

**Company Registration No. 08612100 (England and Wales)**

**HUMBERSTONE JUNIOR ACADEMY**

**REPORT OF THE TRUSTEES AND  
AUDITED FINANCIAL STATEMENTS**

**FOR THE YEAR  
TO 31 AUGUST 2014**

**SOMERBYS LIMITED  
CHARTERED ACCOUNTANTS  
30 NELSON STREET  
LEICESTER  
LE1 7BA**

# HUMBERSTONE JUNIOR ACADEMY

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## COMPANY DETAILS

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<b>Company Number</b>	08612100 (England and Wales)
<b>Registered Office Address</b>	Humberstone Junior Academy Main Street Humberstone Leicestershire LE5 1AE
<b>Trustees</b>	Mr P Goulding (Chair) Miss A Williams (Head) Mrs S Gurney Mr R Hughes Mr S Wragg Mrs B Lake Mrs E Proud Miss J Echeverria-White Ms B Barradell (resigned January 2014)
<b>Auditor</b>	Somerbys Limited 30 Nelson Street Leicester LE1 7BA
<b>Bankers</b>	The Co-operative Bank 1 Balloon Street Manchester M60 4EP
<b>Solicitors</b>	Langleys Olympic House Doddington Road Lincoln LN6 3SE

**REPORT OF THE TRUSTEES  
FOR THE YEAR ENDED 31 AUGUST 2014**

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The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of Humberstone Junior Academy for the year ended 31 August 2014. The Trustees confirm that the Annual Report and financial statements of the Academy Trust comply with the current statutory requirements, the requirements of the Academy Trust's governing document, the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005 and the Academies: Accounts Direction 2012/13 issued by the Education Funding Agency.

**STRUCTURE, GOVERNANCE AND MANAGEMENT****Constitution**

The Academy Trust (known as Humberstone Junior School) is a company limited by guarantee and an exempt charity. The Memorandum and Articles of Association are the primary governing documents of the Academy Trust.

The Board of Trustees consists of 10 Trustees including the Head teacher and Chair of Governors and other selected governors including two parent governors and two staff governors. Further details of the Trustees are outlined in the Governance Statement on pages 10-12.

Details of the Trustees who served during the year are shown on page 1.

**Trustees' liability**

Each member undertakes to contribute to the assets of the Academy Trust 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.

**Trustees' indemnities**

Since the incorporation of the Academy Trust the Trustees have been indemnified in respect of their legal liability for financial loss arising as a result of a negligent act, accidental error or omission in the course of their official duties.

**Principal activities**

The principal activity of the Academy Trust is to provide free education for young people of all abilities, based on an inclusive, balanced and broad curriculum, who live mainly in the local area.

**Method of recruitment and appointment or election of Trustees**

The appointment and recruitment of Trustees is laid out in article 50a & 50b in the Articles of Association. The appointment of up to 10 Trustees is the responsibility of the members. With reference to article 53, parent governors shall be elected by parents of registered pupils of the Academy.

**REPORT OF THE TRUSTEES (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2014**

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**Policies and procedures adopted for the induction and training of Trustees**

Induction for new Trustees is tailored according to their experience and background. New Trustees requiring guidance on the roles of Trustees are provided with this by external training or through internal meetings and discussion with staff and other Trustees. All Trustees are provided with copies of policies, procedures, minutes, accounts etc. that they will need to undertake their role as Trustees.

Other training for Trustees is provided as required through external providers.

**Organisational structure**

The day to day running of the Academy Trust has been delegated to the Headteacher. In the absence of the Headteacher, there is a Deputy Headteacher who has agreed to deputise.

The Governing Body is organised with a Managing Committee with clear terms of reference and specified delegated duties. The schools Finance Policy states when decisions have to be made the Governing Body.

The Executive Committee of Humberstone Junior Academy follow the scheme of delegation.

**Risk management**

The Trustees have assessed the major risks to which the Academy is exposed, in particular those related to specific teaching, provision of facilities and other operational areas of the Academy and its finances and are satisfied that systems and procedures are in place to mitigate its exposure to the major risks. The Trustees have implemented a number of systems to assess risks, especially in operational areas in teaching, health and safety, bullying and school trips and in relation to the control of finance.

There are a number of systems, operational procedures, 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 control.

**REPORT OF THE TRUSTEES (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2014**


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**OBJECTIVES AND ACTIVITIES**
**Objects and aims**

As indicated in paragraph 4 of the Articles of Association, the object of the Academy Trust is 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.

**Public benefit**

The Trustees note and acknowledge their responsibilities for the advancement of education for public benefit as set out in the guidance from the Charity Commission. The Articles of Association and Funding Agreement provide details of the structure for the day to day operation of the Academy Trust in accordance with these guidelines.

**ACHIEVEMENTS AND PERFORMANCE**
**Review of activities**

Reading Results	2010	2011	2012	2013	2014
Level 4+ School	76%	87%	89%	91%	98%
National	84%	84%	83%	86%	89%
Level 5+ School	51%	43%	52%	42%	82%
National	51%	42%	42%	48%	50%

Writing Results	2010	2011	2012	2013	2014
Level 4+	76%	82%	89%	94%	95%
National	71%	71%	75%	n/a	85%
Level 5+	37%	21%	49%	31%	40%
National	21%	20%	20%	n/a	33%

Grammar, Punctuation and Spelling	2013	2014
Level 4+	86%	82%
National	74%	74%
Level 5+	57%	61%
National	47%	42%
Level 6		8%
National		4%

**REPORT OF THE TRUSTEES (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2014**

Maths Results	2010	2011	2012	2013	2014
School Level 4+	86%	84%	85%	95%	96%
National	80%	81%	80%	84%	86%
School Level 5+	45%	49%	35%	39%	60%
National	35%	35%	35%	39%	42%
Level 6					22%
National					7%

Reading, Writing & Maths	2010	2011	2012	2013	2014
School Level 4+	75%	78%	82%	91%	95%
National			75%	75%	79%
School Level 5+	30%	30%	33%	25%	36%
National			20%	21%	24%

**2013-14 Data Analysis:**
**Whole School Strengths**

<b>Strengths Identified</b>	<b>Reasons</b>
<p><b>End of key stage attainment:</b> End of Key stage results are all above 90% and above national averages. 100% L4+ Reading (11% above) 98% L4+ Writing (13% above) 99% L4+ Maths (13% above) 84% L4+ Spelling, Punct, Grammar (10% above) 95% Reading, Writing and maths Combined (16% above)</p>	<p>Consistently Good to Outstanding quality first teaching Excellent use of small groups, pre-teaching and intervention strategies Robust tracking at every stage through leadership and pupil progress systems Consistently high levels of challenge for all through PBL, Novel Study and Maths Children have accessed consistently “Good” or better provision across the key stage</p>
<p><b>Progress Across key Stage</b> <b>% of children who make 2+ levels progress across the key stage</b> Maths = 100% Reading = 99% Writing 98% <b>% of children who make More than 2 levels progress across the key stage (against baseline)</b> Maths = 78% Reading = 84% Writing = 71%</p>	<p>Strong systems to track progress and ensure early intervention are rigorously applied to all children and all groups of children at all levels  High expectations expressed through performance management targets for pupil progress (80% to make 4 point s+ progress)</p>
<p><b>Small group interventions</b> have significant impact on progress/ 4 points or more ( RML, Mary Steel, EAL, Project X)  Daily Readers: 4.0+ APS in all year groups RML: 5.0 APS EAL: 4.0 APS + in all year groups Project X: 4.0+ APS in all year groups</p>	<p>Where there is a consistent, skilled adult who is dedicated to this role only and is not pulled out for cover etc, progress is often excellent as support is consistent, focused and high quality</p>

**REPORT OF THE TRUSTEES (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2014**

<p><b>Pupil Premium Impact:</b> % of children making good progress each year and APS for year groups shows that there are no significant progress gaps in terms of % making good progress and APS.</p> <p><b>Progress across key stage for FSM Pupils</b> Reading = 16.4 (15.7 whole cohort) Writing = 14.1 (14.3 whole cohort) Maths = 15.3 (15.5 whole cohort)</p>	<p>Strategic use of specific resources, e.g., e.g. Notebook computers for reluctant writers project APS (3.8) additional teacher in Y6 Strong Pastoral Team to address and sign post wider needs (Family Support Worker, attendance, School Counsellor, SEN/Inclusion) (see Pupil Premium report on school website )</p>
<p><b>Reading Progress</b> across the school is often excellent and the majority of classes have met 4 points+ target this year) Year 3 APS = 4.5 Year 4 APS = 3.4 Year 5 APS = 3.5 Year 6 APS = 4.6</p> <p>APS 15.7 from KS1 data, 17.0 against baseline KS1 data indicates that 100% of children made expected progress or better Baseline data indicates that: 100% of pupils made expected progress or better 54% made more than expected progress</p>	<p>High focus on challenging novel study curriculum in all classes, leading to high levels of pupil skills engagement and motivation.</p> <p>High quality intervention where needed (RML, Kindle, Mary Steel, Reading Support Programs, Inference Training, Project X)</p> <p>A strong culture of love of reading and systems to ensure that all adults are supporting children's reading every day</p>
<p><b>Writing Progress</b> : Progress across the school is strong (14.3 against KS1 and 16.2 across baseline data)</p> <p>Year 3 APS = 3.4 Year 4 APS = 3.4 Year 5 APS = 3.6 Year 6 APS = 5.3</p> <p>KS1 data indicates that: 98% of pupils made expected progress or better across the key stage in Writing, Baseline data indicates that: 100% of pupils made expected progress across the key stage in Writing, 72% made more than expected progress</p>	<p>High focus on writing across the curriculum and purposeful extended writing through novel study work Effective use of writing grids to level writing and set targets Effective use of writing targets for children Extensive use of edit and improve model across the school</p>
<p><b>Maths Progress:</b></p> <p>APS 15.5 from KS1 data, 17.2 against baseline</p> <p>KS1 data indicates that: 100% of pupils made expected progress across the key stage in Maths, Baseline data indicates that:100% of pupils made expected progress across the key stage in Maths, 39% made more than expected progress</p>	<p>Focus on ensuring basic skills are well embedded through effective use of skills ladders</p> <p>Focus on practical hands on and experiential learning in maths</p> <p>Substantial staff training on maths subject knowledge, including TA's</p> <p>Use of secure/not secure/extension planning systems in maths focusing on rigorous A4L</p>



**REPORT OF THE TRUSTEES (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2014**

<p><b>SEN Pupils Progress in Reading:</b> Pupils are making improved progress in reading Most SEN pupils make an average of 4 points, with some examples of excellent progress. SEN Reading Progress across KS2 from KS1 Data=APS 16.5 SEN Reading Progress across KS2 from Baseline Data=APS 17.6</p> <p>Project X APS in Year 3 = 5.1 Project X APS in Year 4 = 4.0 Project X APS in Year 5 = 3.9 Project X APS in Year 6 = 8.7</p>	<p>Targeted provision through Project X resources</p> <p>Training for TA's and teaching staff on missed cue analysis, phonics and early intervention.</p> <p>Sharp tracking of progress through P levels</p> <p>Expert support provided by specialist SEN trained TA</p>
<p>Our largest ethnic group after white British is <b>Indian Pupils</b> who make good progress across the school and better than white British in many areas</p> <p>Reading from KS1 = 15.5 Writing from KS1 = 14.3 Maths from KS1 = 16.4</p> <p>Reading from baseline = 17.0 Writing from baseline = 16.2 Maths from baseline = 17.2</p>	<p>Good interventions targeted at EAL and pupils subject needs</p> <p>Good differentiation supports the needs of all pupils</p> <p>Hands on and practical learning throughout the curriculum supports the needs of all</p>
<p><b>EAL:</b> Pupils who receive targeted EAL support often make excellent progress</p> <p>EAL Group Reading progress</p> <p>Year 3: 8.0 Year 4: 4.0 Year 5: 4.0 Year 6: 9.0</p> <p>EAL Group Writing Progress</p> <p>Year 3: 5.6 Year 4: 4.0 Year 5: 2.5 Year 6: 9.0</p>	<p>Skilled and well trained EAL staff provide personalised and consistent intervention well matched to children's needs.</p>
<p><b>Racist incidents:</b> Reported racist incident are very low</p> <p>Number of reported Incidents</p> <p>2010-11 = 12 2011 -12 = 7 2013 -14 = 6</p>	<p>High focus on Inclusion through RE visits to religious places of worship, visitors to assembly, cultural celebrations in school and through assemblies</p> <p>Direct teaching of PHSE themes in class and through assemblies</p> <p>Targeted work where necessary (Walkers stadium, read racism the red card)</p> <p>Zero tolerance: all incidents are recorded and reported home to parents</p>

**REPORT OF THE TRUSTEES (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2014**

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<p><b>Attendance</b>  <b>2012-13 = 95.7%</b>                  This is just above the top 40% of schools nationally and would be considered good attendance by OFSTED</p> <p><b>2013-14 = 96.3%</b>                  This is above the top 40% of schools nationally and would be considered good attendance by</p>	<p>Celebration of weekly attendance in Friday assembly                  High focus on identifying those with persistent absence and attendance below 90%                  Effective systems for tracking attendance with EWO each month                  Effective day to day systems for dealing with children who are away                  Parents well informed of expectations around attendance and acceptable absence                  Targeted work through Family Support Worker</p>
<p><b>Bullying incidents:</b> only 3 serious incidents reported in 2013-14</p> <p><b>Pupil Survey Data 2014</b>                  94% of children agree that:                  I feel safe at school                  51% Strongly Agree, 43% Agree</p> <p>93% of children agree                  I know what to do if I am being bullied                  68% strongly agree, 25% agree</p>	<p>Review of bullying policy and effective recording systems with all staff                  Anti-bullying week                  E safety work on cyber bullying                  New tracking and recording has raised awareness                  Excellent systems for playground support and monitoring                  Working towards Anti Bullying Award (ABC)</p>

**REPORT OF THE TRUSTEES (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2014**

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**Key financial performance indicators**

In 2013/14 the Academy Trust set and maintained a balanced budget (before accounting for the pension deficit) carrying forward a surplus into 2014/15.

**FINANCIAL REVIEW****Financial and risk management objectives and policies**

At the Academy Trust, over 99% of income is grant driven and therefore there is minimal risk to credit, cash flow and liquidity. The greatest risk is a reduction in this grant funding due to legislative changes or to an unforeseen drop in pupil numbers that would lead to a decrease in funding received. A full risk register with actions is in place to monitor such risks.

The majority of the income is received from the Department for Education (DfE) via the Education Funding Agency in the form of the General Annual Grant (GAG); the use of this is restricted to the objects of the Academy Trust. The GAG received during the period covered by this report and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The Academy Trust received £18,005 of Devolved Formula Capital Grant (DFC) which is shown in the Statement of Financial Activities as restricted general funds.

Expenditure for the period covered by this report was covered by the GAG and other grants received from the DfE and other income, such as voluntary income and activities for generating funds.

The combined restricted 'general' fund and unrestricted fund show an operating surplus for the year (excluding the defined benefit pension scheme loss), of £72,504. This operating surplus is the result of detailed and tight budgeting and budget control procedures which were inherited from the former maintained school, and which have been firmly embedded in the Academy Trust's daily financial management in accordance with its financial procedures and the Academies Financial Handbook.

**Principal risks and uncertainties**

The principal risk facing the Academy Trust is insufficient demand for Academy Trust's services leaving it unsustainable. This would lead to a decrease in the grant funding received and the necessity to reorganise the Academy Trust to ensure it could remain with a balanced budget or a plan to get out of a deficit. Pupil numbers are monitored closely and the situation is considered fully by the senior leadership team and Trustees. A full risk register has been produced and is being monitored by the Trustees to ensure that risks are treated or tolerated depending on the urgency of the risk.

**Reserves policy**

As part of the monitoring of in-year financial performance the senior leadership team and Trustees monitor the forecast impact on reserves as part of medium term financial planning. Whilst recognising the need for prudence and the need to provide a suitable level of reserves for unforeseen circumstances, the Trustees acknowledge that the revenue funding provided to the Trust is to provide for the pupils within the Academy Trust at that time. It is therefore the policy to seek to maximise the use of revenue funds available for the pupils in the present cohort with any reserves being clearly identified as a contingency or for an agreed purpose.

Under Financial Reporting Standard Number 17 – Retirement Benefits (FRS17) it is necessary to charge projected deficits on the Local Government Pension Scheme that is provided for our support staff to a specific restricted reserve. As at 31 August 2014 the deficit on this reserve amounted to £396,000. It should be noted however that this does not present the Academy Trust with a current liquidity problem. Contributions to the pension scheme are being increased over the next few years in order to reduce the deficit and the situation will be monitored annually.

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 Accounting Policies.

**REPORT OF THE TRUSTEES (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2014**

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**Investments policy**

The Academy Trust maintains funds in a current account to provide for day to day operation. Cash flow projections are undertaken by the Bursar for the Academy Trust who has set up systems to invest surpluses into a higher interest account at the Saffron Building Society.

**PLANS FOR THE FUTURE****Future developments**

Humberstone Junior Academy provides an outstanding curriculum and has significantly higher than national average attainment and progress data. Standards have continued to rise year on year due to the strong focus on high quality teaching and learning, developing a culture of excellence and a strong team identity. The academy has significant first-hand experience of school improvement and effective models and approaches, which it is confident, can be successfully applied to other schools. Having managed special measures, the journey to academy status and supporting a number of schools locally and nationally, the academy has demonstrated excellent capacity to manage change and is highly committed to improving outcomes for children in Leicester City and beyond. In becoming an academy sponsor, we wish to raise expectations and aspirations for all children and their families within the trust and ensure that children are confident, skilled and ready for the next stage in their education.

In forming a multi-academy trust, it is intended that the MAT will maximise economies of scale with regard to purchasing and provision of key roles within the organisation such as leadership, business management, SEN provision and specialised pupil services. The academy envisages supporting three primary academies over a five year period (one in the first year, two in the third and three by the fifth year) It is also intended that current expertise around curriculum development and improving pupil outcomes quickly and effectively should be utilised across the trust in order to raise standards for a larger number of pupils.

**Provision of information to auditor**

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

- so far as that Trustee is aware, there is no relevant audit information of which the Academy Trust auditor is unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any information needed by the charitable company's auditor in connection with preparing its report and to establish that the charitable company's auditor is aware of that information.

**Auditor**

The auditor has indicated its willingness to continue in office. The Finance and Audit Committee will propose a motion re-appointing the auditor at a meeting of the Trustees.

This report was approved by order of the members of the governing body on 18<sup>th</sup> November 2014 and signed on its behalf by:

**P. Goulding**  
Chair

## GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2014

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### Scope of Responsibility

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

The Board of Trustees has delegated the day-to-day responsibility to the Headteacher, as Accounting Officer, for ensuring financial controls conform to the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between the Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

### Governance

The Board of Trustees consists of 9 Trustees including the Head teacher, Chair and other selected governors including two parent governors and two staff governors. It has one sub-committee designated as the Finance Committee.

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' responsibilities. The Trustees have formally met 4 times during the year. attendance at those meetings was as follows:

Trustee	Meetings Attended	Out of a possible
Mr Goulding (Chair)	3	4
Miss Williams (Head)	3	4
Mrs Gurney (Chair of Finance Committee)	4	4
Mr Hughes (Appointed January 2014)	2	2
Mr Wragg (Parent)	3	4
Mrs Lake (Parent)	4	4
Mrs Proud (Staff)	2	4
Ms Echeverria-White (Staff)	2	4
Ms Barradell (Resigned January 2014)	2	2

The Finance Committee is a sub-committee of the main Board of Trustees. Its purpose is to oversee the finances of the Academy Trust and to act as its Audit Committee. This Committee meet frequently during the year to scrutinise the accounts for the Academy Trust.

Trustee	Meetings attended	Out of a possible
Mr Goulding	6	6
Miss Williams	6	6
Mrs Gurney	6	6
Mr Hughes	5	6

**GOVERNANCE STATEMENT (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2014**

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**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 policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in the Academy Trust for the year 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 Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year 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 Trustees.

**The Risk and Control Framework**

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the governing body;
- 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.

The governing body has appointed an internal auditor - Bursar Financial Services Limited. Their role includes giving advice on the financial matters and performing a range of checks on the Academy Trust's financial systems.

On an annual basis, the internal auditor reports to the Board of Trustees, through the Finance and Audit committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

**GOVERNANCE STATEMENT (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2014**

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**Review of Effectiveness**

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

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

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance 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 Governing Body 18 November 2014 and signed on its behalf by:

**P. Goulding**  
Chair

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE  
FOR THE YEAR ENDED 31 AUGUST 2014**

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As accounting officer of Humberstone Junior Academy I have considered our responsibility to notify the Academy Trust Board of Trustees and the Education Funding Agency (EFA) 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 Trustees are able to identify any material irregular or improper use of funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook.

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date.

**Annemarie Williams**  
**Accounting Officer**

**18 November 2014**



**STATEMENT OF TRUSTEES' RESPONSIBILITIES  
FOR THE YEAR ENDED 31 AUGUST 2014**

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

Company law requires the Trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for the year. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls which conform to the requirements both of propriety and good financial management. They are also responsible for ensuring that grants received from the Education Funding Agency and Department for Education have been applied for the purposes intended.

In so far as the Trustees are aware:

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

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

**P. Goulding**  
**Chair**

**18 November 2014**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HUMBERSTONE JUNIOR ACADEMY FOR THE YEAR ENDED 31 AUGUST 2014**

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We have audited the financial statements of Humberstone Junior Academy 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy Trust and its members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of trustees and auditor**

As explained more fully in the Statement of Trustees' Responsibilities set out on page 14, the trustees (who are also the directors of the academy trust 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.

We have been appointed auditor under the Companies Act 2006 and report in accordance with this Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Academy Trust's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Annual 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 the 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HUMBERSTONE JUNIOR ACADEMY  
(CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2014**

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**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Trustees' Annual 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:

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

**Martin Jinks (Senior Statutory Auditor)  
For and on behalf of  
Somerbys Limited  
Chartered Accountants  
Statutory Auditor**

**18 November 2014**

**30 Nelson Street  
Leicester  
LE1 7BA**

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO HUMBERSTONE JUNIOR ACADEMY AND THE EDUCATION FUNDING AGENCY FOR THE YEAR ENDED 31 AUGUST 2014**

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In accordance with the terms of our engagement letter dated 21 August 2013 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 Humberstone Junior Academy during the year 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 Humberstone Junior Academy and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Humberstone Junior Academy 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 Humberstone Junior Academy and the EFA, for our work, for this report, or for the conclusion we have formed.

**Respective responsibilities of Humberstone Junior Academy's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Humberstone Junior Academy's funding agreement with the Secretary of State for Education dated July 2013 and the Academies Financial Handbook, extant from 1 September 2013 (updated October 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 year 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.

**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 year 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.

**Martin Jinks (Senior Statutory Auditor)**  
For and on behalf of  
**Somerbys Limited**  
Chartered Accountants  
Statutory Auditor

18 November 2014

30 Nelson Street  
Leicester  
LE1 7BA

**STATEMENT OF FINANCIAL ACTIVITIES  
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR TO 31 AUGUST 2014**

	Note	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	2014 Totals funds £
<b>Incoming resources</b>					
<b>Incoming resources from generated funds</b>					
Voluntary	2	20,116	257	-	20,373
Activities for generating funds	3	88,039	948	-	88,987
<b>Incoming resources from charitable activities</b>					
Funding for educational operations	4	-	1,609,902	-	1,609,902
		-----	-----	-----	-----
		108,155	1,611,107	-	1,719,262
<b>Total incoming resources</b>					
<b>Resources Expended</b>					
<b>Charitable activities</b>					
Educational operations	5	108,155	1,365,922	16,193	1,490,270
<b>Governance costs</b>	8	-	55,276	-	55,276
<b>Other resources expended</b>					
Transfer from predecessor school		-	101,212	-	101,212
		-----	-----	-----	-----
<b>Total incoming expended</b>		108,155	1,522,410	16,193	1,646,758
		-----	-----	-----	-----
<b>Net income/ (expenditure) for the period before transfers</b>		-	88,697	(16,193)	72,504
<b>Gross transfers between funds</b>		-	(206,392)	206,392	-
		-----	-----	-----	-----
<b>Net (expenditure)/ income for the period before other recognised gains and losses</b>		-	(117,695)	190,199	72,504
<b>Actuarial loss on defined benefit scheme</b>		-	(153,000)	-	(153,000)
		-----	-----	-----	-----
<b>Net movement in funds</b>		-	(270,695)	190,199	(80,496)
		-----	-----	-----	-----
<b>Total funds carried forward</b>	17	-	(270,695)	190,199	(80,496)
		=====	=====	=====	=====

**Continuing operations**

All incoming resources and resources expended arise from continuing activities.

A statement of total recognised gains and losses is not required as all gains and losses are included in the statement of financial activities.

**BALANCE SHEET  
AT 31 AUGUST 2014**

	Note	2014 £	2014 £
<b>Fixed assets</b>			
Tangible assets	13		190,199
<b>Current assets</b>			
Debtors	14	54,710	
Cash at bank and in hand		79,063	
		-----	
		133,773	
<b>Liabilities</b>			
Creditors: amount falling due within one year	15	8,468	
		-----	
<b>Net current assets</b>			125,305
			-----
<b>Total assets less current liabilities</b>			315,504
<b>Pension scheme liability</b>	16		(396,000)
			-----
<b>Net liability including pension liability</b>	17		(80,496)
			=====
<b>Funds of the academy trust:</b>			
<b>Restricted income funds</b>			
Restricted asset fund		190,199	
Restricted general fund		125,305	
Pension reserve		(396,000)	
		-----	
		(80,496)	
<b>Unrestricted income funds</b>			
General fund		-	
		-----	
			-
			-----
<b>Total funds</b>			(80,496)
			=====

The financial statements were approved by the Board of Trustees on 18 November 2014 and were signed on its behalf by:

.....  
**Annemarie Williams**  
**Accounting Officer**

**CASH FLOW STATEMENT  
FOR THE YEAR 1 AUGUST 2013 TO 31 AUGUST 2014**

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	Notes	2014 £
Net cash inflow from operating activities	A	285,455
Returns on investments and servicing of finance		-
Capital expenditure and financial investment	B	(206,392)
Increase in cash in the year		----- 79,063 =====
<b>Reconciliation of net cash flow to movement in net funds</b>	<b>C</b>	
Net funds at 1 August 2013		-
<b>Net funds at 31 August 2014</b>		----- 79,063 =====

**NOTES TO THE CASH FLOW STATEMENT  
FOR THE YEAR TO 31 AUGUST 2014**

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**A. Reconciliation of net income to net cash inflow from operating activities.**

	<b>2014 £</b>
Net incoming resources	72,504
Depreciation charges	16,193
Pension deficit on incorporation	169,000
FRS17 Pension cost less contributions payable (note16)	68,000
FRS17 Pension finance cost (note 16)	6,000
Increase in debtors	(54,710)
Increase in creditors	8,468
	-----
<b>Net cash inflow from operating activities</b>	<b>285,455</b>
	=====

**B. Capital expenditure and financial investment**

Purchase of tangible fixed assets	206,392
	-----
<b>Net cash outflow for capital expenditure and financial investment</b>	<b>206,392</b>
	=====

**C. Analysis of changes in net funds**

Net cash:	
Cash at bank and in hand	
Total	79,063
	=====



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR TO 31 AUGUST 2014**

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**1. Accounting policies**

The standard format for the financial statements, as required by the Companies Act 2006 schedule 4 part 1, has been adapted to provide more appropriate information which complies with the Statement Of Recommended Practice Accounting and Reporting by Charities' issued in March 2005 (Charities SORP 2005) and reflects the activities of the Academy Trust. The financial statements have been prepared under the historical cost convention in accordance with Applicable United Kingdom Accounting Standards, the Charities SORP 2005, the Academies Accounts Direction 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.

**1.1 Incoming resources****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 grant are reflected in the balance in the restricted fixed asset fund.

**Donations**

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

**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 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 the Academy Trust's accounting policies.

**Interest receivable**

Interest is included on a receivable basis where the amount can be quantified with reasonable accuracy.

**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.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR TO 31 AUGUST 2014**

---

**1. Accounting policies (continued)****1.2 Resources expended**

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. In accordance with the Charities SORP, expenditure has been analysed between the cost of generating funds, the Academy Trust's charitable activities and governance.

**Governance costs**

Governance costs include the cost attributable to the Academy Trust's compliance with constitutional and statutory requirements, including audit, strategic management and Trustees' meetings and reimbursed expenses. Such costs include both direct and allocated support costs. The Trustees are unable to quantify the value of management time spent in dealing with this area and therefore no such costs have been allocated to governance costs.

**Allocation and apportionment of costs**

Items of expenditure which involve more than one cost category have been apportioned on a reasonable, justifiable and consistent basis for the cost category concerned.

**1.3 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.

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Computer equipment	- 33% on cost
Fixtures and fittings	- 15% on cost
Property improvements	- 2% on cost

Tangible fixed assets acquired are included in the accounts at cost.

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). The depreciation on such assets is charged in the statement of financial activities over the expected useful economic life of the related asset on a basis consistent with the depreciation policy.

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

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

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR TO 31 AUGUST 2014**

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**1. Accounting policies (continued)****1.4 Leased Assets**

Rentals under operating leases are charged as incurred over the term of the lease.

Land and buildings are leased to the Academy Trust, on a 125 year lease, from the local authority who reserve the right to charge a rent.

Due to the nature of the agreements in place to occupy the land and buildings they are deemed to have nil value. Subsequently, they are not included within the financial statements.

**1.5 Taxation**

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Financial 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.

**1.6 Fund accounting**

Unrestricted funds can be used in accordance with the Academy Trust's objectives at the discretion of the Trustees.

Restricted funds can only be used for particular restricted purposes. Restrictions arise when specified by the DfE, other donors or when funds are raised for particular purposes.

**Restricted fixed asset fund**

In accordance with the DfE guidelines where funding has been used to acquire tangible fixed assets, the cost of the assets have been transferred to a restricted fixed asset fund, as detailed in the notes to the accounts.

**1.7 Pensions Benefits**

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes 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 prospective benefit method. As stated in Note 16, 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 amounts charged to the operating surplus are the current service costs and gains the losses on settlements 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 or losses.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR TO 31 AUGUST 2014**

**1.8 Going concern**

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy Trust to continue as a going concern. The Trustees make this assessment in respect of a period of one year from the date approval of the financial statements. The Trustees have considered the negative balance on the total funds at the period end and note that it has arisen as a result of the actuarial deficit reported by the Scheme Actuary. The Trustees do not consider that the actuarial deficit will crystallise in the foreseeable future and have therefore prepared the accounts on the going concern basis.

**2. Voluntary income**

	Unrestricted funds £	Restricted funds £	Total 2014 £
Donations	-	257	257
School trips	20,116	-	20,116
	-----	-----	-----
	20,116	257	20,373
	=====	=====	=====

**3. Activities for generating funds**

	Unrestricted funds £	Restricted funds £	Total 2014 £
Hire of facilities	1,960	-	1,960
Catering income	26,474	-	26,474
Swimming	4,743	-	4,743
Other income	54,862	948	55,810
	-----	-----	-----
	88,039	948	88,987
	=====	=====	=====

**4. Funding for the Academy Trusts' educational operations**

	Unrestricted funds £	Restricted funds £	Total 2014 £
<b>DFE/EFA Grants</b>			
General Annual Grant (GAG)	-	1,557,162	1,557,162
Capital Grants	-	18,005	18,005
Other DFE/EFA grants	-	9,735	9,735
Start up Grants	-	25,000	25,000
	-----	-----	-----
	-	1,609,902	1,609,902
	=====	=====	=====

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR TO 31 AUGUST 2014**

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**5. Charitable activities costs**

	Direct costs (note 7) £	Support costs (note 8) £	2014 Total £
Educational operations	811,665	678,605	1,490,270
	=====	=====	=====

**6. Direct costs of charitable activities**

	2014 £
Staff costs	663,621
Books, apparatus and stationery	90,402
Other direct costs	11,375
Staff development	7,810
School trips	22,264
Depreciation	16,193
	-----
	811,665
	=====

**7. Support costs**

All support costs which were judged to be in support of the Academy Trust's educational operations, are as follows:

	2014 £
Staff costs	418,732
Rent and rates	8,743
Insurance	28,706
Light and heat	30,300
Postage and stationery	10,988
Maintenance of premises and equipment	19,102
Cleaning	1,620
Technology costs	16,459
Catering	59,684
Other support costs	7,131
Transport	3,140
Pension costs less contributions payable	68,000
Pension finance cost	6,000
	-----
	678,605
	=====

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR TO 31 AUGUST 2014**

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**8. Governance costs**

	<b>2014</b>
	<b>£</b>
Personnel fees	49,926
Auditor's remuneration	5,350
	-----
	55,276
	=====

**9. Net incoming resources**

	<b>2014</b>
	<b>£</b>
Net resources are stated after charging:	
Operating leases	6,818
Auditor's remuneration	5,350
Depreciation	16,193
	=====

**10. Trustees' remuneration and expenses**

The Principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Principal and staff, and not in respect of their services as Trustees.

Miss A Williams (Principal and Trustee) £65,001-£70,000 per annum

Mrs J Echeverria-White (staff Trustee) £25,001-£30,000 per annum

Mrs E Proud (staff Trustee) £20,001-£25,000 per annum

No Trustee received any reimbursed expenses, in relation to their role as Trustee, during the year.

No Trustee received any remuneration during the period other than in respect of their role as Principal or staff.

**11. Staff costs**

	<b>2014</b>
	<b>£</b>
Wages and salaries	878,814
Social security costs	59,005
Other pension costs	127,932
	-----
	1,065,751
Agency supply staff costs	16,426
Other staff related costs	176
	-----
	1,082,353
	=====

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR YEAR TO 31 AUGUST 2014**

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**11. Staff costs (continued)**

The average number of employees during the period, expressed as a full time equivalent, was as follows:

	<b>2014</b>
Teachers	16
Administration and support staff	17
	-----
	33
	=====

The number of employees whose emoluments exceeded £60,000 per annum was:

	<b>2014</b>
£60,001-£70,000 per annum (excluding employers' pension contributions)	1
	=====

The above employee participated in the Teachers' Pension Scheme. During the year ended 31 August 2014 employer's pension contributions amounted to £9,869.

**12. Trustees' and officers' insurance**

In accordance with normal commercial practice the Academy Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omission occurring, whilst on Academy Trust business. The insurance provides cover up to £1 million on any claim and the cost for the period ended 31 August 2014 was £544.

**13. Tangible fixed assets**

	<b>Improvements to property £</b>	<b>Fixtures and fittings £</b>	<b>Computer equipment £</b>	<b>Totals £</b>
<b>Cost</b>				
Additions	165,218	3,880	37,294	206,392
	-----	-----	-----	-----
As at 31 August 2014	165,218	3,880	37,294	206,392
<b>Depreciation</b>				
Charge for period	3,304	582	12,307	16,193
	-----	-----	-----	-----
As at 31 August 2014	3,304	582	12,307	16,193
<b>Net book value</b>				
At 31 August 2014	161,914	3,298	24,987	190,199
	=====	=====	=====	=====

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR TO 31 AUGUST 2014**

---

**14. Debtors**

	<b>2014</b>
	<b>£</b>
Trade debtors	662
VAT	29,571
Prepayments and accrued income	24,477
	-----
	54,710
	=====

**15. Creditors: amounts falling due within one year**

	<b>2014</b>
	<b>£</b>
Accrued expenses	8,468
	-----
	8,468
	=====



**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR TO 31 AUGUST 2014**

---

**16. Pension commitments**

The Academy Trust 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 Local 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 was 31 March 2004 and of the LGPS 31 March 2013.

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

**Teachers' Pension Scheme****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' Pensions 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**

At the last valuation, the contribution rate to be paid into the TPS was assessed in two parts. First, a standard contribution rate (SCR) was determined. This is the contribution, expressed as a percentage of the salaries of teachers and lecturers in service or entering service during the period over which the contribution rate applies, which if it were paid over the entire active service of these teachers and lecturers would broadly defray the cost of benefits payable in respect of that service. Secondly, a supplementary contribution is payable if, as a result of the actuarial review, it is found that accumulated liabilities of the account for benefits to past and present teachers, are not fully covered by standard contributions to be paid in future and by the notional fund built up from past contributions. The total contribution rate payable is the sum of the SCR and the supplementary contribution rate.

The last valuation of the TPS related to the period 1 April 2001 to 31 March 2004. The Government Actuary's report of October 2006 revealed that the total liabilities of the Scheme (pensions in payment and the estimated cost of future benefits) amounted to £166,500 million. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at that valuation date) was £163,240 million. The assumed real rate of return was 3.5% in excess of prices and 2% in excess of earnings. The rate of real earnings growth was assumed to be 1.5%. The assumed gross rate of return was 6.5%. From 1 January 2007, the SCR was assessed at 19.75%, and the supplementary contribution rate was assessed to be 0.75% (to balance assets and liabilities as required by the regulations within 15 years). This resulted in a total contribution rate of 20.5%, which translated into an employee contribution rate of 6.4% and employer contribution rate of 14.1% payable.

The Public Service Pensions Bill provides for future scheme valuations to be conducted in accordance with Treasury directions. The actuarial valuation report in summer 2014 takes effect from September 2015.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR TO 31 AUGUST 2014

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### 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 is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the academy 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 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 £79,000, of which employer's contributions totalled £60,000 and employees' contributions totalled £19,000.

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.

### Local Government Pension Scheme (continued) Principal Actuarial Assumptions

	<b>At 31 August 2014</b>
Rate of increase in salaries	4.4%
Rate of increase for pensions in payment/inflation	2.6%
Discount rate for scheme liabilities	3.7%
Inflation assumption (CPI)	5.5%

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR TO 31 AUGUST 2014**

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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**

**Retiring today**

Males	22-2 years
Females	24-3 years

**Retiring in 20 years**

Males	24-2 years
Females	26-6 years

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

	<b>Expected return at 31 August 2014</b>	<b>Fair value at 31 August 2014 £000</b>
Equities	6.3%	342
Bonds	3.3%	83
Property	4.5%	49
Cash	3.3%	15
		-----
<b>Total market value of assets</b>		489
Present value of scheme liabilities		
- Funded		(885)
		-----
<b>Deficit in the scheme</b>		(396)
		=====

None of the fair values shown above include any of the Academy's own financial assets, or any property occupied by, or other assets used by the Academy.

The actual return on scheme assets was £5,000.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR TO 31 AUGUST 2014**

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

	<b>2014</b> <b>£000</b>
Current service cost (net of employee contributions)	73
Past service cost	
	-----
Total operating charge	73
	-----
<b>Analysis of pension finance income / (costs)</b>	
Expected return on pension scheme assets	26
Interest on pension liabilities	32
	-----
<b>Pension finance income / (costs)</b>	<b>(6)</b>
	=====

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 £153,000 loss.

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

	<b>2014</b> <b>£000</b>
<b>At 1 September 2013</b>	224
Current service cost	73
Interest cost	32
Employer contributions	(60)
Actuarial losses	153
Expected return on assets	(26)
	-----
<b>At 31 August 2014</b>	<b>396</b>
	=====

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

	<b>2014</b> <b>£000</b>
<b>At 1 September 2013</b>	379
Expected return on assets	26
Actuarial gain/(loss)	5
Employer contributions	60
Employee contributions	19
Estimated benefits paid	-
	-----
<b>At 31 August 2014</b>	<b>489</b>
	=====

The estimated value of employer contributions for the year ended 31 August 2015 is £58,000.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR TO 31 AUGUST 2014**

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History of experience adjustments is as follows:

	<b>2014 £000</b>
Present value of defined benefit obligations	(885)
Fair value of share of scheme assets	489
<b>Deficit in the scheme</b>	<b>(396)</b>
Experience adjustments on share of scheme assets	5
Experience adjustments on scheme liabilities:	-

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR TO 31 AUGUST 2014**

**17. Funds**

	Incoming Resources £	Resources Expended £	Gains Losses and Transfers £	Balance at 31 August 2014 £
<b>Restricted general funds</b>				
General Annual Grant (GAG)	1,593,102	(1,418,780)	(49,017)	125,305
Other DfE/EFA grants	18,005	(2,418)	(15,587)	-
Funds inherited on conversion	-	(101,212)	101,212	-
Pension reserve	-	-	(369,000)	(396,000)
	-----	-----	-----	-----
	1,611,107	(1,522,410)	(359,392)	(270,695)
	-----	-----	-----	-----
<b>Restricted fixed asset funds</b>				
DfE/EFA capital grants	-	-	-	-
Capital expenditure from GAG	-	(16,193)	206,392	190,199
Other capital grants	-	-	-	-
	-----	-----	-----	-----
	-	(16,193)	206,392	190,199
	-----	-----	-----	-----
<b>Total restricted funds</b>	-----	-----	-----	-----
	1,611,107	(1,538,603)	(153,000)	(80,496)
	-----	-----	-----	-----
<b>Unrestricted funds</b>				
Unrestricted funds	108,155	(108,155)	-	-
	-----	-----	-----	-----
<b>Total unrestricted funds</b>	-----	-----	-----	-----
	108,155	(108,155)	-	-
	-----	-----	-----	-----
<b>Total funds</b>	-----	-----	-----	-----
	1,719,262	(1,646,758)	(153,000)	(80,496)
	=====	=====	=====	=====

- Department for Education General Annual Grant is used for general purposes at the discretion of the Academy Trust and includes funding to the Academy Trust for, amongst other things, pupils with statements of special educational needs and pupil premium.
- Other DfE/EFA grants includes devolved capital.
- Pension reserve – the costs, income associated with the defined benefit pension scheme, the local government pension scheme (LGPS) have been recorded in the GAG restricted fund, and then transferred to the restricted pension fund on the Statement of Financial Activities. Gains and losses associated with the pension scheme are shown in the restricted pension fund.

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

**Transfers between funds**

During the year the £206,392 has been treated as a transfer between restricted general funds and restricted fixed assets funds in relation to the funding of capital additions in accordance with the DfE guidelines.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR TO 31 AUGUST 2014**

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**18. Analysis of Net Assets between Funds**

Fund balances at 31 August 2014 are represented by:

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds £
Tangible fixed assets	-	-	190,199	190,199
Current assets	-	133,773	-	133,773
Current liabilities	-	(8,468)	-	(8,468)
Pension scheme liability	-	(396,000)	-	(396,000)
	-----	-----	-----	-----
<b>Total net assets</b>	-	(270,695)	190,199	80,496
	=====	=====	=====	=====

**19. Financial commitments**

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

	2014 £
<b>Other than land and buildings:</b>	
Expiring within one year	359
Expiring between two and five years	5,072
Expiring after five years	520
	=====

**20. Related party disclosures**

No known material related party transactions took place in the year to 31 August 2014.

**21. Ultimate controlling party**

The Trustees have ultimate control of the Academy Trust.

**22. Members' liability**

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