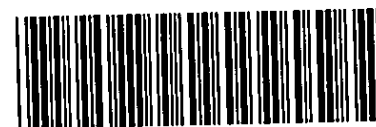


Airedale Academy Trust
(A Company Limited by Guarantee)
Annual Report and Financial Statements
For the Year ended
31st August 2013

THURSDAY



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Airedale Academy Trust

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Airedale Academy Trust**Reference and Administrative Details**

Company Registration No. 07556117 (England and Wales)

**Registered Office
and Operational Address** Airedale Academy
Crewe Road
Airedale
Castleford WF10 3JU

| | | |
|-----------------|------------------|---|
| Trustees | Mr M Dixon | Chair |
| | Mrs M Blackledge | Principal and Accounting Officer |
| | Mr S Allsopp | Responsible Officer (appointed Vice Chair 30 September 2013) |
| | Mr R Baker | |
| | Cllr Mrs L Broom | |
| | Mrs K Cook | (appointed 24 September 2012) |
| | Mr P Gamble | |
| | Mr B Groves | |
| | Mrs S Groves | |
| | Miss J Healy | Staff Trustee (appointed 5 February 2013) |
| | Mr W Higson | Chair of Resources Committee |
| | Ms J Ashman | |
| | Mrs P Gale | Staff Trustee |
| | Mr H Griffiths | Staff Trustee |
| | Mrs J Thompson | (resigned 1 May 2013) |
| | Mrs E Appleyard | Vice Chair (resigned 2 July 2013) |

Mr W Higson, Mrs Cook, Cllr Mrs Broom, Mr M Dixon, Mrs M Blackledge and Mrs P Gale are members of the Resources Committee

Company Secretary Mrs A Byard

| | | |
|-------------------------------|------------------|---|
| Senior Management Team | Mrs M Blackledge | Principal |
| | Mr M Leake | Vice-Principal |
| | Mr S Elliott | Vice-Principal |
| | Mrs A Byard | Business Manager (Principal Finance Officer) |

Airedale Academy Trust**Reference and Administrative Details****Auditors**

Allotts Business Services Ltd
Chartered Accountants
Registered Auditors
The Old Grammar School
13 Moorgate Road
Rotherham S60 2EN

Solicitors

Wrigleys Solicitors
19 Cookridge Street
Leeds LS2 3AG

Bankers

Lloyds TSB Plc
Wakefield Westgate Branch
Po Box 1000
BX1 1LT

Airedale Academy Trust

Trustees' Report **For the Year Ended 31 August 2012**

The trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2013

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The Charitable Company's memorandum and articles of association are the primary governing documents of the Academy Trust. The Academy Trust was established to advance education in the United Kingdom for the public benefit, in particular by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum.

The trustees act as governors of Airedale Academy Trust and are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Airedale Academy.

Details of the trustees who served throughout the year are included in the Reference and Administrative Details.

Members' Liability

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

Trustees' Indemnities

In accordance with normal commercial practice, the Academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £1,000,000 on any one claim. The cost of this insurance was £1,060.

Principal Activities

The principal activity of the Charitable Company is the operation of Airedale Academy to provide education for pupils of different abilities between the ages of eleven and nineteen, with an emphasis on ensuring that all pupils are able to access a broad and balanced curriculum and are supported to achieve their potential.

Method of Recruitment and Appointment or Election of Trustees

Members of the Academy Trust may appoint up to 20 Trustees. The members may appoint staff trustees through any process they see fit, provided that the total number of staff trustees (including the Principal) who are employees of the Academy Trust does not exceed one third of the total number of trustees. The local authority may appoint one trustee. There must be at least two parent trustees, elected by parents of pupils at the Academy. Parent trustees must be parents of pupils on roll at the Academy at the point at which the parent trustee is elected. If there are fewer parents nominated for election than vacancies available, the trustees shall appoint a person who is the parent of a registered pupil at the Academy, or where it is not reasonably practicable to do so, a person who is the parent of a child of compulsory school age. The Principal is an ex-officio trustee of the Academy.

Members seek nominations from suitably-qualified persons to fill any vacancies, and from time to time receive expressions of interest in joining the board of trustees which are considered as and when vacancies arise.

Trustees are subject to retirement by rotation every four years, except that this time limit shall not apply to the Academy Principal. Subject to remaining eligible to be a particular type of trustee, any trustee may be reappointed or re-elected.

Airedale Academy Trust

Trustees' Report **For the Year Ended 31 August 2013**

Policies and Procedures Adopted for the Induction and Training of Trustees

During the year under review, one new staff trustee was appointed and one trustee new to the school. Two trustees resigned, including Mrs Eileen Appleyard, who has been a trustee at the Academy and its predecessor school for many years.

The training and induction provided for new trustees will depend upon their existing experience. Where necessary, induction will provide training on charity and educational, legal and financial matters. All new trustees will be offered the opportunity to undertake a tour of the Academy and to meet with staff and students. All trustees are provided with copies of relevant policies, procedures, minutes, budgets, reports and other documents which they will need in order to discharge their responsibilities as governors, directors and trustees. New trustees are also offered the opportunity to attend a training course for new trustees provided by the Local Authority.

Organisational Structure

The management structure of the Academy operates at two levels: the board of trustees and the Senior Leadership Team. The aim of the management structure is to devolve responsibility and encourage involvement in decision-making at all levels.

The board of trustees is responsible for setting general policy, guiding the strategic direction of the Academy, adopting an annual plan and budget, monitoring the use of the Academy's resources, making major decisions about capital expenditure and changes to the Academy establishment, and participating in senior staff appointments. The full board meets six times per year. The board of trustees has also established a number of sub-committees to which it delegates various levels of responsibility and authority and receives regular reports from these committees.

The structure of regularly-meeting committees comprises:

- Resources Committee, which meets at least six times per year to consider the strategic deployment of the Academy's financial, human and physical resources. This committee also acts as the Academy's Audit Committee.
- Standards and Curriculum Committee, which meets at least six times per year to consider the performance of the Academy in relation to educational achievement and review the curriculum offer.
- Pupil Behaviour and Welfare Committee, which meets at least six times per year to review behaviour/exclusion data, safeguarding issues and review policies.
- Other committees, including the Special Needs Working Group, Complaints Panel, Discipline Committee and Personnel Appeals Committee, meet as the need arises to consider particular issues related to their area of work.

The Senior Leadership Team is responsible for leading the Academy at an executive level, managing the day-to-day operations of the Academy within the strategic direction and policies established by the Governing Body and reporting back to them. The Senior Leadership Team comprises the Principal (who is also the Accounting Officer), two Vice Principals, five Assistant Principals, one Associate Assistant Principal, and the Business Manager. Senior leaders are responsible for authorising expenditure within agreed budgets and appointing staff within the existing establishment; appointments for posts on the leadership team always include at least one member of the board of trustees.

Risk Management

The trustees have assessed the major risks to which the Academy Trust is exposed, in particular those relating to teaching, provision of facilities, financial and other operational areas of the Academy.

Risk management is embedded in the day-to-day processes of the Academy. Systems or procedures have been established to manage risks, especially in relation to operational areas, and are regularly reviewed and updated. These include aspects such as vetting new staff and visitors, undertaking and updating risk assessments, and implementing a robust system of internal financial controls in order to minimise risk. Where significant financial risks still remain, the Academy has adequate insurance cover in place.

Airedale Academy Trust

Trustees' Report For the Year Ended 31 August 2013

Connected Organisations, including Related Party Relationships

None

OBJECTIVES AND ACTIVITIES

Objects and Aims

The object of the Academy Trust, as set out in its articles of association, is specifically restricted to advancing for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum

The main aims and objectives of Airedale Academy are

- To raise aspirations, to transform the lives of young people and to enhance the wellbeing of individuals and the community,
- To give young people the chance to live rich, fulfilled lives and to contribute to society,
- To enable young people to fulfil their potential through the pursuit of excellence,
- To develop in our students curiosity, independence of mind, a love of learning, creativity, imagination, and the capacity to communicate,
- To offer opportunities to participate in a wide range of activities, for example sport, music, drama, outdoor pursuits and involvement in the wider community,
- To instil in our students a sense of morality, care and respect for others,
- To develop a sense of responsibility for and contribution to the community

To enable these things to happen, the Academy will

- Offer personalised learning pathways which will raise levels of attainment and engagement at all ages,
- Be an integral part of the community and establish close, constructive relationships with parents and the wider community,
- Help students understand the society and world in which they live and to develop the skills and knowledge necessary for active citizenship,
- Enable its young people to become 'qualified' as successful learners, well prepared for working life and the world of work, independent effective adults who contribute positively to society,
- Develop innovative approaches to learning and teaching,
- Support and recognise students' individual interests and needs, and enable their successful inclusion in the Academy,
- Promote partnership working to bring the outside world into the Academy, make learning 'real' and relevant, to learn from others and enable others to learn from us

Public Benefit

The trustees have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers. The principal public benefit delivered by the Academy Trust is the provision of a high-quality education to students, in line with the articles of association. The Academy's success in this endeavour is evidenced both by its most recent Ofsted judgement of good with outstanding features, and in the results of public examinations (as detailed in Achievements and Performance on page 6)

The Academy also generates additional public benefit through promoting involvement and engagement in education, sports and the arts in the wider community, offering facilities for the use of local residents and creation of local employment in an area of high socio-economic deprivation

Airedale Academy Trust

Trustees' Report
For the Year Ended 31 August 2013

Achievements and Performance

The following table gives details of the Academy's performance on a number of key performance indicators over the last three years

| | 2011 | 2012 | 2013 |
|--|------|------|------|
| 5+ A*-C | 95% | 98% | 96% |
| 5+ A*-C including English and Maths | 59% | 53% | 67% |
| 5+ A*-G inc English and Maths | 97% | 97% | 96% |
| APS - uncapped | 646 | 376 | 376 |
| CVA KS2-KS4 | 1103 | 1048 | 1052 |
| English – Students making three levels of progress | 86% | 82% | 86% |
| Maths – Students making three levels of progress | 64% | 54% | 64% |
| Science students achieving two or more A*-C grades | 85% | 90% | 94% |
| MFL students achieving C grade or higher | 56% | 50% | 69% |
| Number of students with no grades | 4 | 2 | 2 |
| Number of U grades | 6 | 12 | 21 |
| 3+ A*A % | 51% | 43% | 43% |

Going Concern

After making appropriate enquiries, the trustees have a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

Financial Review

The Academy Trust held fund balances as at 31 August 2013 of £13,071K. This comprised £487K of unrestricted funds, £12,997 of restricted fixed asset funds and £837K of restricted general funds, set against a pensions reserve deficit of £1,250K.

The majority of the Academy's funding comes from the Department for Education (DfE) via the Education Funding Agency (EFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE and related expenditure are shown as restricted funds in the statement of financial activities.

During the year ending 31 August 2013, total expenditure (excluding depreciation, including assets purchased out of GAG) of £6,140K was more than covered by recurrent grant funding from the DfE plus

Airedale Academy Trust
Trustees' Report
For the Year Ended 31 August 2013

income from other sources. The surplus of income over expenditure for the period (excluding restricted fixed asset funds and inherited pension liability) was £433K

At 31 August 2013 the net book value of fixed assets was £12,997K. The value of fixed assets includes the value of those assets which were transferred by Wakefield MDC as part of the transfer agreement, which comprises the land and buildings for Airedale Academy (which are occupied on a 125 year lease from the local authority at a peppercorn rent) plus the fixtures, fittings, furniture and equipment on the Academy site at the point of transfer. These fixed assets were valued at £12,572K and £124K respectively at the point of conversion and are recognised in the Academy's balance sheet, including the appropriate levels of depreciation. These assets have been used for the provision of education and associated support services to the pupils of the Academy.

The deficit in the Local Government Pension Scheme (LGPS) of £1,250K is recognised in the balance sheet as per the requirements of FRS17. The pension deficit is not expected to have any material impact on the financial viability of the organisation.

Financial and Risk Management Objectives and Policies

Principal Risks and Uncertainties

The principal risks faced by the Academy relate to the protection of pupils, employees, reputation and assets. Some key risks identified include:

- Health and safety issues – a student, employee, visitor or volunteer is injured while on the Academy site
- Recruitment – someone unsuitable to work with children is recruited to a post within the Academy or the Academy is unable to recruit to fill a crucial post
- Legal – the risk that various legislative requirements, including in relation to safeguarding, charity and company law are not complied with
- Financial – the Academy has insufficient funds to continue to operate at current levels because of uncertainty over funding streams
- Reputational – the Academy does not achieve a rating of at least 'Good' under the new Ofsted framework

The Academy has an ongoing process of identifying and addressing risks to the business and seeks to put appropriate measures in place as new risks are identified or existing risks are reassessed.

Reserves Policy

The trustees of the Academy consider it prudent that the Academy Trust maintains sufficient reserves to meet unexpected expenditure and is currently targeting a level of reserves equivalent to one month's average GAG expenditure. The level and nature of these reserves is reviewed by the Resources Committee as a delegated committee of the board of trustees at least annually. Under the terms of the Academy's funding agreement, the academy is permitted to carry forward up to 12% of the General Annual Grant (GAG) received in the year; there are no restrictions on the amount of other income which can be held in reserve.

At 31 August 2013, Airedale Academy held £487K in unrestricted free reserves and £808K in restricted GAG reserves. A significant proportion of this funding is designated for capital expenditure in the next financial year, with the remainder being held in reserve to meet emerging needs during forthcoming academic years and to smooth out budget fluctuations predicted as a result of reductions in pupil numbers over the next few years (due to a birth-rate drop in the late 1990s).

Investment Policy

The trustees have adopted a cautious investment policy, the main principle of which is to safeguard the Academy's cash funds. In light of this approach, the Academy maintains a substantial cash balance, the bulk of which is held on deposit in a high-interest savings account with necessary monthly running expenses held in a current account.

Airedale Academy Trust

Trustees' Report
For the Year Ended 31 August 2013

Plans for Future Periods

For the period 1 September 2013 to 31 August 2014 the Academy's key priorities are as follows

- 1 Closing the gap and securing achievement in maths
- 2 Further improve teaching and learning to support the raising of achievement in History, Technology and Art
- 3 Reduce fixed term exclusions
- 4 Improving attendance and reduce persistent absence
- 5 Literacy and numeracy
- 6 Pyramid collaboration

Equal opportunities

Airedale Academy believes that everyone should be treated fairly and without prejudice. We believe that a non-discriminatory approach is beneficial to the working environment just as an inclusive approach is essential for the learning environment. As such, we believe that discrimination is unacceptable and recognise two fundamental principles

- Each individual has the right to equality of opportunity, but this also brings with it the responsibility of each individual to respect those rights for others,
- The needs of one individual are not identical to those of another and we have a responsibility to both recognise the individual's needs and to respond positively to them

Disabled persons

The policy of the Academy is to support the recruitment and retention of students and employees with disabilities. Lifts, ramps and disabled toilets have been installed and the needs of disabled staff and students are taken into account in the design of new facilities, including the provision of adjustable workstations in specialist teaching areas.

Auditors

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

Approved by order of the members of the board of trustees on 25 November 2013 and signed on its behalf by

M Dixon

Mr M Dixon (Chair)

Airedale Academy Trust

Governance Statement for the Year Ended 31 August 2013

Scope of Responsibility

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

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

Governance

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

| Trustee | Meetings attended | Out of a possible |
|------------------|--------------------------|--------------------------|
| Mr M Dixon | 5 | 6 |
| Mrs E Appleyard | 0 | 5 |
| Mrs M Blackledge | 6 | 6 |
| Mr S Allsopp | 4 | 6 |
| Mr R Baker | 1 | 6 |
| Cllr Mrs L Broom | 2 | 6 |
| Mr P Gamble | 3 | 6 |
| Mr B Groves | 5 | 6 |
| Mrs S Groves | 3 | 6 |
| Mr W Higson | 6 | 6 |
| Ms J Ashman | 4 | 6 |
| Mrs P Gale | 5 | 6 |
| Mr H Griffiths | 6 | 6 |
| Mrs J Thompson | 3 | 4 |
| Miss J Healy | 2 | 3 |
| Mrs K Cook | 3 | 6 |

The Resources Committee is a sub-committee of the board of trustees. Its purpose is to consider the strategic deployment of the Academy's financial, human and physical resources, including determining changes to the staffing establishment, monitoring and review of the annual budget and expenditure, assessment of the profitability of revenue streams, approving significant items of expenditure in line with the Scheme of Delegation, recommending approval of the final budget to the main governing body, reviewing and contributing to finance-related policies and recommending these for approval to the full governing body, overseeing capital projects and maintaining an overview of the systems for internal control and the risks to which the academy is exposed. Attendance at meetings in the year was as follows:

Airedale Academy Trust

Governance Statement
for the Year Ended 31 August 2013

| Trustee | Meetings attended | Out of a possible |
|------------------|--------------------------|--------------------------|
| Mr M Dixon | 6 | 6 |
| Mrs E Appleyard | 0 | 5 |
| Mrs M Blackledge | 6 | 6 |
| Mr W Higson | 6 | 6 |
| Mr B Groves | 5 | 6 |
| Mrs P Gale | 6 | 6 |

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives, it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Airedale Academy Trust for the year ended 31 August 2013 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 Governing Body is of the view that there is an ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year ending 31 August 2013 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by Governing Body.

The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees,
- regular reviews by the Resources Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes,
- setting targets to measure financial and other performance,
- clearly defined purchasing (asset purchase or capital investment) guidelines
- delegation of authority and segregation of duties,
- identification and management of risks

The board of trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the trustees have appointed Mr S Allsopp, a trustee, as Responsible Officer ('RO'). The RO's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. Mr Allsopp has delegated the authority for performing these checks to Mr A Cook, the Business Manager at City Academy, who has reported back to Mr Allsopp on his findings. Mr Allsopp reports back to the trustees on the effectiveness of internal control and on the discharge of the governing body's financial responsibilities by exception, and has not been required to report any failings or weaknesses in the internal control systems.

Review of Effectiveness

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

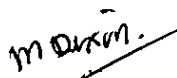
- the work of the Responsible Officer

Airedale Academy Trust**Governance Statement**
for the Year Ended 31 August 2013


- the work of the external auditor,
- 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 Resources Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place

Approved by order of the members of the board of trustees on 25 November 2013 and signed on its behalf by



Mr M Dixon (Chair)



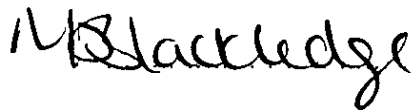
Mrs M Blackledge (Principal and Accounting Officer)

Airedale Academy Trust**Statement on Regularity, Propriety and Compliance
for the Year Ended 31 August 2013****Statement on Regularity, Propriety and Compliance**

As Accounting Officer of Airedale Academy Trust I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education Funding Agency of any 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.



• Mrs M Blackledge (Principal and Accounting Officer)

25 November 2013

Airedale Academy Trust

Statement of Trustees' Responsibilities
for the Year Ended 31 August 2013

The trustees (who act as governors of Airedale Academy Trust and are also the 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 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 trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the 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 trustees are required to

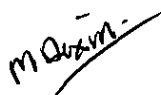
- select suitable accounting policies and then apply them consistently,
- observe the methods and principles in the Charities SORP,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures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

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 with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the EFA/DfE have been applied for the purposes intended.

The trustees are responsible for the maintenance and integrity of the 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 board of trustees on 25 November 2013 and signed on its behalf by



Mr M Dixon (Chair)

Independent Auditor's Report to the Members of

Airedale Academy Trust

We have audited the financial statements of Airedale Academy Trust for the year ended 31 August 2013 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 and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2013 issued by the Education Funding Agency.

This report is made solely to the academy'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'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 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 auditors

As explained more fully in the Trustees' Responsibilities Statement set out on page 13, the trustees (who are also the directors of the academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the trustees, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Report 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 financial statements

In our opinion the financial statements

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

Independent Auditor's Report to the Members of

Airedale Academy Trust

Opinion on other matters prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

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

Allotts Business Services Ltd

Mark Garrison BCom FCA DChA (Senior Statutory Auditor)
for and on behalf of
Allotts Business Services Limited, Statutory Auditor
Chartered Accountants
The Old Grammar School
13 Moorgate Road
Rotherham
South Yorkshire
S60 2EN

28/11/13

**Independent Reporting Accountant's Assurance Report on Regularity to
Airedale Academy Trust and the Education Funding Agency**

In accordance with the terms of our engagement letter dated 11 November 2013 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Airedale Academy Trust during the period 1 September 2012 to 31 August 2013 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 Airedale Academy Trust and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Airedale Academy Trust and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Airedale Academy Trust and the EFA, for our work, for this report, or for the conclusion we have formed

Respective responsibilities of Airedale Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Airedale Academy Trust's funding agreement with the Secretary of State for Education dated 31 March 2011 and the Academies Financial Handbook, extant from 1 September 2012, 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. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2012 to 31 August 2013 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 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter

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

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

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

The work undertaken to draw our conclusions includes

- Enquiry of officers of the academy
- Review and testing of income and expenditure for compliance with the funding and other agreements, the Academies Financial Handbook and the academy's system of controls
- Examination of relevant documents
- Review of the activities carried out by the academy
- Review of the delegated authorities set out in the Academies Financial Handbook

Independent Reporting Accountant's Assurance Report on Regularity to
Airedale Academy Trust and the Education Funding Agency

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2012 to 31 August 2013 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them

Allotts Business Services Ltd

Allotts Business Services Limited
Chartered Accountants
The Old Grammar School
13 Moorgate Road
Rotherham
South Yorkshire
S60 2EN

28/11/13

Airedale Academy Trust**Statement of Financial Activities For the year ended 31 August 2013****(Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)**

| | | Unrestricted Funds 2013 | Restricted General Funds 2013 | Restricted Fixed Asset Funds 2013 | Total Funds 2013 | Total Funds 2012 |
|---|-------|-------------------------------|--|--|------------------------|------------------------|
| | NOTES | £000 | £000 | £000 | £000 | £000 |
| INCOMING RESOURCES | | | | | | |
| Incoming resources from generated funds: | | | | | | |
| Voluntary income | 3 | - | 6 | 472 | 478 | 293 |
| Activities for generating funds | 4 | 223 | 314 | - | 537 | 498 |
| Investment income | 5 | 5 | - | - | 5 | 1 |
| Incoming resources from charitable activities: | | | | | | |
| Funding for the Academy's educational operations | 6 | 287 | 5,738 | 19 | 6,044 | 5,920 |
| TOTAL INCOMING RESOURCES | | 515 | 6,058 | 491 | 7,064 | 6,712 |
| RESOURCES EXPENDED | | | | | | |
| Costs of generating funds | 7 | 140 | 20 | - | 160 | 183 |
| Charitable activities | | | | | | |
| Academy's educational operations | 8 | 136 | 5,565 | 522 | 6,223 | 6,228 |
| Governance costs | 9 | - | 20 | - | 20 | 26 |
| TOTAL RESOURCES EXPENDED | 7 | 276 | 5,605 | 522 | 6,403 | 6,437 |
| NET INCOMING RESOURCES BEFORE TRANSFERS | | 239 | 453 | (31) | 661 | 275 |
| Gross transfers between funds | 17 | (77) | (182) | 259 | - | - |
| NET INCOME FOR THE YEAR | | 162 | 271 | 228 | 661 | 275 |
| OTHER RECOGNISED GAINS AND LOSSES | | | | | | |
| Actuarial gains/(losses) on defined benefit pension schemes | 17,23 | - | 98 | - | 98 | (428) |
| NET MOVEMENT IN FUNDS | | 162 | 369 | 228 | 759 | (153) |
| RECONCILIATION OF FUNDS | | | | | | |
| Accumulated funds brought forward | 17 | 325 | (782) | 12,769 | 12,312 | 12,465 |
| Accumulated funds carried forward | | 487 | (413) | 12,997 | 13,071 | 12,312 |

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

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

Airedale Academy Trust
(Company Number 07556117)

Balance Sheet as at 31 August 2013

| | NOTES | 2013 £000 | 2012 £000 |
|---|-------|----------------------|----------------------|
| FIXED ASSETS | | | |
| Tangible assets | 13 | 12,997 | 12,769 |
| CURRENT ASSETS | | | |
| Stock | 14 | 8 | 6 |
| Debtors | 15 | 528 | 272 |
| Cash at bank and in hand | | 1,144 | 856 |
| | | <u>1,680</u> | <u>1,134</u> |
| CREDITORS: | | | |
| Amounts falling due within one year | 16 | <u>356</u> | <u>365</u> |
| NET CURRENT ASSETS | | <u>1,324</u> | <u>769</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | 14,321 | 13,538 |
| Pension scheme liability | 23 | (1,250) | (1,226) |
| NET ASSETS INCLUDING PENSION LIABILITY | | <u><u>13,071</u></u> | <u><u>12,312</u></u> |
| FUNDS OF THE ACADEMY | | | |
| RESTRICTED FUNDS | | | |
| Fixed asset funds | 17 | 12,997 | 12,769 |
| General funds | 17 | 837 | 444 |
| Pension reserve | 17 | <u>(1,250)</u> | <u>(1,226)</u> |
| | | 12,584 | 11,987 |
| UNRESTRICTED FUNDS | | | |
| General funds | 17 | 487 | 325 |
| TOTAL FUNDS | | <u><u>13,071</u></u> | <u><u>12,312</u></u> |

The financial statements on pages eighteen to thirty five were approved by the trustees, and authorised for issue on 25 November 2013 and are signed on their behalf by

M Dixon

M Dixon (chair)

Airedale Academy Trust**Cash Flow Statement for the Year Ended 31 August 2013**

| | Notes | 2013 £000 | 2012 £000 |
|---|----------|--------------|--------------|
| Net cash inflow from operating activities: | 1 | 542 | 320 |
| Returns on investments and servicing of finance | 2 | 5 | 1 |
| Capital expenditure | 3 | (259) | (233) |
| Increase in cash and cash equivalents | 4 | 288 | 88 |
| Reconciliation of net cash flow to movement in net funds | | | |
| Net funds at 1 September 2012 | | 856 | 768 |
| Net funds at 31 August 2013 | | 1,144 | 856 |

Notes to the Cash Flow Statement

| | 2013 £000 | 2012 £000 | |
|---|------------------------------------|--------------------------------|---------------------------------------|
| 1. Reconciliation of net income to net cash inflow from operating activities | | | |
| Net income | 661 | 275 | |
| Depreciation | 522 | 492 | |
| Donated assets | (472) | (286) | |
| Capital grants from DfE and other capital income | (19) | - | |
| Interest receivable | (5) | (1) | |
| FRS 17 pension cost less contributions payable | 109 | 52 | |
| FRS 17 pension finance cost | 13 | 17 | |
| (Increase) in stocks | (2) | (3) | |
| (Increase) in debtors | (256) | (38) | |
| (Decrease) in creditors | (9) | (188) | |
| Net cash inflow from operating activities | 542 | 320 | |
| 2 Returns on investments and servicing of finance | | | |
| Interest received | 5 | 1 | |
| Net cash outflow from capital expenditure and financial investment | 5 | 1 | |
| 3. Capital expenditure and financial investment | | | |
| Purchase of tangible fixed assets | (278) | (233) | |
| Capital grants from DfE/YPLA | 19 | - | |
| Net cash outflow from capital expenditure and financial investment | (259) | (233) | |
| 4. Analysis of changes in net funds | At 1 Sept 2012 £000 | Cash Flows £000 | At 31 August 2013 £000 |
| Cash at hand and in bank | 856 | 288 | 1,144 |

Airedale Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2013

1. ACCOUNTING POLICIES

a) Basis of Preparation

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction 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.

b) Going Concern

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

c) Incoming resources

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

Grants receivable

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund. Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital 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.

Other income

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

Donated Services and gifts in kind

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

The school premises have been leased from the Local Authority on a 125 year lease at a peppercorn rent. In the opinion of the trustees, the terms of the lease transfer substantially all the risks and rewards of ownership of the asset to the Academy Trust and therefore the asset has been recognised on the balance sheet as a fixed asset.

Airedale Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2013

1. ACCOUNTING POLICIES (CONTINUED)

d) Resources Expended

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

Costs of generating funds

These are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities

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

Governance Costs

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

All resources expended are exclusive of recoverable VAT. Irrecoverable VAT is charged to the SOFA as it is incurred.

e) Tangible Fixed Assets

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy Trust's depreciation policy.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful lives as follows:

| | |
|--------------------------|--|
| Long leasehold land | Straight line over 125 years |
| Long leasehold buildings | over the remainder of the 50 year life |
| Furniture and equipment | 10% on cost |
| ICT equipment | 33% on cost |

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.

Airedale Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2013

1. ACCOUNTING POLICIES (CONTINUED)

f) Leased Assets

Rentals under operating leases are charged on straight line basis over the lease term

g) Stock

Unsold uniforms, other educational items for resale to students, theatre refreshments and frozen and tinned catering stocks are valued at the lower of cost or net realisable value

h) Taxation

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

i) Pension Benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 23, the TPS is a multi employer scheme and the Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the Academy Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current and past service costs, which are included as part of staff costs. The expected return on assets and the interest cost are shown as a net finance cost in support costs. Actuarial gains and losses are recognised immediately in other gains and losses.

j) Fund Accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the Academy Trust at the discretion of the trustees. Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Education Funding Agency/Department for Education where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received and include grants from the Education Funding Agency/Department for Education.

Airedale Academy Trust**Notes to the Financial Statements for the Year Ended 31 August 2013****2. GENERAL ANNUAL GRANT**

Under the funding agreement with the Secretary of State the academy trust was subject to limits at 31 August 2013 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes.

The academy trust has exceeded these limits during the year ended 31 August 2013.

3. VOLUNTARY INCOME

| | Unrestricted Funds £000 | Restricted Funds £000 | Total 2013 £000 | Total 2012 £000 |
|-------------------|-------------------------------|-----------------------------|-----------------------|-----------------------|
| Donations | | | | |
| Donations in kind | - | 472 | 472 | 286 |
| Other donations | - | 6 | 6 | 7 |
| | <u>-</u> | <u>478</u> | <u>478</u> | <u>293</u> |

Donations in kind consist of capital works performed by contractors at Airedale Academy Trust which are being paid for by Wakefield Metropolitan District Council. These works have been valued at market value.

4. ACTIVITIES FOR GENERATING FUNDS

| | Unrestricted Funds £000 | Restricted Funds £000 | Total 2013 £000 | Total 2012 £000 |
|---------------------|-------------------------------|-----------------------------|-----------------------|-----------------------|
| Hire of facilities | 41 | - | 41 | 37 |
| Theatre income | 51 | 19 | 70 | 55 |
| Catering income | - | 152 | 152 | 142 |
| Trips | - | 51 | 51 | 53 |
| Consultancy | 73 | - | 73 | 90 |
| Wages reimbursement | - | 81 | 81 | 67 |
| Sundry income | 58 | 11 | 69 | 54 |
| | <u>223</u> | <u>314</u> | <u>537</u> | <u>498</u> |

5. INVESTMENT INCOME

| | Unrestricted Funds £000 | Restricted Funds £000 | Total 2013 £000 | Total 2012 £000 |
|---------------------|-------------------------------|-----------------------------|-----------------------|-----------------------|
| Short term deposits | <u>5</u> | <u>-</u> | <u>5</u> | <u>1</u> |

Airedale Academy Trust**Notes to the Financial Statements for the Year Ended 31 August 2013****6. FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS**

| | Unrestricted Funds £000 | Restricted Funds £000 | Total 2013 £000 | Total 2012 £000 |
|-------------------------------------|--|--------------------------------------|--------------------------------|--------------------------------|
| DfE/EFA revenue grants | | | | |
| General annual grant (GAG) - note 2 | - | 5,219 | 5,219 | 5,500 |
| Capital grants | - | 19 | 19 | 19 |
| Other DfE/EFA grants | - | 328 | 328 | 174 |
| | <u>-</u> | <u>5,566</u> | <u>5,566</u> | <u>5,693</u> |
| Other government grants | | | | |
| Local Authority grants | | | | |
| Special Needs | - | 170 | 170 | 199 |
| Other local authority grants | - | 21 | 21 | 28 |
| | <u>-</u> | <u>191</u> | <u>191</u> | <u>227</u> |
| Other income | | | | |
| Sixth Form delivery | 287 | - | 287 | - |
| | <u>287</u> | <u>5,757</u> | <u>6,044</u> | <u>5,920</u> |

7. RESOURCES EXPENDED

| | Staff Costs £000 | Premises £000 | Other Costs £000 | Total 2013 £000 | Total 2012 £000 |
|--|---------------------------------|--------------------------|---------------------------------|--------------------------------|--------------------------------|
| Costs of activities for generating funds | 111 | 27 | 22 | 160 | 183 |
| Academy's educational operations | | | | | |
| Direct costs | 3,838 | 351 | 443 | 4,632 | 4,664 |
| Allocated support costs | 805 | 543 | 243 | 1,591 | 1,564 |
| | <u>4,643</u> | <u>894</u> | <u>686</u> | <u>6,223</u> | <u>6,228</u> |
| Governance costs | - | - | 20 | 20 | 26 |
| Total | <u>4,754</u> | <u>921</u> | <u>728</u> | <u>6,403</u> | <u>6,437</u> |

Incoming resources for the period include:

| | Total 2013 £000 | Total 2012 £000 |
|-------------------------|--------------------------------|--------------------------------|
| Operating leases | 56 | 72 |
| Fees payable to auditor | 8 | 7 |
| audit other services | 3 | 1 |
| Depreciation | <u>522</u> | <u>492</u> |

Airedale Academy TrustNotes to the Financial Statements for the Year Ended 31 August 2013**8. CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS**

| | Unrestricted Funds £000 | Restricted Funds £000 | Total 2013 £000 | Total 2012 £000 |
|--|-------------------------------|-----------------------------|-----------------------|-----------------------|
| Direct costs | | | | |
| Teaching and educational support staff costs | 122 | 3,716 | 3,838 | 3,864 |
| Depreciation | - | 351 | 351 | 376 |
| Technology costs | - | 40 | 40 | 62 |
| Educational supplies | 9 | 105 | 114 | 103 |
| Examination fees | 1 | 83 | 84 | 90 |
| Staff development | - | 15 | 15 | 29 |
| Educational consultancy | - | 113 | 113 | 45 |
| Other direct costs | - | 27 | 27 | 41 |
| Trips | - | 50 | 50 | 54 |
| | <u>132</u> | <u>4,500</u> | <u>4,632</u> | <u>4,664</u> |
| Allocated support costs | | | | |
| Support staff costs | 2 | 803 | 805 | 727 |
| Depreciation | - | 171 | 171 | 116 |
| Technology costs | - | 20 | 20 | 10 |
| Recruitment and support | - | 21 | 21 | 9 |
| Maintenance of premises and equipment | 1 | 184 | 185 | 134 |
| Light and heat | - | 104 | 104 | 89 |
| Rent and rates | - | 33 | 33 | 29 |
| Insurance | - | 50 | 50 | 138 |
| Security and transport | - | 23 | 23 | 18 |
| Catering | - | 130 | 130 | 203 |
| Uniforms | - | 3 | 3 | 4 |
| Other support costs | 1 | 32 | 33 | 70 |
| Pension finance costs | - | 13 | 13 | 17 |
| | <u>4</u> | <u>1,587</u> | <u>1,591</u> | <u>1,564</u> |
| | <u>136</u> | <u>6,087</u> | <u>6,223</u> | <u>6,228</u> |

9. GOVERNANCE COSTS

| | Unrestricted Funds £000 | Restricted Funds £000 | Total 2013 £000 | Total 2012 £000 |
|-------------------------------|-------------------------------|-----------------------------|-----------------------|-----------------------|
| Legal and professional fees | - | 7 | 7 | 15 |
| Auditor's remuneration | | | | |
| - audit fees | - | 8 | 8 | 7 |
| - non-audit services | - | 3 | 3 | 1 |
| Support and training | - | - | - | 3 |
| Trustees' reimbursed expenses | - | 2 | 2 | - |
| | <u>-</u> | <u>20</u> | <u>20</u> | <u>26</u> |

Airedale Academy Trust**Notes to the Financial Statements for the Year Ended 31 August 2013****10 STAFF COSTS AND NUMBERS**

| Staff costs during the period were | 2013 £000 | 2012 £000 |
|------------------------------------|--------------|--------------|
| Wages and salaries | 3,797 | 3,816 |
| Social Security costs | 234 | 258 |
| Pension costs | 495 | 510 |
| FRS 17 pension adjustments | 109 | 52 |
| | <u>4,635</u> | <u>4,636</u> |
| Supply teacher costs | 98 | 33 |
| Compensation costs | 21 | 36 |
| | <u>4,754</u> | <u>4,705</u> |

The average number of persons (including senior management team) employed by the Academy during the year was as follows

| | 2013 No | 2012 No. |
|--|------------|-------------|
| Charitable Activities | | |
| Teachers and educational support staff | 93 | 97 |
| Administration and support | 37 | 33 |
| Management | 10 | 10 |
| | <u>140</u> | <u>140</u> |

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

| | 2013 No | 2012 No. |
|-------------------|------------|-------------|
| £60,000 - £70,000 | 2 | 2 |
| £70,000 - £80,000 | - | 1 |
| £80,000 - £90,000 | 1 | - |

The above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2013, pension contributions for these employees amounted to £29,186 (2012 27,777)

11 TRUSTEES' REMUNERATION AND EXPENSES

The Head teacher and staff trustees only receive remuneration in respect of services they provide undertaking the roles of Head teacher and staff and not in respect of their services as trustees. Other trustees did not receive any payments, other than expenses, from the Academy in respect of their role as trustees. The value of trustees' remuneration during their period of office was as follows

| | 2013 | 2012 |
|--------------|-------------|-------------|
| M Blackledge | £80k - £85k | £50k - £55k |
| P Frazer | n/a | £30k - £35k |
| A Byard | n/a | £10k - £15k |
| J Ashman | n/a | £20k - £25k |
| H Griffith | £35k - £40k | £35k - £40k |
| P Gale | £25k - £30k | £25k - £30k |
| J Thompson | £5k - £10k | £0 - £5k |
| J Healy | £50k - £55k | n/a |

No travel expenses were reimbursed to trustees in the current year. In the previous year travel expenses totalling £3,367 were paid to 3 trustees. These payments were made in their capacity as employees of the Academy and not in respect of their services as trustees.

There were no related party transactions involving the trustees.

Legal authority for the payments is given by provision in the Articles of Association.

12 TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £1,000,000 on any one claim. The cost of this insurance for the year ended 31 August 2013 was £1,060. This cost was not separately identified in 2012.

Airedale Academy Trust**Notes to the Financial Statements for the Year Ended 31 August 2013****13. TANGIBLE ASSETS**

| | Leasehold Land and Buildings £000 | Furniture and Equipment £000 | Computer Equipment £000 | Motor Vehicles £000 | Total £000 |
|------------------------|--|---|--|------------------------------------|-----------------------|
| Cost | | | | | |
| At 1st September 2012 | 13,059 | 41 | 222 | - | 13,322 |
| Additions | 458 | 149 | 143 | - | 750 |
| Disposals | - | - | - | - | - |
| At 31st August 2013 | <u>13,517</u> | <u>190</u> | <u>365</u> | <u>-</u> | <u>14,072</u> |
| Depreciation | | | | | |
| At 1st September 2012 | 457 | 5 | 91 | - | 553 |
| Charge for the year | 419 | 5 | 98 | - | 522 |
| Eliminated on disposal | - | - | - | - | - |
| At 31st August 2013 | <u>876</u> | <u>10</u> | <u>189</u> | <u>-</u> | <u>1,075</u> |
| Net Book Values | | | | | |
| At 31st August 2013 | <u>12,641</u> | <u>180</u> | <u>176</u> | <u>-</u> | <u>12,997</u> |
| At 31st August 2012 | <u>12,602</u> | <u>36</u> | <u>131</u> | <u>-</u> | <u>12,769</u> |

14. STOCK

| | 2013 £000 | 2012 £000 |
|----------------------------------|----------------------|----------------------|
| Uniform, art packs and recorders | 5 | 6 |
| Catering | 3 | - |
| | <u>8</u> | <u>6</u> |

15. DEBTORS (all due within one year)

| | 2013 £000 | 2012 £000 |
|--------------------------------|----------------------|----------------------|
| Trade debtors | 34 | 30 |
| Prepayments and accrued income | 421 | 161 |
| VAT recoverable | 73 | 81 |
| | <u>528</u> | <u>272</u> |

16. CREDITORS: Amounts falling due within one year

| | 2013 £000 | 2012 £000 |
|---------------------------------|----------------------|----------------------|
| Trade creditors | 60 | 90 |
| Other taxes and social security | 82 | 85 |
| Other creditors | 67 | 69 |
| Accruals and deferred income | 147 | 121 |
| | <u>356</u> | <u>365</u> |

Deferred income

| | 2013 £000 | 2012 £000 |
|--------------------------------------|----------------------|----------------------|
| Deferred Income at 1 September 2012 | 105 | 87 |
| Resources deferred in the year | 13 | 105 |
| Amounts released from previous years | (105) | (87) |
| Deferred Income at 31 August 2013 | <u>13</u> | <u>105</u> |

This relates to amounts received prior to 31 August 2013 for periods spanning the year end recognised on a pro rata basis

Airedale Academy Trust**Notes to the Financial Statements for the Year Ended 31 August 2013**

| 17. FUNDS | Balance 01.09.12 £000 | Incoming Resources £000 | Resources Expended £000 | Gains, Losses & Transfers £000 | Balance 31.08.13 £000 |
|-------------------------------------|--------------------------------------|--|--|---|--------------------------------------|
| Restricted general funds | | | | | |
| Activities for generating funds | - | 294 | (294) | - | - |
| General annual grant (GAG) | 430 | 5,219 | (4,659) | (182) | 808 |
| Voluntary income | - | 6 | (6) | - | - |
| Other DfE/EFA grants | - | 328 | (318) | - | 10 |
| Other grants/funding | - | 191 | (191) | - | - |
| Family fun with food | 8 | 1 | (2) | - | 7 |
| Stemnet | 6 | - | (1) | - | 5 |
| Theatre groups | - | 19 | (12) | - | 7 |
| Pension reserve | (1,226) | - | (122) | 98 | (1,250) |
| | <u>(782)</u> | <u>6,058</u> | <u>(5,605)</u> | <u>(84)</u> | <u>(413)</u> |
| Restricted fixed asset funds | | | | | |
| DfE/EFA capital grants | 59 | 19 | (8) | - | 70 |
| Capital expenditure from GAG | 248 | - | (50) | 259 | 457 |
| Assets donated on conversion | 12,198 | - | (441) | - | 11,757 |
| Other donated assets | 264 | 472 | (23) | - | 713 |
| | <u>12,769</u> | <u>491</u> | <u>(522)</u> | <u>259</u> | <u>12,997</u> |
| Total restricted funds | <u>11,987</u> | <u>6,549</u> | <u>(6,127)</u> | <u>175</u> | <u>12,584</u> |
| Unrestricted funds | | | | | |
| Unrestricted funds | 325 | 515 | (276) | (77) | 487 |
| Total unrestricted funds | <u>325</u> | <u>515</u> | <u>(276)</u> | <u>(77)</u> | <u>487</u> |
| Total funds | <u>12,312</u> | <u>7,064</u> | <u>(6,403)</u> | <u>98</u> | <u>13,071</u> |

The restricted general funds relate to grants receivable from the DfE, EFA and other sources towards the operating activities of the Academy Trust. Under the funding agreement with the Secretary of State, the academy trust was subject to a limit on the amount of GAG that it could carry forward at 31 August 2013. Note 2 discloses whether the limit was exceeded.

The Stemnet fund is held for the purchase of science equipment.

The Family fun with food fund relates to a grant funded project to encourage students and their families to cook. Restricted theatre group funds relate to The Company, Phoenix and The Cast theatre groups; monies in this fund can only be used for the benefit of these theatre groups. Funds from the theatre relating to academy fundraising activities are included in unrestricted funds.

The restricted fixed assets funds represent the net book values of donated fixed assets and assets purchased from DfE/EFA/other government grants, together with unspent capital funds, which have to be held for the continuing use of the Academy Trust.

The transfer into the restricted fixed asset funds represents fixed assets purchased out of GAG.

The transfer from the unrestricted funds represents costs incurred in 2012 for 6th Form delivery.

Airedale Academy Trust**Notes to the Financial Statements for the Year Ended 31 August 2013****18. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

| | Unrestricted Funds £000 | Restricted General Funds £000 | Restricted Fixed Asset Funds £000 | Total Funds £000 |
|--------------------------|-------------------------------|--|--|------------------------|
| Tangible fixed assets | - | - | 12,997 | 12,997 |
| Current assets | 487 | 1,193 | - | 1,680 |
| Current liabilities | - | (356) | - | (356) |
| Pension scheme liability | - | (1,250) | - | (1,250) |
| Total net assets | 487 | (413) | 12,997 | 13,071 |

19 CAPITAL COMMITMENTS

| | 2013 £000 | 2012 £000 |
|--|--------------|--------------|
| Contracted for, but not provided in the financial statements | - | 5 |

20 FINANCIAL COMMITMENTS**Operating leases**

At 31 August 2013 the Academy had annual commitments under non-cancellable operating leases as follows

| | 2013 £000 | 2012 £000 |
|--|--------------|--------------|
| Other | | |
| Expiring within one year | 6 | 6 |
| Expiring within two and five years inclusive | 40 | 40 |
| Expiring in over five years | - | - |
| | 46 | 46 |

21. CONTINGENT LIABILITIES

There are outstanding claims against the charitable company under the Equal Pay Act. Further details have not been provided as the claims are still ongoing.

22. 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.

23. PENSIONS 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 the West Yorkshire Pension Fund. 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 2010.

At 31 August 2013 contributions of £47,568 (2012: £44,683) were due to TPS and £19,014 (2012: £17,628) to the West Yorkshire Pension Fund.

Airedale Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2013

23. PENSIONS AND SIMILAR OBLIGATIONS (CONTINUED)

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010). These regulations apply to teachers in schools that are maintained by local authorities and other educational establishments, including academies, in England and Wales. In addition teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and from 1 January 2007 automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

The Teachers' Pension Budgeting and Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and are paid by public funds provided by Parliament. 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 under arrangements governed by the above Act.

The Teachers' Pensions Regulations require an annual account, the Teachers' Pension Budgeting and Valuation 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.

Airedale Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2013

23. PENSIONS AND SIMILAR OBLIGATIONS (CONTINUED)

The last valuation of the TPS related to the period 1 April 2001 - 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.

Actuarial scheme valuations are dependent on assumptions about the value of future costs, the design of benefits and many other factors. Many of these assumptions are being considered as part of the work on the reformed TPS, as set out below. Scheme valuations therefore remain suspended. The Public Service Pensions Bill, which is being debated in the House of Commons, provides for future scheme valuations to be conducted in accordance with Treasury directions. The timing for the next valuation has still to be determined, but it is likely to be before the reformed schemes are introduced in 2015.

Teachers' Pension Scheme Changes

Lord Hutton published his final report in March 2011 and made recommendations 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 and Ministers engaged in extensive discussions with trade unions and other representative bodies on reform of the TPS. Those discussions concluded on 9 March 2012 and the Department published a Proposed Final Agreement, setting out the design for a reformed TPS to be implemented from 1 April 2015.

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. Importantly, 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 just 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 were to be phased in from April 2012 on a 40/80/100% basis.

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.

Airedale Academy Trust**Notes to the Financial Statements for the Year Ended 31 August 2013****23 PENSIONS AND SIMILAR OBLIGATIONS (CONTINUED)****Teachers' Pension Scheme (continued)**

The total contribution made for the year ended 31 August 2013 was £534,617 (2012 £540,931) of which employer's contributions totalled £336,149 (2012 £362,738) and employees' contributions £198,468 (2012 £178,193)

Local Government Pension Scheme

The company makes payments on behalf of employees to the West Yorkshire Pension Fund. It 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 2013 was £225,388 (2012 £203,527) of which employer's contributions totalled £158,697 (2012 £142,328) and employees' contributions £66,691 (2012 £61,199)

A full valuation was carried out at 30 March 2010 and updated to 31 August 2013 by a qualified independent actuary.

Principal Actuarial Assumptions

| | At 31 August 2013 % | At 31 August 2012 % |
|---------------------------------------|------------------------------------|------------------------------------|
| Discount rate | 4.5 | 4.2 |
| Rate of inflation (RPI) | 3.7 | 3.2 |
| Rate of inflation (CPI) | 2.8 | 2.2 |
| Rate of increase for pensions | 2.8 | 2.2 |
| Rate of increase in salaries | 4.7 | 4.7 |
| Rate of increase to deferred pensions | 2.8 | 2.2 |

Life expectancy assumptions

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 2013 years | At 31 August 2012 years |
|----------------------|--|--|
| Retiring today | | |
| Males | 22.1 | 22.0 |
| Females | 24.3 | 24.1 |
| Retiring in 20 years | | |
| Males | 23.9 | 23.8 |
| Females | 26.2 | 26.1 |

Airedale Academy Trust**Notes to the Financial Statements for the Year Ended 31 August 2013****23. PENSIONS AND SIMILAR OBLIGATIONS (CONTINUED)****Local Government Pension Scheme (continued)****Share of assets and rate of return**

| | Long-term rate of return expected as at 31 August 2013 % | Value as at 31-Aug-13 £000 | Long-term rate of return expected as at 31 August 2012 % | Value as at 31 August 2012 £000 |
|-------------------------------------|--|----------------------------------|--|---------------------------------------|
| Equities | 7.9 | 1,797 | 7.5 | 1,376 |
| Property | 7.4 | 74 | 7.0 | 71 |
| Government bonds | 3.4 | 281 | 2.5 | 262 |
| Corporate bonds | 4.1 | 140 | 3.2 | 112 |
| Cash | 0.9 | 94 | 1.3 | 55 |
| Other | 7.9 | 76 | 7.5 | 92 |
| Total market value of assets | | 2,462 | | 1,968 |
| Present value of scheme liabilities | | (3,712) | | (3,194) |
| Deficit | | <u>(1,250)</u> | | <u>(1,226)</u> |

The academy employs a building block approach in determining the rate of return on fund assets. Historical markets are studied and assets with higher volatility are assumed to generate higher returns consistent with widely accepted capital market principles. The assumed rate of return on each class of asset is set out above. The overall expected return on assets is then derived by aggregating the expected return for each class of asset over the actual asset allocation.

The actual return on scheme assets was £276,000 (2012: £143,000).

Amounts recognised in the statement of financial activities

| | 2013 £000 | 2012 £000 |
|--|--------------|--------------|
| Current service cost (net of employee contributions) | 268 | 194 |
| Past service cost | - | - |
| Total operating charge | <u>268</u> | <u>194</u> |
| Analysis of pension finance income / (costs) | | |
| Expected return on pension scheme assets | 128 | 117 |
| Interest on pension liabilities | <u>(141)</u> | <u>(134)</u> |
| Pension finance income / (costs) | <u>(13)</u> | <u>(17)</u> |

Amounts recognised in other gains and losses

| | | |
|--------------------------|-----------|--------------|
| Actuarial gains/(losses) | <u>98</u> | <u>(428)</u> |
|--------------------------|-----------|--------------|

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 £423,000 loss (2012: £521,000 loss).

Airedale Academy Trust**Notes to the Financial Statements for the Year Ended 31 August 2013****23. PENSIONS AND SIMILAR OBLIGATIONS (CONTINUED)****Local Government Pension Scheme (continued)***Movements in the present value of defined benefit obligations were as follows:*

| | 2013 £000 | 2012 £000 |
|---------------------------------|--------------|--------------|
| At 1 September | 3,194 | 2,376 |
| Current service costs | 268 | 194 |
| Interest cost | 141 | 134 |
| Employee contributions | 67 | 61 |
| Actuarial losses on liabilities | 50 | 454 |
| Benefits/transfers paid | (8) | (25) |
| At 31 August | <u>3,712</u> | <u>3,194</u> |

Movements in the fair value of academy's share of scheme assets

| | 2013 £000 | 2012 £000 |
|---------------------------|--------------|--------------|
| At 1 September | 1,968 | 1,647 |
| Expected return on assets | 128 | 117 |
| Actuarial gain/(loss) | 148 | 26 |
| Employer contributions | 159 | 142 |
| Member contributions | 67 | 61 |
| Benefits/transfers paid | (8) | (25) |
| At 31 August | <u>2,462</u> | <u>1,968</u> |

The estimated value of employer contributions for the year ended 31 August 2014 is £166,000

History of experience adjustments

| | 31 August 2013 £000 | 31 August 2012 £000 | 31 August 2011 £000 |
|---|------------------------|------------------------|------------------------|
| Present value of defined benefit liabilities | 2,462 | 1,968 | 1,647 |
| Fair value of share of scheme assets | (3,712) | (3,194) | (2,376) |
| (Deficit) in the scheme | <u>(1,250)</u> | <u>(1,226)</u> | <u>(729)</u> |
| Experience (gains)/losses on share of scheme assets | (148) | (26) | 141 |
| Experience adjustments on scheme liabilities | - | - | - |

The pension deficit is not expected to have any material impact on the financial viability of the organisation. A full scheme valuation is undertaken every three years by the scheme actuary which addresses the actions necessary over the long term to ensure the sustainability of the West Yorkshire Pension Fund.

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.

23 RELATED PARTY TRANSACTIONS

Owing to the nature of the academy trust's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which a trustee has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy trust's financial regulations and normal procurement procedures. No material related party transactions took place in the period of account.