

HUNSLEY TRUST (A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2012



Company Registration No 7542211 (England)

HUNSLEY TRUST

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HUNSLEY TRUST

REFERENCE AND ADMINISTRATIVE INFORMATION OF THE ACADEMY – MEMBERS, GOVERNORS AND ADVISORS

Members	Mr D Gilmour Mr R Swain Mrs T Beasley
Governors (*members of the Management (including Finance) Committee)	Miss C Abbott* (Executive Principal and Accounting Officer) Mr D Gilmour* Mr R Swain* Mr P Bird Mr P Ness Mrs A Kay (resigned 15 December 2011) Mr C Hatfield* Mr D Starr* Mr P Hall* Miss N Hornsby* Mr T Walker Dr A Lucy* (resigned 13 August 2012) Mr P Nicholson Mrs N Wicks* Mrs R D'Arcy* Miss S Derry* Revd J R Walker Mr P Wong* (appointed 16 January 2012) Mr N Gill (appointed 17 January 2012) Mrs K Dow (appointed 27 January 2012)
Company Secretary and Clerk to the Governors	Mrs H Giddings
Senior Management Team (which also includes the Company Secretary above) <ul style="list-style-type: none">- Head of School- Finance Director- Human Resources Director	Mr J Uttley Mrs J Jewitt Mrs L Pipes
Principal and Registered Office	East Dale Road, Melton North Fernby HU14 3HS
Company Registration Number	7542211 (England and Wales)
Independent Auditor	Forrester Boyd 26 South Saint Mary's Gate Grimsby DN31 1LW
Bankers	HSBC Bank plc Ment House Priory Park West Saxon Way Hessle HU13 9PB
Solicitors	Eversheds Solicitors LLP Bridgewater Place WaterLane Leeds LS11 5DR

HUNSLEY TRUST

REPORT OF THE TRUSTEES AND GOVERNORS 31 AUGUST 2012

The Trustees (hereafter referred to as Members) and Governors present their report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2012

Structure, Governance and Management

Constitution

Hunsley Trust is an Academy Trust being a private 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 Academy Trust is governed by its Members who delegate their responsibilities to the Governing Body, in accordance with Article 94 of the Articles of Association of the company. This states that "the business of the Academy Trust shall be managed by the Governors who may exercise all the powers of the Academy Trust". Therefore the Members and Governors jointly present their report together with the financial statements of the charitable company for the year ended 31 August 2012.

The Charitable Company is known as Hunsley Trust.

The Members' role is more of a compliance role with less involvement in the management of the company, as day-to-day management decisions are made collectively through the Governing Body, appointed by the Members and the Governing Body.

Details of the Members and Governors who served throughout the year are included in the Reference and Administrative Information details on page 2.

The financial statements have been prepared in accordance with the accounting policies on page 23 to 25, and comply with the Charitable Company's memorandum and articles of association, the Companies Act 2006, and the requirements of the Statement of Recommended Practice "Accounting and Reporting by Charities" as revised in 2005 ('SORP 2005').

Members' Liability

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

Governors' Indemnity

During the year the Academy Trust had in place third party indemnity provisions for the benefit of the Academy Trust's Members and Governors.

Principal Activities

The Academy Trust's principal objectives are specifically restricted for the public benefit to -

- (a) Advancing 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, and

HUNSLEY TRUST

REPORT OF THE TRUSTEES AND GOVERNORS 31 AUGUST 2012 (continued)

Principal Activities (continued)

- (b) Promoting for the benefit of the inhabitants of Melton, North Ferriby and 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 social welfare and with the object of improving the condition of life of the said inhabitants

Recruitment and Appointment of Governors

As stated above the Governors are appointed by the Members and Governing Body and are responsible for the day to day management of the Academy, exercising all the powers of the Members as stated in Article 94 Any changes to Governors are listed on page 2

Full details relating to the appointment and removal of Governors are contained in the Articles of Association with a brief summary given below

The Members may appoint up to 18 Governors with their term of office being 4 years (except for the Principal Headteacher) Subject to remaining eligible any Governor may be re-appointed or re-elected Up to 5 Staff Governors (including the Executive Principal) may be appointed by such processes as the Members may determine providing that the number of Staff Governors does not exceed one third of the total number of Governors (including the Executive Principal) The Executive Principal is treated as an ex officio Governor

A minimum of 2 Parent Governors shall, if necessary, be elected by parents of registered pupils at the Academy and the Parent Governors must be a parent of a pupil at the Academy when they were elected The LA can appoint 1 LA Governor The Governors may appoint up to 3 Co-opted Governors including employees of the Academy providing that the number of Staff Governors does not exceed one third of the total number of Governors (including the Executive Principal)

The Secretary of State may also appoint additional Governors if he feels it appropriate and ultimately has the power to in effect take over the Governance of the Academy The Secretary of State has not appointed any additional Governors

During the year under review the Governors held 4 formal meetings in December 2011, March 2012, June 2012 and July 2012

Policies and Procedures Adopted for the Induction and Training of Governors

All new governors are inducted into their role by the Chair of Governors and the Executive Principal along with the support of the Clerk to the Governing Body to ensure that they understand their governor responsibilities and duties as a Director

Governor training is provided as required either on request by the governors or on the recommendation of the Executive Principal Training this year has covered admissions, exclusions, corporate manslaughter and roles and responsibilities of academy governors

Organisational Structure

The Governing Body has established four committees to carry out its work effectively These are the Personnel Committee, Curriculum Committee, Premises and Health and Safety Committee, and Management Committee (covering finance) In addition a number of ad-hoc Committees and Panels meet to deliver specific tasks as set out in the Academy's Scheme of Delegation The four main Committees each met at least twice during this year

HUNSLEY TRUST

REPORT OF THE TRUSTEES AND GOVERNORS 31 AUGUST 2012 (continued)

Risk Management

The Governors annually assess the major risks to which the Academy is exposed, in particular those relating to leadership and teaching, provision of facilities and other operational areas of the Academy and its finances. Governors annually review the systems in place to assess risks that the school faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance. This annual review, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds) and internal financial controls (see below) is completed in order to minimise risk.

Subsidiary company

There are currently no subsidiary companies.

Connected organisations, including related party relationships

The Academy Trust currently has no connected organisations or related party relationships.

Objects and Aims

The main objects of the Academy Trust are

- (a) Advancing 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, and
- (b) Promoting for the benefit of the inhabitants of Melton, North Ferriby and 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 social welfare and with the object of improving the condition of life of the said inhabitants.

Objectivities, Strategies and Activities

The main objective between 1 September 2011 to 31 August 2012 was to deliver a high quality, enjoyable education experience which ensured successful outcomes and achievement for all students whilst embedding Academy structures, systems, policies and procedures.

Over the longer term the main objectives of the Academy Trust are

- To offer a broad and balanced curriculum allowing all our students to experience an engaging, creative and technologically enriched education.
- To secure the highest quality learning environment that will equip our learners with the skills required for work.
- To deliver a wide range of opportunities for students to gain both academic and life experience skills through trips, visits and other outside the classroom activities.
- To ensure that every student achieves their full potential through a combination of academic and pastoral support.
- To co-operate with other organisations, including exchanging information and advice, to advance education in the United Kingdom.
- To promote for the benefit of the inhabitants of Melton and surrounding areas the provision of facilities for educational, recreational or other leisure time activities.

HUNSLEY TRUST

REPORT OF THE TRUSTEES AND GOVERNORS 31 AUGUST 2012 (continued)

Equal Opportunities Policy

The Governors recognise that equal opportunities should be an integral part of good practice within the workplace. The Academy aims to maintain equal opportunity in all areas of its activities including creating a working environment in which the contribution and needs of all people are fully valued.

Disabled Persons

The policy of the Academy is to support recruitment and retention of students and employees with disabilities. The Academy supports this by adapting the physical environment wherever possible, by making support resources available and through training and career development. New buildings and improvements to existing buildings all recognise the need to be fully DDA compliant.

Public Benefit

We have referred to the public benefit guidance contained in the Charity Commission general guidance when reviewing the Academy's aims and objectives and in planning future activities. The availability and access to the public of the Academy Trust's facilities is a key object within the Articles of Association.

Achievements and Performance

Our students taking A Levels in 2012 achieved a 100% pass rate. Overall our A Level results remained broadly average and in line with levels of achievement reported by our Sixth Form College in previous years. 48% of students achieved A*-B grades and 76% A*-C grades, maintaining the high standards of achievement.

The high standards in GCSE results were also maintained in 2012 with 68% of students achieving 5 or more A*-C including English and Maths. Our students achieved 83% A*-C in Maths which is a 12% increase on the previous year and puts our Maths provision in the top 25% in the Country. Overall, 91% of students achieved 5 or more A*-C GCSE grades.

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.

Key Financial Performance Indicators

The academy produces monthly budget to actual reports to monitor its on-going progress against target. At the year ended 31 August 2012 income was 2% higher than expected, staff costs were 1% less than expected and the overall surplus position was within 10% of the expected position.

The academy understands that its biggest expense is staff costs and that this must be carefully monitored. The academy expects that staff costs should be less than 80% of income in order to remain efficient. In the year to 31 August 2012 staff costs are 66.4% of incoming resources.

HUNSLEY TRUST

REPORT OF THE TRUSTEES AND GOVERNORS 31 AUGUST 2012 (continued)

Financial Review

Financial report for the year

The financial results for the year were as expected. Additional monies have been spent on improvements during the year, which were not originally budgeted for, but were deemed to be of benefit whilst the school was in a strong surplus position. The formal lease agreements for the use of land and buildings have still not been completed which means that the Academy Trust currently only occupies them on a tenancy at will basis.

The Academy's main source of income (the General Annual Grant (GAG)) consists mainly of the funding for pupils aged between 11 and 16. This income is based on the "replication model" of the Local Authority's funding formula, the funding for post 16 pupils which is based on a formula administered by the EFA, and LACSEG (Local Authority Central Spend Equivalent Grant) which is a grant to cover responsibilities transferred from the Local Authority to the Academy Trust.

In addition to the educational operations of the Academy Trust, four other related operations have been performed, these are:

- Outreach work at other schools
- The Catering Service, which provides meals to students and staff as well as conference/venue hire for the public
- The Sports Centre and facilities, which when not used by the Academy, are made available to the public, and
- The Academy Trust acts as administrative agent for a number of schools for the Schools Sports Partnership

Careful financial management had enabled South Hunsley School and Sixth Form to operate with a surplus balance. At 31 August 2012 balances on the restricted and unrestricted funds of £432,000 surplus and £1,915,000 surplus were carried forward.

The Academy's non-teaching staff are entitled to membership of the Local Government Pension Scheme (LGPS). The balance at 31 August 2012 was a net liability of £1,759,000 this had increased from the balance 31 August 2011 which was £1,329,000. The pension scheme as a whole has performed as expected but current market conditions have led to a large actuarial loss in the current financial year. We are currently reviewing our long term LGPS position and what safeguards, if any, we would be able to adopt to reduce the current market volatility is having on the financial results. The employers' contribution rate has also changed during the year reducing from 25.6% to 22.2%.

The Academy needs to increase classroom capacity due to residential developments within the catchment area and option appraisal work commenced in autumn 2012. Any expansion will utilise a large amount of the Academy's carried forward resources.

Financial and Risk Management Objectives and Policies

As noted in the 'Risk Management' section above, the Governors are reviewing a number of systems to assess risks that the school faces and they 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 has an effective system of internal financial controls and this is explained in more detail in the following statement:

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REPORT OF THE TRUSTEES AND GOVERNORS 31 AUGUST 2012 (continued)

Financial and Risk Management Objectives and Policies (continued)

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 risks the Academy faces,
 - the level of risks which they regard as acceptable,
 - the likelihood of the risks materialising,
 - the Academy's ability to reduce the incidence and impact on the Academy'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's operations so that it becomes part of the culture of the Academy,
- developed systems to respond quickly to evolving risks arising from factors within the Academy and to changes in the external environment, and
- included procedures for reporting failings immediately to appropriate levels of management and the governors together with details of corrective action being undertaken

Principal Risks and Uncertainties

The Academy has identified principal risks and uncertainties including

- Income reduction as a result of changes to the national funding formula for students in both the Secondary School and Sixth Form College
- On-going national curriculum changes and educational reforms
- Future LGPS actuarial losses
- Depreciation costs on the land and buildings once the lease is signed with the local authority (The trust is current a tenant at will in the buildings)
- Significant growth in projected student numbers over the next 10 years due to housing developments within the catchment area and potential effects on education provision

Reserves policy

The Governors review the reserve levels of the Academy Trust annually. The 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 receipt of grants and spending, and are able to deal with unexpected emergencies that may arise such as emergency maintenance. The Academy Trust's current level of general reserves is £952,000 (2011 £1,187,000). 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.

Investment policy

The Academy Trust aims to manage its cash balances to provide for the day-to-day working capital requirements of its operations, whilst protecting the real long term value of any surplus cash balances against inflation. In addition, the Academy Trust aims to invest surplus cash funds to optimise returns, but ensuring the investment instruments are such that there is no risk to the loss of these cash funds.

HUNSLEY TRUST

REPORT OF THE TRUSTEES AND GOVERNORS 31 AUGUST 2012 (continued)

Investment Policy (continued)

The main purpose of the Academy Trust's investment policy is to,

- ensure adequate cash balances are maintained in the current account to cover day to day working capital requirements
- ensure there is no risk of loss in the capital value of any cash funds invested
- protect the capital value of any invested funds against inflation
- optimise returns on invested funds

Plans for future periods

The rate of change in education in England over the next three years will be very fast. We have to respond to the changes approaching us with real skill, ensuring that we shape these changes to meet our core purpose and our vision for our school, while remaining true to our shared values.

Whilst it is difficult to predict projected student numbers with absolute certainty, we know that our numbers are set to rise simply because of the students who are already in our primary schools. We also know that there will be a new housing development in Brough South and this will also generate an increase in student numbers. Using the figures generated by the developers and the local authority, we anticipate that we must make provision for an increase of 150 students in main school, making a student body, 11-16, of 1750.

In order to continue to develop with consistency and coherence, we have agreed the following three key themes for school development planning over the next year:

- Distinction and high achievement
Securing outstanding outcomes for all our young people at all stages of their school career and continuing to create a culture that encourages and celebrates achievements of all kinds
- Limitless potential
Continuing to create systems of support to ensure that all young people are able to aspire to greatness and thrive in all areas of their lives
- Learning for its own sake
Working relentlessly to develop a love of learning in our young people through focusing on outstanding classroom practice, assessment, differentiation and challenge

Key activities include:

- Reviewing pastoral and learning support structures for students to create smaller pastoral groups so that we can create the personalised support that is vital to successful outcomes
- Establishing a long term strategy for estates management to ensure that we have the capacity to develop and extend as our school numbers grow
- Implementation of a new leadership structure to secure the continuation of high attainment and achievement as the organisation expands
- Reviewing curriculum provision

Auditor

So far as the Members and Governors are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware, and
- the Members and Governors have taken all the steps that they ought to have taken as Members and Governors in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information

HUNSLEY TRUST

Appointment of Auditor

The independent auditors, Forrester Boyd, were appointed up to and including 31 August 2012. A further tender exercise will be conducted upon finalisation of this audit to appoint an auditor for the period ending 31 August 2013.

The report of the Members and Governors was approved on 20 December 2012 and signed on their behalf by

A handwritten signature in black ink, appearing to read 'D Gilmour', with a stylized flourish at the end.

Mr D Gilmour
Chair

HUNSLEY TRUST

GOVERNANCE STATEMENT 31 AUGUST 2012

Scope of Responsibility

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

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

Governance

The information on governance included here supplements that described in the Governors' Report and in the Statement of the Academy Trust and Governing Body Responsibilities. The governing body has formally met 4 times during the year. Attendance during the year at meetings of the governing body was as follows:

Governor	Meetings attended	Out of a possible
D Gilmour (Chair of Governors)	3	4
R Swain	3	4
P Nicholson (Responsible Officer and Vice Chair of Governors)	2	4
P Bird	2	4
R D'Arcy (Associate Staff Governor)	2	4
S Derry (Teaching Staff Governor)	4	4
P Ness	1	4
A Kay (Resigned 15 December 2011)	1	1
C Hatfield	4	4
D Starr	1	4
P Hall	3	4
N Hornsby	2	4
T Walker	2	4
A Lucy (resigned 13 August 2012)	2	4
N Wicks	3	4
P Wong (appointed 16 January 2012)	3	3
N Gill (appointed 17 January 2012)	3	3
K Dow (appointed 27 January 2012 Member Staff Governor)	3	3
C Abbott (Executive Principal and accounting officer)	4	4

HUNSLEY TRUST

GOVERNANCE STATEMENT 31 AUGUST 2012 (continued)

The Management Committee is a sub-committee of the main governing body. Its purpose is to make recommendations to the Governing Body regarding statutory and non-statutory policies and financial matters. Attendance at meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
D Gilmour (Chair)	2	3
R Swain	2	3
D Starr	1	3
N Wicks	3	3
R D'Arcy	2	3
S Derry	3	3
C Abbott	3	3
P Hall	2	3
A Lucy (sat on committee as Chair of Premises, not re-elected in Spring due to intention to resign governor post)	2	2
N Hornsby (Vice Chair)	3	3
P Wong (appointed to committee on 19 July 2012)	0	0
C Hatfield (appointed as Chair of Premises at Spring meeting)	1	1

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 at the Academy Trust for the year ended 31 August 2012 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The governing body has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The governing body is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the year ending 31 August 2012 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the governing body.

HUNSLEY TRUST

GOVERNANCE STATEMENT 31 AUGUST 2012 (continued)

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 Management Committee of reports which indicate financial performance against the forecasts,
- 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 P Nicholson, a Governor, 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 testing element of the RO work is carried out on behalf of the RO by a firm of chartered accountants and is delivered in line with the EFA requirements. On a termly basis, 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. There have been no material control issues identified by the RO during the year.

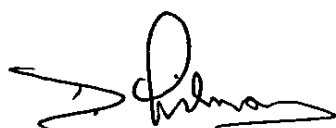
Review of Effectiveness

As accounting officer, the Executive Principal has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by

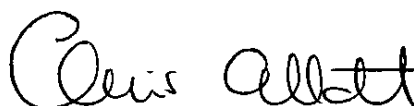
- the work of the Responsible Officer,
- the work of the external auditor,
- the financial management and governance self-assessment process,
- the work of the senior leadership team and executive board within the Academy Trust who have responsibility for the development and maintenance of the internal 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 Management 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 on 20 December 2012 and signed on its behalf by



D Gilmour
Chair



C Abbott
Accounting officer

HUNSLEY TRUST

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE 31 AUGUST 2012

As accounting officer of Hunsley Academy Trust I have considered my responsibility to notify the academy trust governing body 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 governing body 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.

A handwritten signature in black ink, appearing to read 'C Abbott', with a stylized flourish at the end.

C Abbott
Accounting officer

HUNSLEY TRUST

STATEMENT OF THE ACADEMY TRUST AND GOVERNING BODY RESPONSIBILITIES

The governors (who act as trustees for charitable activities of the Academy Trust Limited 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 Requirements 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 its income and expenditure, for that period. In preparing these financial statements, the governors are required to


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

The governors are responsible for keeping adequate accounting records that are sufficient to show and explain the Charitable Company's transactions 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 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 the corporate and financial information included on the Charitable Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by order of the members of the Governing Body on 20 December 2012 and signed on its behalf by



Mr D Gilmour
Chair

HUNSLEY TRUST

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES AND GOVERNORS OF HUNSLEY TRUST 31 AUGUST 2012

We have audited the financial statements of Hunsley Trust for the year ended 31 August 2012, which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, Balance Sheet, Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's trustees, 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 charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its trustees 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 14) 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 (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the 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. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements

In our opinion the financial statements

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2012 and of its incoming resources and application of resources, including its income and expenditure, for the period then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and the Annual Accounts Direction issued by the Education Funding Agency, and
- have been prepared in accordance with the requirements of the Companies Act 2006

HUNSLEY TRUST

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES AND GOVERNORS OF HUNSLEY TRUST 31 AUGUST 2012 (continued)

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Governors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception

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

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



Kevin Hopper ACA (Senior Statutory Auditor)
For and on behalf of Forrester Boyd, Statutory Auditor

26 South St Mary's Gate
Grimsby
North East Lincolnshire
DN31 1LW

21 December 2012

HUNSLEY TRUST

INDEPENDENT AUDITORS' REPORT ON REGULARITY TO THE GOVERNING BODY OF HUNSLEY TRUST AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 8 November 2012 and further to the requirements of the Education Funding Authority (EFA), we have carried out a review to obtain assurance about whether, in all material respects, the expenditure disbursed and income received by the academy trust during the year ended 31 August 2012 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them

This report is made solely to the governing body and the EFA. Our review work has been undertaken so that we may state to the governing body and the EFA those matters we are required to state to it in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume any responsibility to anyone other than the governing body and the EFA, for our review work, for this report, or for the opinion we have formed.

Respective responsibilities of the governing body and Auditors

The governing body is responsible, under the requirements of the Academies Act 2010, subsequent legislation and related regulations, 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 review are established in the United Kingdom by our profession's ethical guidance and the audit guidance set out in the EFA's Financial Handbook and Accounts Direction. We report to you whether, in our opinion, anything has come to our attention in carrying out our review which suggests that in all material respects, expenditure disbursed and income received during the year ended 31 August 2012 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Basis of opinion

We conducted our review in accordance with the Academies Handbook and the Accounts Direction issued by the EFA.

Opinion

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 ended 31 August 2012 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Forrester Boyd, Statutory Auditor

26 South St Mary's Gate
Grimsby
North East Lincolnshire
DN31 1LW

21 December 2012

HUNSLEY TRUST

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2012 (including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Notes	Unrestricted Funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Funds £'000	Year total 2012 £'000	5 months total 2011 £'000
Incoming resources						
Incoming resources from generated funds						
Voluntary income	3	22	-	37	59	1,759
Activities for generating funds	4	1,352	40	-	1,392	510
Investment income	5	-	-	-	-	4
Incoming resources from charitable activities						
Funding for the Academy's educational operations	6	-	9,610	-	9,610	4,844
Total incoming resources		1,374	9,650	37	11,061	7,117
Resources expended						
Cost of generating funds						
Costs of generating voluntary income		-	-	-	-	47
Costs of activities for generating funds		1,203	-	-	1,203	444
Charitable activities						
Academy's educational operations	8	-	8,625	152	8,777	3,371
Governance costs	9	-	50	-	50	47
Other finance costs	27	-	56	-	56	24
Total resources expended	7	1,203	8,731	152	10,086	3,933
Net incoming resources before transfers		171	919	(115)	975	3,184
Exceptional item – transfer of pension fund	27	-	-	-	-	(1,430)
Gross transfers between funds		-	(859)	859	-	-
Net income for the year		171	60	744	975	1,754
Other recognised gains and losses						
Actuarial gains on defined benefit pension schemes	27	-	(466)	-	(466)	84
Net movement in funds		171	(406)	744	509	1,838

HUNSLEY TRUST

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2012 (including Income and Expenditure Account and Statement of Total Recognised Gains and Losses) (continued)

	Unrestricted Funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Funds £'000	Year total 2012 £'000	5 months total 2011 £'000
Reconciliation of funds					
Funds brought forward at 1 September 2011	1,744	(557)	651	1,838	-
Net movement in funds during the period	171	(406)	744	509	1,838
Funds carried forward at 31 August 2012	1,915	(963)	1,395	2,347	1,838

All of the Academy's activities derive from continuing operations during the above financial period

A Statement of Total Recognised Gains and Losses is not required as all gains and losses are included in the Statement of Financial Activities

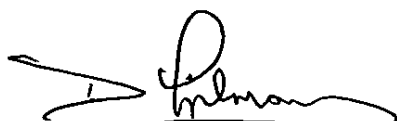
HUNSLEY TRUST

BALANCE SHEET AS AT 31 AUGUST 2012

Company Number 7542211

	Notes	2012 £'000	2012 £'000	2011 £'000	2011 £'000
Fixed assets					
Tangible assets	13		1,395		1,444
Current assets					
Stock	14	20		3	
Debtors	15	269		802	
Cash at bank and in hand		3,094		1,554	
		<u>3,383</u>		<u>2,359</u>	
Creditors · Amounts falling due within one year	16	<u>672</u>		<u>636</u>	
Net current assets			<u>2,711</u>		<u>1,723</u>
Total assets less current liabilities			4,106		3,167
Net assets excluding pension liability					
Pension scheme liability	27		<u>(1,759)</u>		<u>(1,329)</u>
Net assets including pension liability			<u>2,347</u>		<u>1,838</u>
Funds of the academy:					
Restricted funds					
Fixed asset fund	17		1,395		651
General funds	17		796		772
Pension reserve	17		<u>(1,759)</u>		<u>(1,329)</u>
Total restricted funds			<u>432</u>		<u>94</u>
Unrestricted funds					
General funds	17		<u>1,915</u>		<u>1,744</u>
Total unrestricted funds			<u>1,915</u>		<u>1,744</u>
Total funds			<u>2,347</u>		<u>1,838</u>

The financial statements on pages 19 to 38 were approved by the Directors and authorised for issue on 20 December 2012 and are signed on their behalf by



Mr D Gilmour
Chair

HUNSLEY TRUST

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 AUGUST 2012

	Notes	Year 2012 £'000	5 months 2011 £'000
Net cash inflow from operating activities	21	1,606	1,830
Returns on investments and servicing of finance	22	-	4
Capital expenditure and financial investment	23	(66)	(280)
Increase in cash in the period	24	1,540	1,554
Reconciliation of net cash flow to movement in net funds			
Net funds at 1 September 2011		1,554	-
Net funds at 31 August 2012		3,094	1,554

HUNSLEY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2012

1. Statement of Accounting Policies

Basis of Preparation

These financial statements have been prepared under the historic 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 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 Members and Governors have considered material events and conditions that may impact upon the ability of the Company to continue as a going concern and conclude that there are none that have a material impact on their view that the Company has a long term viable future. The Members and Governors make this assessment in respect of a period of one year from the date of approval of the financial statements.

Incoming Resources

Incoming resources are recognised when the Academy Trust has confirmed its entitlement to the funds, is certain of receipt, and the amount can be measured with reasonable 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 it is recognised as deferred and included in creditors as deferred. Where entitlement occurs before income is received, the income is accrued.

- **Sponsorship income**

Sponsorship income provided to the Academy is recognised in the Statement of Financial Activities in the period in which it is received, where there is certainty of receipt.

- **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, 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 its useful economic life in accordance with the Academy Trust's policies.

HUNSLEY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2012 (continued)

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 assets use. Other support costs are allocated based on the spread of staff costs.

- **Costs of generating funds**

These are incurred in attracting voluntary income trading activities that raise funds.

- **Charitable activities**

These are incurred on the Academy Trust's educational activities.

- **Governance costs**

These include the costs attributable to the Academy Trust's compliance with constitutional and statutory requirements, including audit, strategic management and Governor's meeting and reimbursed expenses.

VAT is recoverable on most resources expended but if it is not recoverable resources expended are shown inclusive of VAT.

Tangible Fixed Assets

Assets costing £500 or more are capitalised as tangible fixed assets and are shown 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.

Depreciation is provided on all tangible 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, as follows -

Long leasehold buildings	40 years
Fixtures, fittings and equipment	Between 3 and 10 years
ICT equipment	Between 3 and 6 years
Motor vehicles	Between 3 and 6 years

Assets in the course of construction are included at cost but depreciation is not charged on them until they are brought into use. Charges for impairment may be made if an event or change in circumstances indicates that the net value of the fixed asset may not be recoverable. Any shortfall between the net value and their recoverable value is recognised as an impairment and included in the Statement of Financial Activities.

Leased Assets

Rentals under operating leases are charged to the Statements of Financial Activities on a straight line basis over the lease term.

HUNSLEY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2012 (continued)

1. Statement of Accounting Policies (continued)

Stock

Stock is valued at the lower of cost and 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 any such income or gains are applied exclusively to charitable purposes.

Pension Benefits

Retirement benefits to employees of the Academy Trust are provided by either the Teachers' Pension Scheme (TPS) or the Local Government Pension Scheme (LGPS). These are defined benefit schemes, are contracted out of the State Earnings-Related Pension Scheme (SERPS), 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 the pensions over employees' working lives in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll costs. The levels of contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 27, 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 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 amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

Fund Accounting

Unrestricted 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 for specific capital purposes as defined by the EFA/DfE where the asset acquired or created is held for a specific purpose.

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

HUNSLEY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2012 (continued)

2 General Annual Grant (GAG)

a Results and carry forward for the period

	Year 2012 £'000	5 months 2011 £'000
GAG brought forward from previous period	458	-
GAG allocation for current period	9,434	3,967
Total GAG available to spend	9,892	3,967
Recurrent expenditure from GAG	(8,583)	(3,229)
Fixed assets purchased from GAG	(66)	(280)
GAG carried forward to next year	1,243	458
Maximum permitted GAG carry forward at end of current period (12% of allocation for current period)	1,132	476
GAG to surrender to DfE	111	-
	Breach	No breach

Please note planning permission has been sought for approximately 1500 new homes within our catchment area. The part of the GAG carried forward (including the breach value) will be used in 2013 to ascertain the most appropriate way to expand our site to cater for the additional students that the developments will bring. It is expected that the first phase of new homes will be completed in 2014.

b Use of GAG brought forward from previous period for recurrent purposes

(of the amount carried forward each period/year, a maximum of 2% of GAG can be used for recurrent purposes. Any balance, up to a maximum of 12%, can only be used for capital purposes)

Recurrent expenditure from GAG in current period	8,583	3,229
GAG allocation for current period	(9,434)	(3,967)
GAG allocation for previous period x 2%	(80)	N/A
GAG brought forward from previous period in excess of 2%, used on recurrent expenditure in current period	(931)	N/A
(2% rule breached if result is positive)	No breach	No breach

3. Voluntary Income

	Unrestricted Funds £'000	Restricted Funds £'000	Year Total 2012 £'000	5 months total 2011 £'000
Capital grants	-	37	37	-
Private sponsorship	21	-	21	3
Other donations	1	-	1	1,756
	22	37	59	1,759

HUNSLEY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2012 (continued)

4 Activities for Generating Funds

	Unrestricted Funds £'000	Restricted Funds £'000	Year total 2012 £'000	5 months total 2011 £'000
Sports Centre	676	-	676	293
Catering income	467	-	467	128
Statemented pupils	-	40	40	38
Other income	209	-	209	51
	1,352	40	1,392	510

5. Investment Income

	Unrestricted Funds £'000	Restricted Funds £'000	Year total 2012 £'000	5 months total 2011 £'000
Interest on short term deposits	-	-	-	4
	-	-	-	4

6 Funding for Academy's educational operations

	Unrestricted Funds £'000	Restricted Funds £'000	Year total 2012 £'000	5 months total 2011 £'000
DfE/EFA capital grant				
Academy main building grants	-	-	-	665
	-	-	-	665
DfE/EFA revenue grants				
General Annual Grant (GAG)	-	9,434	9,434	3,967
Other DFE grants	-	32	32	-
	-	9,466	9,466	3,967
Other Government grants				
Start Up Grant	-	-	-	25
School Standards Funds	-	-	-	61
Special educational projects	-	144	144	126
	-	144	144	212
	-	9,610	9,610	4,844

HUNSLEY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2012 (continued)

7 Resources Expended

	Staff costs £'000	Non Pay Expenditure Premises £'000	Other Costs £'000	Year total 2012 £'000	5 months total 2011 £'000
Costs of generating voluntary income	-	-	-	-	47
Costs of activities for generating funds	766	15	422	1,203	444
Academy's educational operations					
Direct costs	5,633	23	996	6,652	2,478
Allocated support costs	900	682	543	2,125	893
	6,533	705	1,539	8,777	3,371
Governance costs including allocated support costs	42	-	8	50	47
Other finance costs	-	-	56	56	24
	7,341	720	2,025	10,086	3,933

Incoming/outgoing resources for the year include

	Year 2012 £'000	5 months 2011 £'000
Operating leases	23	20
Fees payable to auditor – audit fees	8	5

8. Charitable Activities – Academy's educational operations

	Unrestricted Funds £'000	Restricted Funds £'000	Year total 2012 £'000	5 months total 2011 £'000
Direct costs				
Teaching and educational support staff costs	-	5,634	5,634	2,188
Depreciation	-	23	23	-
Educational supplies	-	596	596	213
Examination fees	-	240	240	18
Staff development	-	53	53	1
Educational consultancy	-	38	38	19
Other direct costs	-	68	68	39
	-	6,652	6,652	2,478

HUNSLEY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2012 (continued)

8 Charitable Activities – Academy's educational operations (continued)

	Unrestricted Funds £'000	Restricted Funds £'000	Year total 2012 £'000	5 months total 2011 £'000
Allocated support costs				
Support staff costs	-	996	996	404
Depreciation	-	129	129	14
Recruitment and support	-	46	46	13
Maintenance of premises and equipment	-	363	363	167
Cleaning	-	16	16	14
Rent and rates	-	46	46	67
Insurance	-	6	6	52
Security and transport	-	77	77	16
Bank interest and charges	-	6	6	1
Expect return on pension assets	-	(96)		
Other support costs	-	536	536	145
	-	2,125	2,125	893
	-	8,777	8,777	3,371

9. Governance costs

	Unrestricted Funds £'000	Restricted Funds £'000	Year total 2012 £'000	5 months total 2011 £'000
Legal and professional fees	-	-	-	15
Auditor's remuneration – audit of financial statements	-	8	8	5
Support costs	-	42	42	27
Governors' reimbursed expenses	-	-	-	-
	-	50	50	47

10. Staff costs

Staff costs during the period were

	Year 2012 £'000	5 months 2011 £'000
Wages and salaries	6,069	2,429
Social security costs	363	165
Pension costs	860	318
	7,292	2,912
Supply teacher costs	49	19
Compensation payments	-	-
	7,341	2,931

HUNSLEY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2012 (continued)

10 Staff costs (continued)

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

	2012 No.	2011 No
Teachers	108	102
Administration and support	123	129
Management	7	8

The number of employees whose annual emoluments fell within the following bands

	2012 No	2011 No
£70,001 - £80,000	1	1
£130,001 - £139,000	1	1

Both of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2012, pension contributions for these staff amounted to £30,080 (2011 5 month period £10,960)

11. Governors' remuneration and expenses

Principal and staff governors only receive remuneration in respect of services they provide as employees and not in respect of their role as governors. Other Governors did not receive any payments, other than expenses, from the Academy Trust in respect of their role as Governors. The value of the Principal's remuneration during the year was £114,697 in respect of their role as Principal (2011 five month period £55,679) and £24,086 as an additional payment for the Executive Headship of a special measure school and executive support to a number of category schools. There are no staff Governors who are members.

During the period ended 31 August 2012, travel, subsistence and training fees paid on behalf of or reimbursed to Governors amounted to £144 (2011 £nil)

12 Governors' and Officers' Insurance

The Academy has purchased insurance to protect governors and employees from claims arising from negligent acts, errors or omissions occurring whilst they are undertaking Academy business. The insurance provides cover up to £2,000,000 on any one claim.

The cost of this insurance cover is included in the total insurance cost.

HUNSLEY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2012 (continued)

13. Tangible fixed assets

	Land and buildings	Fixtures, fittings and equipment	ICT Equipment	Motor Vehicles	Total £'000
Cost					
At 1 September 2011	883	528	84	10	1,505
Additions	30	31	42	-	103
Disposals	-	-	-	-	-
At 31 August 2012	913	559	126	10	1,608
Depreciation					
At 1 September 2011	9	44	7	1	61
Charged in year	23	109	17	3	152
Disposals	-	-	-	-	-
At 31 August 2012	32	153	24	4	213
Net book values					
At 31 August 2012	881	406	102	6	1,395
At 31 August 2011	874	484	77	9	1,444

14 Stock

	Total 2012 £'000	Total 2011 £'000
Education supplies	17	-
Catering	3	3
	20	3

15. Debtors

	Total 2012 £'000	Total 2011 £'000
Trade debtors	78	9
Prepayments and accrued income	108	97
Other debtors	83	696
	269	802

16. Creditors Amounts falling due within one year

	Total 2012 £'000	Total 2011 £'000
Trade creditors	291	65
Other taxation and social security	125	225
Other creditors	112	-
Accruals and deferred income	144	346
	672	636

HUNSLEY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2012 (continued)

16 Creditors: Amounts falling due within one year (continued)

Deferred income	Total 2012 £'000	Total 2011 £'000
Deferred income as 1 September 2011	229	-
Resources deferred in the period	71	299
Amounts released from previous periods	(299)	-
Deferred income at 31 August 2012	71	299

Deferred income includes amounts paid in advance by members of the sports centre £58,825 (2011 £35,000), SEN and other grants received in advance £5,895 (2011 £68,000), capital grant income received where the expenditure is due to take place after the period end £nil (2011 £196,000) and miscellaneous items £5,988 (2011 £nil)

17. Funds

	Balance at 1 September 2011 £'000	Incoming Resources £'000	Resources Expensed £'000	Gains, Losses and transfers £'000	Balance at 31 August 2012 £'000
Restricted general funds					
General Annual Grant (GAG)	735	9,434	(8,583)	(859)	727
Other DfE/EFA Grants	37	216	(184)	-	69
Pension reserve	(1,329)	-	36	(466)	(1,759)
	(557)	9,650	(8,731)	(1,325)	(963)
Restricted fixed asset funds					
DfE/EFA capital grants	651	37	(152)	-	536
Capital expenditure from GAG	-	-	-	859	859
	651	37	(152)	859	1,395
Total restricted funds	94	9,687	(8,883)	(466)	432
Unrestricted funds					
Unrestricted funds	1,744	1,374	(1,203)	-	1,915
Total unrestricted funds	1,744	1,374	(1,203)	-	1,915
Total funds	1,838	11,061	(10,086)	(466)	2,347

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

- General Annual Grant (GAG) must be used for the normal running costs of the Academy
The Academy is allowed to carry forward up to 12% of the current GAG. Of the carried forward amounts, up to 2% of GAG can be used for general purposes at the discretion of the Academy but any balance over 2% must be used for capital purposes
- The Restricted Pension Fund relates to the deficit on the Local Government Pension Scheme
- The Restricted Fixed Assets Fund represents fixed assets funded by capital grants and assets transferred on conversion to an Academy

HUNSLEY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2012 (continued)

18 Analysis of net assets between funds

Fund balances at 31 August 2012 are represented by

	Unrestricted Funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Funds £'000	2012 £'000	2011 £'000
Tangible fixed assets	-	-	1,395	1,395	1,444
Current assets	1,974	1,409	-	3,383	2,359
Current liabilities	(59)	(613)	-	(672)	(636)
Pension scheme liability	-	(1,759)	-	(1,759)	(1,329)
Total net assets	1,915	(963)	1,395	2,347	1,838

19 Capital commitments

	Total 2012 £'000	Total 2011 £'000
Contracted for, but not provided in the financial statements	-	-

20. Financial commitments

Operating leases

At 31 August 2012 the Academy had annual commitments under non-cancellable operating leases as follows

	Total 2012 £'000	Total 2011 £'000
<u>Other</u>		
Expiring within one year	2	-
Expiring within two and five years inclusive	21	20
Expiring in over five years	-	-
	23	20

HUNSLEY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2012 (continued)

21 Reconciliation of net income to net cash inflow from operating activities

	Year total 2012 £'000	5 months total 2011 £'000
Net income	975	3,184
Depreciation (note 13)	152	61
Capital grants from DfE and other capital income	(37)	(1,225)
Interest receivable (note 5)	-	(4)
FRS 17 pension cost less contributions payable (note 27)	(92)	(41)
FRS 17 pension finance income (note 27)	56	24
Increase in stocks	(17)	(3)
Decrease/(increase) in debtors	533	(802)
Increase in creditors	36	636
Net cash flow from operating activities	1,606	1,830

22 Returns on investments and servicing of finance

	Total 2012 £'000	Total 2011 £'000
Interest received	-	4
Net cash inflow from returns on investments and servicing of finance	-	4

23 Capital expenditure and financial investment

	Total 2012 £'000	Total 2011 £'000
Purchase of tangible fixed assets	(103)	(1,505)
Capital grants from DfE/EFA	37	665
Capital funding received from sponsors and other	-	560
Net cash outflow from capital expenditures and financial investment	(66)	(280)

24 Analysis of changes in net funds

	At 1 September 2011 £'000	Cash flows £'000	At 31 August 2012 £'000
Cash in hand and at bank	1,554	1,540	3,094
	1,554	1,540	3,094

HUNSLEY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2012 (continued)

25. Contingent Liabilities

The Academy Trust does not consider itself to have any contingent liabilities

26 Members' Liability

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

27. Pension and similar obligations

The Academy'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 East Riding of Yorkshire County Council 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 August 2012

Contributions amounting to £37,711 were payable to the LGPS scheme at 31 August 2012 and are included within creditors (2011 £138,000)

Teachers' Pension Scheme

The TPS is an unfunded defined benefit scheme Contributions on a "pay-as-you-go" basis are credited to the Exchequer under arrangements governed by the Superannuation Act 1972 A notional asset value is ascribed to the scheme for the purpose of determining contribution rates

The pensions cost is normally assessed no less than every four years in accordance with the advice of the Government Actuary The assumptions and other data that have the most significant effect on the determination of contribution levels are as follows

Latest actuarial valuation (under the new provisions)	31 March 2004
Actuarial method	Prospective benefits
Investment returns per annum	6.5% per annum
Salary scale increases per annum	5.0% per annum
Notional value of assets at date of last valuation	£162,650 million
Proportion of members' accrued benefits covered by the notional value of the assets	98.88%

Following the implementation of Teachers' Pension (Employers' Supplementary Contributions) Regulations 2000, the Government Actuary carried out a further review on the level of employer contributions For the period from 1 April 2011 to 31 August 2011 the employer contribution was 14.1% The employee rate was between 6.4% and 8.8% (depending on salary) for the same period

HUNSLEY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2012 (continued)

27. Pension and similar obligations (continued)

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 and the implications for the Academy in terms of the anticipated contributions rates.

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with the assets held in separate trustee administered funds. The total contributions made for the period ended 31 August 2012 was £498,000 (2011 £208,000), of which employer's contributions totalled £399,000 (2011 £169,000) and employees' contributions totalled £99,000 (2011 £39,000). The agreed contribution rates changed during the year from 25.6% to 22.2% for employers and between 5.5% and 7.5% for employees.

Principal Actuarial Assumptions	31 August 2012	31 August 2011
Rate of increase in salaries	4.5%	4.9%
Rate of increase for pensions in payment/inflation	2.2%	2.6%
Discount rate for scheme liabilities	4.1%	5.4%
Inflation assumption (CPI)	1.0%	1.0%
Commutation of pensions to lump sums	65%	65%

Sensitivity analysis

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

	31 August 2012	31 August 2011
Retiring today		
Males	22.9	22.9
Females	25.7	25.7
Retiring in 20 years		
Males	24.9	24.9
Females	27.7	27.7

HUNSLEY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2012 (continued)

27. Pension and similar obligations (continued)

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

	Expected return at 31 August 2012	Fair value at 31 August 2012 £'000	Expected return at 31 August 2011	Fair value at 31 August 2011 £'000
Equities	5.5%	1,577	6.8%	1,155
Bonds	3.4%	259	4.6%	167
Cash	3.7%	173	3.9%	106
Property	2.8%	151	4.8%	91
Total market value of assets		2,160		1,519
Present value of scheme liabilities – funded		(3,919)		(2,848)
Surplus/(deficit) in the scheme		(1,759)		(1,329)

The actual return on scheme assets was £144,000 (2011 negative £72,000)

Amounts recognised in the statement of financial activities

	2012 £'000	2011 £'000
Current service cost (net of employee contributions)	307	128
Past service cost	-	-
Total operating charge	307	128

Analysis of pension finance income/(costs)

	2012 £'000	2011 £'000
Expected return on pension scheme assets	(109)	(41)
Interest on pension liabilities	165	65
Pension finance income/(costs)	56	24

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 £382,000 loss.

HUNSLEY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2012 (continued)

27 Pension and similar obligations (continued)

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

	2012 £'000	2011 £'000
At 1 September 2011	2,848	2,811
Current service cost	307	128
Interest cost	165	65
Employee contributions	99	39
Actuarial loss/(gain)	500	(195)
At 31 August 2012	3,919	2,848

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

	2012 £'000	2011 £'000
At 1 September 2011	1,519	1,381
Expected return on assets	109	41
Contribution by members	99	39
Contributions by employer	399	169
Actuarial loss/(gain)	34	(111)
At 31 August 2012	2,160	1,519

The estimated value of employer contributions for the year ended 31 August 2013 is £419,000

The history of experience adjustments is as follows

	31 August 2012 £'000	31 August 2011 £'000
Present value of defined benefit obligations	(3,919)	(2,848)
Fair value of share of scheme assets	2,160	1,519
Deficit in the scheme	(1,759)	(1,329)
Experience adjustments on share of scheme assets		
Amount £'000	500	(195)
Experience adjustments on scheme liabilities		
Amount £'000	34	(111)