 | 6 | 10 | 10 | 1 | 1 | - | - |

# Hungerhill Academy Trust

## Governance Statement
**for the year ended 31 August 2014**

### 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 Hungerhill Academy Trust for the period 1 September 2013 to 31 August 2014 and up to the date of approval of the annual report and financial statements.

### Capacity to Handle Risk
The board of governors 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 governors 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 2013 to 31 August 2014 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of governors.

### 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 governing body;
- regular reviews by the Finance and Resources 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 governing body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the governors have appointed T Ladley, a trustee, as responsible officer (RO).

The RO's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. The RO reports to the governing body on the operation of the systems of control and on the discharge of the governing body's financial responsibilities.

The RO provided reports to the Finance and Resources committee as of 31 December 2013, 30 April 2014 and 31 August 2014.

No material control issues were highlighted to the board.

# Hungerhill Academy Trust

## Governance Statement
**for the year ended 31 August 2014**

### Review of Effectiveness
As accounting officer, the Headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the period in question the review has been informed by:

- the work of the responsible officer;
- the work of the external auditors;
- the financial management and governance self assessment process;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Finance and Resources committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 27 November 2014 and signed on its behalf by:

**M Bates**
**Chair**

**H Redford-Hernandez**
**Accounting Officer**

# Hungerhill Academy Trust

## Statement on Regularity, Propriety and Compliance

**for the year ended 31 August 2014**

As accounting officer of Hungerhill Academy Trust I have considered my responsibility to notify the Academy Trust board of governors 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.

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

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

H. Redford-Hernandez

**H Redford-Hernandez**
**Accounting Officer**
**27 November 2014**

# Hungerhill Academy Trust

## Statement of Governors' Responsibilities
**for the year ended 31 August 2014**

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Academy Trust will continue in operation.

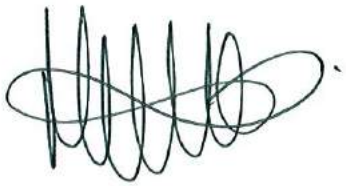
The governors are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements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

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

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

Approved by order of the board of governors on 27 November 2014 and signed on its behalf by:

**M Bates**
**Chair**



# Hungerhill Academy Trust

## Report of the Independent Auditors to the Members of Hungerhill Academy Trust

We have audited the financial statements of Hungerhill Academy Trust for the year ended 31 August 2014 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement 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 Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

This report is made solely to the Academy Trust's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Academy Trust's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy Trust and the Academy Trust's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of governors and auditors**
As explained more fully in the Statement of Governors' Responsibilities set out on page thirteen, the governors (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

**Scope of the audit of the financial statements**
An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Academy Trust's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the governors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Governors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**Opinion on financial statements**
In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2014 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2013 to 2014 issued by the EFA.

## Report of the Independent Auditors to the Members of Hungerhill Academy Trust (continued)

**Opinion on other matter prescribed by the Companies Act 2006**
In our opinion the information given in the Governors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Matters on which we are required to report by exception**
We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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



**Peter Duffield LLB FCA (Senior Statutory Auditor)**
for and on behalf of Smailes Goldie
Chartered Accountants
Statutory Auditor
Regent's Court
Princess Street
Hull
HU2 8BA

27 November 2014

# Hungerhill Academy Trust

## Independent Reporting Accountants' Assurance Report on Regularity to Hungerhill Academy Trust and the Education Funding Agency

In accordance with the terms of our engagement and further to the requirements of the Education Funding Agency (EFA), as included in the Academies Accounts Direction 2013 to 2014, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Hungerhill Academy Trust during the period 1 September 2013 to 31 August 2014 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 Hungerhill Academy Trust and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Hungerhill 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 Hungerhill Academy Trust and the EFA, for our work, for this report, or for the conclusion we have formed.

### Respective responsibilities of Hungerhill Academy Trust's accounting officer and the reporting accountants

The accounting officer is responsible, under the requirements of Hungerhill Academy Trust's funding agreement with the Secretary of State for Education and the Academies Financial Handbook, extant from 1 September 2013, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2013 to 2014. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2013 to 31 August 2014 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 2013 to 2014 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the Academy Trust's income and expenditure.

The work undertaken to draw our conclusion includes:

- Ensuring value for money is sought for all goods/services procured by the Academy Trust, including those procured from related parties of the Academy Trust.
- Ensuring that fixed asset additions are made in line with the terms of the funding received and that fixed asset disposals are properly authorised by the DfE.
- Ensuring that expenditure incurred through the Academy Trust bank account and credit card is appropriate for the purposes of the Academy Trust and that there has been no personal expenditure from the Academy Trust's funds.
- Ensuring pension contributions are paid to the respective schemes in a timely manner.
- Ensuring returns required by regulatory or funding authorities are completed on a timely basis.

## Independent Reporting Accountants' Assurance Report on Regularity to Hungerhill Academy Trust and the Education Funding Agency (continued)

### Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2013 to 31 August 2014 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



**Smailes Goldie**
Chartered Accountants
Regent's Court
Princess Street
Hull
HU2 8BA

27 November 2014

# Hungerhill Academy Trust

## Statement of Financial Activities (including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

**for the year ended 31 August 2014**

| | Note | Unrestricted funds £ | Restricted fixed asset fund £ | Restricted general funds £ | Year to 31 August 2014 £ | Year to 31 August 2013 £ |
|---|---|---|---|---|---|---|
| **Incoming resources** | | | | | | |
| *Incoming resources from generated funds:* | | | | | | |
| Voluntary income | 2 | - | 699,419 | - | **699,419** | 373,910 |
| Activities for generating funds | 3 | 39,159 | - | - | **39,159** | 45,464 |
| Investment income | 4 | 13,679 | - | - | **13,679** | 5,750 |
| *Incoming resources from charitable activities:* | | | | | | |
| Funding for the Academy's educational operations | 5 | - | - | 6,661,459 | **6,661,459** | 6,513,155 |
| **Total incoming resources** | | 52,838 | 699,419 | 6,661,459 | **7,413,716** | 6,938,279 |
| **Resources expended** | | | | | | |
| *Costs of generating funds:* | | | | | | |
| Costs of activities for generating funds | | 18,327 | - | - | **18,327** | 14,752 |
| *Charitable activities:* | | | | | | |
| Academy's educational operations | | - | 928,765 | 5,785,543 | **6,714,308** | 6,196,099 |
| *Governance costs* | 8 | - | - | 54,918 | **54,918** | 60,115 |
| **Total resources expended** | 6 | 18,327 | 928,765 | 5,840,461 | **6,787,553** | 6,270,966 |
| **Net incoming resources before transfers** | | 34,511 | (229,346) | 820,998 | **626,163** | 667,313 |
| Gross transfers between funds | 19 | - | 163,540 | (163,540) | - | - |
| **Net income for the year** | | 34,511 | (65,806) | 657,458 | **626,163** | 667,313 |
| **Other recognised gains and losses** | | | | | | |
| Actuarial gains on defined benefit pension schemes | | - | - | 328,000 | **328,000** | 62,000 |
| **Net movement in funds** | | 34,511 | (65,806) | 985,458 | **954,163** | 729,313 |
| **Reconciliation of funds** | | | | | | |
| Funds brought forward at 1 September 2013 | | 1,060,813 | 12,930,454 | (890,399) | **13,100,868** | 12,371,555 |
| **Funds carried forward at 31 August 2014** | | 1,095,324 | 12,864,648 | 95,059 | **14,055,031** | 13,100,868 |

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

The notes form part of these financial statements



continued...

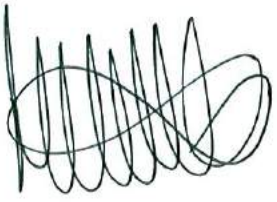
# Hungerhill Academy Trust

## Balance Sheet
**at 31 August 2014**

| | Note | 2014 £ | 2013 £ |
|---|---|---|---|
| **Fixed assets** | | | |
| Tangible assets | 12 | **12,840,538** | 12,700,089 |
| **Current assets** | | | |
| Stocks | 13 | **31,368** | 28,484 |
| Debtors | 14 | **402,858** | 304,255 |
| Cash at bank and in hand | | **2,849,491** | 2,490,147 |
| | | **3,283,717** | 2,822,886 |
| **Liabilities** | | | |
| Creditors: Amounts falling due within one year | 15 | **(607,224)** | (675,107) |
| **Net current assets** | | **2,676,493** | 2,147,779 |
| **Total assets less current liabilities (excluding pension liability)** | | **15,517,031** | 14,847,868 |
| **Pension scheme liability** | 20 | **(1,462,000)** | (1,747,000) |
| **Net assets including pension liability** | | **14,055,031** | 13,100,868 |
| **Funds of the academy** | 19 | | |
| **Restricted funds** | | | |
| Fixed asset fund | 19 | **12,864,648** | 12,930,454 |
| General fund | 19 | **1,557,059** | 856,601 |
| Pension reserve | 19 | **(1,462,000)** | (1,747,000) |
| **Total restricted funds** | | **12,959,707** | 12,040,055 |
| **Unrestricted income funds** | | | |
| General fund | 19 | **1,095,324** | 1,060,813 |
| **Total funds** | | **14,055,031** | 13,100,868 |

The financial statements were approved by the Board of Governors on 27 November 2014 and were signed on its behalf by:

**M Bates**
**Chair**



The notes form part of these financial statements

# Hungerhill Academy Trust

## Cash Flow Statement
**for the year ended 31 August 2014**

| | Note | 2014 £ | 2013 £ |
|---|---|---|---|
| **Net cash inflow from operating activities** | 24 | **715,460** | 1,152,872 |
| Returns on investments and servicing of finance | 25 | **13,679** | 5,750 |
| Capital expenditure | 26 | **(369,795)** | (70,788) |
| **Increase in cash in the period** | | **359,344** | 1,087,834 |
| **Reconciliation of net cash flow to movement in net funds** | 27 | | |
| Net funds at 1 September 2013 | | **2,490,147** | 1,402,313 |
| **Net funds at 31 August 2014** | | **2,849,491** | 2,490,147 |

The notes form part of these financial statements

# Notes to the financial statements
**for the year ended 31 August 2014**

## 1. Statement of Accounting Policies

### Basis of Preparation
The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice: Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction 2013 to 2014 issued by the EFA and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

### Going Concern
The governors assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The governors make this assessment in respect of a period of one year from the date of approval of the financial statements.

### Incoming Resources
All incoming resources are recognised when the Academy Trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

### Grants Receivable
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 entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

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

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

### Sponsorship Income
Sponsorship income provided to the Academy Trust which amounts to a donation is recognised in the statement of financial activities in the period in which it is receivable, where there is certainty of receipt and it is measurable.

### Investment Income
Interest receivable is included within the Statement of Financial Activities on a receivable basis.

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

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

### Donated Services and Gifts in Kind
The value of donated services and gifts in kind provided to the Academy Trust are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the Academy Trust can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with Academy Trust's accounting policies.

**1. Statement of Accounting Policies** (continued)

**Resources Expended**
All expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

All resources expended are inclusive of irrecoverable VAT.

**Cost of Generating Funds**
These are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

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

**Governance Costs**
These include the costs attributable to the Academy Trust's compliance with constitutional and statutory requirements, including audit, strategic management and governors' meetings and reimbursed expenses.

**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 Trust's depreciation policy. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset on a straight line basis over its expected useful life. The principal annual rates used for items acquired at cost are:

| | |
|---|---|
| Buildings | **2%** |
| Furniture and equipment | **10%** |
| Computer equipment | **33%** |
| Other computer equipment | **10%** |

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use. Assets acquired on conversion are being depreciated on a straight line basis over their remaining useful economic lives.

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

**Leased Assets**
Rentals applicable to operating leases are charged to the statement of financial activities on a straight line basis over the lease term.

### 1. Statement of Accounting Policies

**Stock**
Unsold uniform stock and consumable items are valued at the lower of cost or net realisable value.

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

**Fund Accounting**
Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the Academy Trust at the discretion of the governors.

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

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

**Pension Costs and Other Post-retirement Benefits**
Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes and the assets are held separately from those of the Academy Trust.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 20, the TPS is a multi-employer scheme and the Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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

### 2. Voluntary Income

| | Unrestricted funds £ | Restricted funds £ | 2014 Total funds £ | 2013 Total funds £ |
|---|---|---|---|---|
| Capital grants | - | 699,419 | **699,419** | 373,910 |

### 3. Activities for Generating Funds

| | Unrestricted funds £ | Restricted funds £ | 2014 Total funds £ | 2013 Total funds £ |
|---|---|---|---|---|
| Other income | 6,130 | - | **6,130** | 5,671 |
| Uniform sales | 15,165 | - | **15,165** | 24,306 |
| Hire of facilities | 17,864 | - | **17,864** | 15,487 |
| | 39,159 | - | **39,159** | 45,464 |

### 4. Investment Income

| | Unrestricted funds £ | Restricted funds £ | 2014 Total funds £ | 2013 Total funds £ |
|---|---|---|---|---|
| Short term deposits | 13,679 | - | **13,679** | 5,750 |

### 5. Funding for the Academy Trust's Educational Operations

| | Unrestricted funds £ | Restricted funds £ | 2014 Total funds £ | 2013 Total funds £ |
|---|---|---|---|---|
| General Annual Grant (GAG) | - | 5,726,650 | **5,726,650** | 5,667,524 |
| Other DfE/EFA grants | - | 302,898 | **302,898** | 266,975 |
| Local authority grants | - | 97,450 | **97,450** | 105,236 |
| Other grants and income | - | 534,461 | **534,461** | 473,420 |
| | - | 6,661,459 | **6,661,459** | 6,513,155 |

### 6. Resources Expended

| | Staff costs £ | Non-pay expenditure Premises £ | Other costs £ | 2014 Total £ | 2013 Total £ |
|---|---|---|---|---|---|
| Costs of activities for generating funds | - | - | 18,327 | **18,327** | 14,752 |
| *Academy's educational operations:* | | | | | |
| Direct costs | 3,809,797 | 202,512 | 1,168,440 | **5,180,749** | 4,652,278 |
| Allocated support costs | 681,122 | 494,280 | 358,157 | **1,533,559** | 1,543,821 |
| | 4,490,919 | 696,792 | 1,544,924 | **6,732,635** | 6,210,851 |
| Governance costs including allocated support costs | 40,346 | - | 14,572 | **54,918** | 60,115 |
| | 4,531,265 | 696,792 | 1,559,496 | **6,787,553** | 6,270,966 |

## 6. Resources Expended (continued)

Net resources are stated after charging/(crediting):

| | 2014 £ | 2013 £ |
|---|---|---|
| Auditors' remuneration | **5,000** | 5,000 |
| Auditors' remuneration - other services | **8,000** | 8,875 |
| Depreciation - owned assets | **574,829** | 556,531 |
| Loss/(profit) on disposal of fixed assets | **353,936** | (10,405) |
| Operating lease charges | **1,407** | 4,508 |

## 7. Charitable Activities – Academy Trust's Educational Operations

| | Unrestricted funds £ | Restricted funds £ | 2014 Total funds £ | 2013 Total funds £ |
|---|---|---|---|---|
| **Direct costs** | | | | |
| Teaching and educational support staff | - | 3,809,797 | **3,809,797** | 3,722,504 |
| Depreciation | - | 433,481 | **433,481** | 417,866 |
| Loss on disposal of fixed assets | - | 353,936 | **353,936** | - |
| Educational supplies | - | 459,005 | **459,005** | 390,239 |
| Examination fees | - | 94,075 | **94,075** | 96,915 |
| Staff development | - | 30,455 | **30,455** | 24,754 |
| | - | 5,180,749 | **5,180,749** | 4,652,278 |
| **Allocated support costs** | | | | |
| Support staff costs | - | 681,122 | **681,122** | 657,946 |
| Depreciation | - | 141,348 | **141,348** | 138,665 |
| Recruitment and support | - | 21,600 | **21,600** | 23,837 |
| Maintenance of premises and equipment | - | 230,150 | **230,150** | 268,733 |
| Cleaning | - | 5,237 | **5,237** | 4,450 |
| Rent and rates | - | 23,469 | **23,469** | 21,274 |
| Insurance | - | 72,481 | **72,481** | 84,479 |
| Security and transport | - | 3,874 | **3,874** | 3,999 |
| Catering | - | 296,211 | **296,211** | 282,100 |
| Other support costs | - | 58,067 | **58,067** | 58,338 |
| | - | 1,533,559 | **1,533,559** | 1,543,821 |
| | - | 6,714,308 | **6,714,308** | 6,196,099 |

## 8. Governance Costs

| | Unrestricted funds £ | Restricted funds £ | 2014 Total funds £ | 2013 Total funds £ |
|---|---|---|---|---|
| Staff costs | - | 40,346 | **40,346** | 40,653 |
| Auditors' remuneration | - | 5,000 | **5,000** | 5,000 |
| Legal and professional fees | - | 9,572 | **9,572** | 14,462 |
| | - | 54,918 | **54,918** | 60,115 |

## 9. Governors' Remuneration and Benefits

The Headteacher and other staff governors only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff and not in respect of their services as governors. Other governors did not receive any payments from the Academy Trust in respect of their role as governors. The value of governors' remuneration was as follows:

| | | |
|---|---|---|
| H Redford-Hernandez (Headteacher) | **£80,000 - £85,000** | (2013: £Nil) |
| J Fletcher (Staff Governor) | **£45,000 - £50,000** | (2013: £45,000 - £50,000) |
| W Sumner (Staff Governor) | **£40,000 - £45,000** | (2013: £40,000 - £45,000) |
| S Stone (Staff Governor) | **£15,000 - £20,000** | (2013: £15,000 - £20,000) |
| G Wakeling (Former Headteacher) | **£Nil** | (2013: £60,000 - £65,000) |

During the year there were no other related party transactions involving the governors.

**Governors' Expenses**

During the year ended 31 August 2014 no travel and subsistence expenses were reimbursed to governors (2013: £Nil).

## 10. Staff Costs

| | **2014** | 2013 |
|---|---|---|
| | **£** | £ |
| Wages and salaries | **3,670,528** | 3,558,074 |
| Social security costs | **244,632** | 243,337 |
| Other pension costs | **616,105** | 609,792 |
| | **4,531,265** | 4,411,203 |
| Compensation payments | **-** | 9,900 |
| | **4,531,265** | 4,421,103 |

The average number of persons (including senior management team) employed by the Academy Trust during the year expressed as full time equivalents was as follows:

| | **2014** | 2013 |
|---|---|---|
| Teachers | **75** | 75 |
| Administration and support | **55** | 52 |
| | **130** | 127 |

The number of employees whose emoluments fell within the following bands was:

| | **2014** | 2013 |
|---|---|---|
| £60,001 - £70,000 | **1** | 3 |
| £80,001 - £90,000 | **1** | - |
| | **2** | 3 |

Each of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2014, pension contributions for these staff amounted to £20,879 (2013 £26,678).

## Notes to the Financial Statements
**for the year ended 31 August 2014**

### 11. Governors' and Officers Insurance

In accordance with normal commercial practice the Academy Trust has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £2,000,000 aggregated during the period of insurance and the costs are included within total insurance costs.

### 12. Tangible Fixed Assets

| | Freehold land and buildings £ | Furniture and equipment £ | Computer equipment £ | Other computer equipment £ | Total £ |
|---|---|---|---|---|---|
| **Cost:** | | | | | |
| At 1 September 2013 | 12,471,222 | 415,543 | 447,949 | 192,684 | **13,527,397** |
| Additions | 836,254 | 32,257 | 195,753 | 4,950 | **1,069,214** |
| Disposals | (382,330) | - | - | - | **(382,330)** |
| At 31 August 2014 | 12,925,146 | 447,800 | 643,702 | 197,633 | **14,214,281** |
| **Depreciation:** | | | | | |
| At 1 September 2013 | 513,176 | 61,676 | 225,356 | 27,100 | **827,308** |
| Charged in period | 343,860 | 70,045 | 141,367 | 19,557 | **574,829** |
| Disposals | (28,394) | - | - | - | **(28,394)** |
| At 31 August 2014 | 828,642 | 131,721 | 366,723 | 46,657 | **1,373,743** |
| **Net book values** | | | | | |
| At 31 August 2014 | 12,096,504 | 316,079 | 276,979 | 150,976 | **12,840,538** |
| At 31 August 2013 | 11,958,046 | 353,867 | 222,593 | 165,583 | **12,700,089** |

The Academy Trust's transactions relating to land and buildings during the year included the construction of a 2 storey modular classroom block at a cost of £836,254. The newly constructed block replaced temporary classrooms which were in an unsafe condition and which had a net book value of £353,936 at the date of disposal.

### 13. Stock

| | 2014 £ | 2013 £ |
|---|---|---|
| Consumables | **21,530** | 19,349 |
| Clothing | **9,838** | 9,135 |
| | **31,368** | 28,484 |

### 14. Debtors

| | 2014 £ | 2013 £ |
|---|---|---|
| Trade debtors | **63,750** | 66,426 |
| Other debtors | **233,059** | 78,177 |
| Prepayments | **106,049** | 159,652 |
| | **402,858** | 304,255 |

## 15. Creditors

| | 2014 | 2013 |
|---|---|---|
| | £ | £ |
| Trade creditors | **130,829** | 155,734 |
| Social security and other taxes | **73,494** | 72,540 |
| Other creditors | **74,381** | 69,386 |
| Accruals and deferred income | **328,520** | 377,447 |
| | **607,224** | 675,107 |

| **Deferred Income** | 2014 | 2013 |
|---|---|---|
| | £ | £ |
| Deferred income at 1 September 2013 | **228,154** | 198,977 |
| Resources deferred in the year | **136,516** | 162,394 |
| Amounts released from previous year | **(228,154)** | (133,217) |
| Deferred income at 31 August 2014 | **136,516** | 228,154 |

Deferred income comprises monies relating to the 2014-2015 academic year. Amounts carried forward relate to:

| | £ | £ |
|---|---|---|
| Insurance grant | **-** | 45,244 |
| School trips 2014/15 | **116,220** | 168,914 |
| Capital grants | **13,476** | 13,516 |
| Music tuition fees | **6,820** | 480 |
| | **136,516** | 228,154 |

## 16. Operating Lease Commitments

At 31 August 2014 the Academy Trust had annual commitments under non-cancellable operating leases as follows:

| | Other operating leases | |
|---|---|---|
| | 2014 | 2013 |
| | £ | £ |
| Expiring: | | |
| Within one year | **1,842** | 1,842 |
| Between one and five years | **110** | - |
| | **1,952** | 1,842 |

## 17. 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 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 debts and liabilities contracted before they ceased to be a member.

## 18. Analysis of Net Assets between Funds

| | Unrestricted funds £ | Restricted fixed asset fund £ | Restricted general funds £ | 2014 Total funds £ | 2013 Total funds £ |
|---|---|---|---|---|---|
| Fixed assets | - | 12,840,538 | - | **12,840,538** | 12,700,089 |
| Current assets | 1,095,324 | 24,110 | 2,164,283 | **3,283,717** | 2,822,886 |
| Current liabilities | - | - | (607,224) | **(607,224)** | (675,107) |
| Pension liability | - | - | (1,462,000) | **(1,462,000)** | (1,747,000) |
| | 1,095,324 | 12,864,648 | 95,059 | **14,055,031** | 13,100,868 |

## 19. Movement in Funds

| | At 1.9.13 £ | Net movement in funds £ | Transfers between funds £ | At 31.8.14 £ |
|---|---|---|---|---|
| **Unrestricted funds** | | | | |
| General fund | 1,060,813 | 34,511 | - | **1,095,324** |
| **Restricted funds** | | | | |
| General Annual Grant (GAG) | 856,601 | 863,998 | (163,540) | **1,557,059** |
| Pension reserve | (1,747,000) | 285,000 | - | **(1,462,000)** |
| DfE/EFA capital grants | 230,365 | 699,419 | (905,674) | **24,110** |
| Capital expenditure from GAG | 298,892 | (35,996) | 163,540 | **426,436** |
| Donated land and buildings | 11,913,807 | (693,419) | - | **11,220,388** |
| Other fixed assets | 487,390 | (199,350) | 905,674 | **1,193,714** |
| | 12,040,055 | 919,652 | - | **12,959,707** |
| **Total funds** | 13,100,868 | 954,163 | - | **14,055,031** |

19. **Movement in Funds** (continued)

Net movement in funds, included in the above are as follows:

| | Incoming resources £ | Resources expended £ | Gains and losses £ | Movement in funds £ |
|---|---|---|---|---|
| **Unrestricted funds** | | | | |
| General fund | 52,838 | (18,327) | - | 34,511 |
| **Restricted funds** | | | | |
| General Annual Grant (GAG) | 5,726,650 | (4,862,652) | - | 863,998 |
| Other DfE/EFA grants | 302,898 | (302,898) | - | - |
| Other government grants | 97,450 | (97,450) | - | - |
| Other grants and income | 534,461 | (534,461) | - | - |
| Pension reserve | - | (43,000) | 328,000 | 285,000 |
| DfE/EFA capital grants | 699,419 | - | - | 699,419 |
| Capital expenditure from GAG | - | (35,996) | - | (35,996) |
| Donated land and buildings | - | (693,419) | - | (693,419) |
| Other fixed assets | - | (199,350) | - | (199,350) |
| | 7,360,878 | (6,769,226) | 328,000 | 919,652 |
| **Total funds** | 7,413,716 | (6,787,553) | 328,000 | 954,163 |

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

**General Annual Grant (GAG)**

The GAG consists of:

- School Budget Share
- LA Central Spend Equivalent Grant (LACSEG)/Educational Services Grant (ESG)

Under the funding agreement with the Secretary of State for Education, the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2014.

**Other DfE/EFA grants, other government grants and other grants and income**

The other DfE/EFA grants, other government grants and other grants and income must be used for the specific purposes for which they are given. Such grants and income enable the Academy Trust to fulfil its charitable objects.

**Restricted fixed asset fund**

The restricted fixed asset fund represents fixed assets which are held for specific purposes within the charitable objects of the Academy Trust, together with unspent capital funding carried forward at 31 August 2014.

## 20. Pension and Similar Obligations

The Academy Trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff, and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by the South Yorkshire Pensions Authority. Both are defined-benefit schemes.

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

Contributions amounting to £74,381 (2013: £69,386) were payable to the schemes at 31 August 2014 and are included within creditors.

### Teachers' pension scheme

#### Introduction

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

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

The Teachers' Pensions Regulations require an annual account to be kept of receipts and expenditure (including the cost of pensions' increases). From 1 April 2001, the account has been credited with a real rate of return, which is equivalent to assuming that the balance in the account is invested in notional investments that produce that real rate of return.

#### Valuation of the Teachers' Pension Scheme

The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%);
- total scheme liabilities for service to the effective date of £191,500 million, and notional assets of £176,600 million, giving a notional past service deficit of £14,900 million; and
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations.

The new employer contribution rate is applicable from 1 April 2015 and will be implemented for the TPS from September 2015.

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

**20. Pension and Similar Obligations** (continued)

**Teachers' Pension Scheme Changes**

Lord Hutton made recommendations in 2011 about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation with trade unions and other representative bodies. In March 2012 the Department for Education published proposals for the design for a reformed TPS.

The key provisions of the reformed scheme include: a pension based on career average earnings; an accrual rate of 1/57th; and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Pension benefits built up before 1 April 2015 will be fully protected.

In addition, the proposed final agreement includes a Government commitment that those within 10 years of normal pension age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall up to three and a half years outside of the 10 year protection.

In his interim report of October 2010, Lord Hutton recommended that short-term savings were also required, and that the only realistic way of achieving these was to increase member contributions. At the Spending Review 2010 the Government announced an average increase of 3.2 percentage points on the contribution rates by 2014-15. The increases have been phased in since April 2012 on a 40:80:100% basis.

The Department for Education has continued to work closely with trade unions and other representatives bodies to develop the reformatted Teachers' Pension Scheme and regulations giving effect to it came into force on 1 April 2014. Communications are being rolled out and the reformatted scheme will commence on 1 April 2015.

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the Academy Trust has taken advantage of the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Academy Trust has set out above the information available on the scheme.

## Local government pension scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2014 was £263,000, of which employer's contributions totalled £207,000 and employees' contributions totalled £56,000. The agreed contribution rates for future years are 12.8% for employers and between 5.5% and 7.5% for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

During the year it was agreed that the Academy Trust would make additional annual contributions totalling £79,500 in 2014/15, £81,600 in 2015/16 and £83,700 in 2016/17, in respect of past service debt. It is anticipated that payments will be made for the next 16 years with a reassessment of the amount in 2017 and revised payments taking effect from April 2017.

**20. Pension and Similar Obligations** (continued)

**Local government pension scheme** (continued)

**Principal actuarial assumptions**

| | At 31 August 2014 % | At 31 August 2013 % |
|---|---|---|
| Rate of increase in salaries | **4.15** | 4.05 |
| Rate of increase for pensions in payment/inflation | **2.20** | 2.40 |
| Discount rate for scheme liabilites | **4.00** | 4.60 |
| Inflation assumption (CPI) | **2.20** | 2.40 |
| Expected return on scheme assets | **6.01** | 6.04 |

**Sensitivity analysis**

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

| Change in assumptions at 31 August 2014 | Approximate % increase/(decrease to employer liability) | Approximate monetary amount (£) |
|---|---|---|
| 0.1% increase in discount rate | **(4.45)** | **(65,000)** |
| 0.1% increase in inflation | **4.51** | **66,000** |
| 1 year increase in member life expectancy | **3.21** | **47,000** |

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

| | At 31 August 2014 | At 31 August 2013 |
|---|---|---|
| *Retiring today* | | |
| Males | **21.8 years** | 21.8 years |
| Females | **24.7 years** | 24.7 years |
| *Retiring in 20 years* | | |
| Males | **23.6 years** | 23.7 years |
| Females | **26.5 years** | 26.6 years |

**20. Pension and Similar Obligations** (continued)

**Local government pension scheme** (continued)

The Academy Trust's share of the assets and liabilities in the scheme and the expected rates of return were:

| | Expected return at 31 August 2014 % | Fair value at 31 August 2014 £ | Expected return at 31 August 2013 % | Fair value at 31 August 2013 £ |
|---|---|---|---|---|
| Equities | **7.00** | **745,000** | 7.00 | 680,000 |
| Government bonds | **2.90** | **159,000** | 3.40 | 154,000 |
| Other bonds | **3.80** | **80,000** | 4.40 | 74,000 |
| Property | **6.20** | **131,000** | 5.70 | 106,000 |
| Cash | **0.50** | **22,000** | 0.50 | 22,000 |
| Other | **7.00** | **79,000** | 7.00 | 82,000 |
| **Total market value of assets** | | **1,216,000** | | 1,118,000 |
| Present value of scheme liabilities | | | | |
| - Funded | | **(2,678,000)** | | (2,865,000) |
| **Deficit in the scheme** | | **(1,462,000)** | | (1,747,000) |

The expected return on assets is based on the long term future expected investment return for each asset class as at the beginning of the year i.e. as at 1 September 2013 (for the year to 31 August 2014).

The actual return on scheme assets was £143,000 (2013: £111,000).

**Amounts recognised in the statement of financial activities**

| | 2014 £ | 2013 £ |
|---|---|---|
| Current service cost (net of employee contributions) | **(185,000)** | (182,000) |
| Total operating charge | **(185,000)** | (182,000) |

**Analysis of pension finance income/(costs)**

| | | |
|---|---|---|
| Expected return on pension scheme assets | **73,000** | 50,000 |
| Interest on pension liabilities | **(138,000)** | (119,000) |
| **Pension finance costs** | **(65,000)** | (69,000) |

The actuarial gains and losses for the current year are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS 17 is a £241,000 gain (2013: £87,000 loss)

20. **Pension and Similar Obligations** (continued)

**Local government pension scheme** (continued)

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

| | 2014 £ | 2013 £ |
|---|---|---|
| **At 1 September** | **2,865,000** | 2,533,000 |
| Current service cost | **185,000** | 182,000 |
| Contributions by scheme participants | **56,000** | 54,000 |
| Interest cost | **138,000** | 119,000 |
| Actuarial gains | **(556,000)** | - |
| Benefits paid | **(10,000)** | (23,000) |
| **At 31 August** | **2,678,000** | 2,865,000 |

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

| | 2014 £ | 2013 £ |
|---|---|---|
| **At 1 September** | **1,118,000** | 782,000 |
| Contributions by employer | **207,000** | 193,000 |
| Contributions by scheme participants | **56,000** | 54,000 |
| Expected return | **73,000** | 50,000 |
| Actuarial (losses)/gains | **(228,000)** | 62,000 |
| Benefits paid | **(10,000)** | (23,000) |
| **At 31 August** | **1,216,000** | 1,118,000 |

The estimated value of employer contributions for the year ended 31 August 2015 is £215,000.

The history of experience adjustments since incorporation on 7 February 2012 is as follows:

| | 2014 £ | 2013 £ | 2012 £ |
|---|---|---|---|
| **Present value of defined benefit obligations** | **(2,678,000)** | (2,865,000) | (2,533,000) |
| **Fair value of share of scheme assets** | **1,216,000** | 1,118,000 | 782,000 |
| **Deficit in the scheme** | **(1,462,000)** | (1,747,000) | (1,751,000) |
| **Experience adjustments on share of scheme assets** | **(228,000)** | 62,000 | (17,000) |
| **Experience adjustments on scheme liabilities** | **793,000** | - | - |

## 21. Contingent Liabilities

During the period of the funding agreement, in the event of the sale or disposal by other means of an asset for which a Government capital grant was received, the Academy Trust is required to re-invest the proceeds or to repay the Secretary of State for Education the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State for Education.

Upon termination of the funding agreement, whether as a result of the Secretary of State for Education or the Academy Trust serving notice, the Academy Trust shall repay the Secretary of State for Education sums determined by reference to:

a) the value at that time of the Academy Trust's site and premises and other assets held for the purpose of the Academy Trust, and

b) the extent to which expenditure incurred in providing those assets was met by payments from the Secretary of State for Education under the funding agreement.

## 22. Capital Commitments

| | 2014 | 2013 |
|---|---|---|
| | £ | £ |
| Contracted but not provided for in the financial statements | - | 35,364 |

## 23. Related party disclosures

Owing to the nature of the Academy Trust's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the trust's financial regulations and normal procurement procedures.

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

## 24. Reconciliation of Net Income to Net Cash Inflow from Operating Activities

| | 2014 | 2013 |
|---|---|---|
| | £ | £ |
| Net income | **626,163** | 667,313 |
| Depreciation (note 12) | **574,829** | 556,531 |
| Capital grants from DfE/EFA | **(699,419)** | (373,910) |
| Interest receivable (note 4) | **(13,679)** | (5,750) |
| FRS 17 adjustments | **43,000** | 58,000 |
| (Increase)/decrease in stocks | **(2,884)** | 4,734 |
| (Increase)/decrease in debtors | **(98,603)** | 106,343 |
| (Decrease)/increase in creditors | **(67,883)** | 150,016 |
| Loss/(profit) on disposal of fixed assets | **353,936** | (10,405) |
| **Net cash inflow from operating activities** | **715,460** | 1,152,872 |

## 25. Returns on investments and servicing of finance

| | 2014 £ | 2013 £ |
|---|---|---|
| Interest received | **13,679** | 5,750 |
| **Net cash inflow for returns on investments and servicing of finance** | **13,679** | 5,750 |

## 26. Capital expenditure and financial investment

| | 2014 £ | 2013 £ |
|---|---|---|
| Purchase of tangible fixed assets | **(1,069,214)** | (456,022) |
| Capital grants from DfE/EFA | **699,419** | 373,910 |
| Sale of tangible fixed assets | **-** | 11,324 |
| **Net cash outflow for capital expenditure and financial investment** | **(369,795)** | (70,788) |

## 27. Analysis of changes in net funds

| | At 1 September 2013 £ | Cash flows £ | At 31 August 2014 £ |
|---|---|---|---|
| **Cash at bank and in hand** | 2,490,147 | 359,344 | **2,849,491** |