

# Financial Statements Hartwell Primary School

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For the year ended 31 August 2015

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Registered number: 07566298

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**Hartwell Primary School**  
**(A company limited by guarantee)**

## Reference and Administrative Details

For the year ended 31 August 2015

### **Members**

Mr P Bullock  
Mrs J Clancy  
Mr Alcock  
Mr S Partridge (to 19 September 2014)  
Peterborough Diocese Church Schools Trust (from 19 September 2014)

### **Trustees**

Mrs S Bullock, Chair of Governors & Parent Governor<sup>1</sup>  
Mr R Alcock, Community Governor<sup>1</sup>  
Mr A Barker, Co-Opted Governor  
Mr P Bullock, Parent Governor  
Mrs J Clancy, Head Teacher and Accounting Officer<sup>1</sup>  
Mr M Cox, Community Governor<sup>1</sup>  
Mr P Evans, Parent Governor (resigned 31 October 2014)  
Mr N Hefford, Parent Governor (resigned 31 October 2014)  
Mr D Henderson, Parent Governor  
Mrs L Marshall, Bursar Staff Governor (resigned 1 June 2015)<sup>1</sup>  
Mr S Mold, Parent Governor<sup>1</sup>  
Mr J Murray, Foundation Governor (resigned 22 April 2015)<sup>1</sup>  
Mrs J Northing, Foundation Governor  
Mrs S Turner, Co-Opted governor  
Mr R Tyman, Teacher Staff Governor  
Mrs J Webster, Site Supervisor Staff Governor

<sup>1</sup> Member of Finance & Personnel Leadership Team

### **Company registered number**

07566298

### **Principal and registered office**

School Lane  
Hartwell  
Northampton  
Northamptonshire  
NN7 2HL

### **Senior management team**

Mrs J Clancy, Head teacher  
Mrs S McCulloch, Deputy head teacher  
Mr R Tyman, KS2 leader  
Miss A Bland, Joint KS1 leader  
Miss L Everitt, Joint KS1 leader

**Hartwell Primary School**  
**(A company limited by guarantee)**

## Reference and Administrative Details

For the year ended 31 August 2015

### Administrative details (continued)

#### **Independent auditor**

Grant Thornton UK LLP  
Chartered Accountants  
300 Pavilion Drive  
Northampton Business Park  
Northampton  
NN4 7YE

#### **Bankers**

Natwest  
41 The Drapery  
Northampton  
NN1 2EY

## Governors' Report

For the year ended 31 August 2015

The Governors (who are also directors of the Charitable Company for the purposes of the Companies Act) present their annual report together with the audited financial statements and Auditor's report of Hartwell Primary School (the academy) for the year ended 31 August 2015.

### Structure, governance and management

#### Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust. The Governors act as the trustees for the charitable activities of the Academy Trust and are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Hartwell Primary School (Company Number 07566298).

Details of Governors who served throughout the year except as noted are included in the Reference and Administrative Details on Page 1.

#### Members' liability

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

#### Governors' indemnities

Since the incorporation of the Charitable Company on 16 March 2011 the Governors (directors) have been indemnified in respect of their legal liability for financial loss arising as a result of a negligent act, accidental error or omission in the course of their official duties. As explained in Note 12 to the Financial Statements the limit of this indemnity is £2,000,000.

#### Principal activities

The principal activity of Hartwell Primary School is to provide a quality, free education for young people, aged 4 to 11, who live in the area local to the Academy.

In determining its intake at Year R the Academy preferentially accepts those young people who live in the Parish of Hartwell (as defined in the Academy's Admissions Policy).

#### Method of recruitment and appointment or election of Governors

The processes for appointing or electing the various types of Governor at Hartwell Primary School are as follows:

1) Foundation Governors – The Trustees of Hartwell Primary School have the right to appoint Foundation Governors provided that the total number of Foundation Governors (including ex officio Foundation Governors) would not hereby exceed 25% of the total number of Governors.

## Governors' Report (continued)

For the year ended 31 August 2015

In addition to their overall role as Governors, the Foundation Governors are appointed for the purpose of securing that the character of the Academy is preserved and developed i.e. a designated Church of England religious character conducted in accordance with the principals, practises and tenets of the Church of England.

2) Parent Governors – The Articles of Association require that there shall be a minimum of two and up to four Parent Governors. Parents, including carers, of registered pupils at the Academy are eligible to stand as individuals for election as a Parent Governor. They are elected by other parents at the Academy as individuals who are representative of the parental body. Suitable procedures have been put in place for the conduct of Parent Governor elections.

If insufficient parents stand for election, the Governing Body must appoint Parent Governors to bring their number up to that required by the Articles of Association. Such appointed Parent Governors would preferentially be parents or carers of registered pupils at the Academy. If, however, no such parents are willing to undertake the role then the Governing Body can appoint any person who is the parent or carer of one or more school age children.

3) Staff Governors – Up to three Staff Governors are elected by the Academy staff as individuals, representative of the staff of the Academy. Both teaching and support staff paid to work at the Academy are eligible for staff governorship and representation from both parties is required.

4) Community Governors – Up to three Community Governors can be appointed by the Governing Body. Community Governors can be people who live or work in the community served by the Academy, or people who live outside of the immediate area and who are committed to the good governance and success of the Academy.

Vacancies for Community Governors will be posted on the Academy's web site and advertised in the local area (i.e. village notice boards). Anyone expressing an interest in becoming a Community Governor will be asked to provide an appropriate curriculum vitae with their letter of application. Following an informal interview with the Chairman and Head Teacher each application will be considered by the Governing Body.

The Governors may not appoint an employee of Hartwell Primary Academy as a Community Governor if the number of Governors who are employed by the Academy (including the Head Teacher) would thereby exceed one third of the total number of Governors.

5) Co opted Governors – Up to three Co opted Governors can be appointed by the Governing Body because they have experience and/or expertise of particular benefit to the Academy. Following an identification of specific needs suitable candidates are identified by the Governing Body and approached accordingly.

A 'Co opted Governor' means a person who is appointed to be a Governor by being co opted by Governors who have not themselves been so appointed.

The Governors may not appoint an employee of Hartwell Primary School as a Co opted Governor if the number of Governors who are employed by the Academy (including the Head teacher) would thereby exceed one third of the total number of Governors.

6) Member Governor – The Members of Hartwell Primary School (the Academy Trust) may appoint up to one Governor.

## **Governors' Report (continued)**

**For the year ended 31 August 2015**

### **Policies and procedures adopted for the induction and training of Governors**

Following their appointment/election all new Governors receive an introduction to their role from the Chairman and Head Teacher, this introduction includes tours of the Academy site and the opportunity to meet other members of the Senior Leadership Team.

The Governing Body at Hartwell Primary School is committed to providing adequate opportunities for Governors to undertake and receive suitable training so as to enable them to undertake their role more effectively.

To this end the Governing Body buys into relevant services through an educational services provider, Plumsun and through a service level agreement with the Diocese of Peterborough. This arrangement allows for any or all of the members of the Governing body to attend training courses provided by the relevant bodies.

All new Governors are actively encouraged to attend new governor training so as to gain a better understanding of the role and responsibilities of being a School Governor. Additionally Governors with specific roles within the Governing Body are strongly encouraged to undertake specific training.

There is a nominated Link Governor who acts as liaison between Governor Services and the Governing body.

### **Organisational structure**

Before conversion to academy status Hartwell Primary School was a Voluntary Controlled Primary School. Though Academy status has brought increased autonomy to the Academy, the structure of the Governing Body was deemed suitable to undertake similar roles to those required of the governors of an academy. Consequently, whilst the extra responsibilities of the Governing Body of the Academy Trust have been recognised, its structure still reflects its very successful predecessor.

At Hartwell Primary School the majority of the roles and responsibilities of the Governing Body have been delegated to a small number of leadership teams, as defined in the School's Standing Orders. The full Governing Body has retained responsibility for certain aspects, again as defined in the Standing Orders.

Members of the Senior Leadership Team (SLT), in addition to the Head Teacher, attend Governors' Meetings as appropriate.

The Governors are responsible for the strategic management of the Academy including strategic direction, annual budgets, senior staff appointments, policy changes etc. Operational management is the responsibility of the Head Teacher and staff.

School policies are developed by senior members of the Academy's staff, to reflect both the strategic direction agreed by the Governors and also statutory requirements. These policies are scrutinised and approved by the relevant leadership team with endorsement through the full governing body. These are then implemented as procedures and systems by all members of staff.

During the current accounting period, the full Governing Body met 3 times, the Finance and Personnel Team met 5 times, the Safety and Well-Being Team met 5 times and the Teaching and Learning Team met 4 times.

## **Governors' Report (continued)**

**For the year ended 31 August 2015**

### **Connected organisations, including related party relationships**

The land and buildings are let at a peppercorn rent on a 125 year lease from the Diocese of Peterborough to the Academy Trust.

### **Risk management**

The Governors of Hartwell Primary School acknowledge their responsibility to undertake an assessment of possible risks to the future of the Academy.

Risks identified were the variations year on year in the number of pupils joining the Academy in Class R, and additionally the impact on the overall running of the Academy of the loss of data or key personnel

The Governors have assessed the major risks to which the Academy is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Academy, and their finances. The Governors have implemented a number of systems to assess risks that the Academy faces, especially in the operational areas (e.g. in relation to teaching, health and a safety, bullying and Academy trips) and in relation to the control of finance. They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds) 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 Governance Statement.

### **Objectives and Activities**

#### **Objects and aims**

The Academy Trust was set up on 1 April 2011 to advance, for the public benefit, education in the Hartwell area of the County of Northamptonshire by maintaining, operating and developing Hartwell Primary School; a school with a history and tradition dating back to 1861. Hartwell Primary School offers a broad and balanced curriculum in keeping with its standing as a Church of England School.

The aims of the Academy rest on the following principles:

We challenge every child to strive for the highest standard of personal, social and intellectual development and aim for excellence in all they do. We encourage children to have the confidence to explore and experiment as they work to develop their talents and achieve their full potential.

The Governors and staff of Hartwell Primary School recognise that this is a Church of England School and on these foundations commit to:

- providing a stimulating, caring and safe environment which encourages our children to become confident, to work hard and to respond positively to challenge;
- developing trust, self discipline, friendship, good manners and mutual respect for each other and the environment;



## **Governors' Report (continued)**

**For the year ended 31 August 2015**

- delivering the whole curriculum in a way which ensures balance and breadth and prepares our children for their future;
- structuring our teaching and learning styles to meet the needs of all our children;
- showing that each and every child is valued and appreciated and teaching our children to respect and value others;
- encouraging a respect for diversity, an appreciation of the differing cultures and beliefs of other peoples;
- preparing our children to prosper and make a positive contribution to the communities they are involved in.

### **Objectives, strategies and activities**

The main objective of the Governing Body is to maintain the traditional ethos, values, standards and achievements of the Academy, whilst continuing to work to fulfil the Academy's medium and longer term development plans.

Development Plan Objectives for the Academic Year 2014/15

Achievement across both Key Stages is consistently good with a significant number of outstanding features. Particular focus will be given to the identification of pupils at risk of underachievement.

Align formative and summative assessment to the new Primary curriculum in order to impact on achievement and attainment for all pupils.

Ensure an overall outstanding judgement through practise sustained at consistently good with outstanding features.

Ensure teachers are confident in delivering and assessing the new Primary curriculum in order to maintain high standards.

Further enhance the opportunities for pupils to take responsibility including assessing their own risks and keeping themselves safe.

Rigorous induction, monitoring and professional development systems ensure achievement and attainment at an outstanding level by the end of KS2.

Embed and effectively monitor the impact of the Academy's distinctive Christian character.

### **Public benefit**

The Governors have considered the Charity Commission's guidance on Public Benefit and comply with their duty to have due regard to the guidance published. The key public benefit delivered by Hartwell Primary School is the maintenance and development of the high quality education provided by the Academy to the young people of Hartwell and the surrounding parishes.

In doing this Hartwell Primary School not only offers a broadly based and balanced academic education but aims to educate the whole individual. A very wide range of extra curricular activities, educational trips and visits are offered and undertaken.

The Academy works in liaison with Happy Hols Breakfast and After School Club to offer pre and post school care for the community.

## **Governors' Report (continued)**

**For the year ended 31 August 2015**

The Academy also offers its facilities to local groups such as Rainbows, Brownies and Guides.

### **Strategic report**

#### **Achievements and performance**

Hartwell Primary School has high aspirations for its pupils and a drive for continuous improvement. The Academy's analysis of academic performance is thorough, and much use is made of performance and benchmarking data from a range of sources.

To ensure that standards are continually raised the Academy Senior Leadership Team operates a programme of monitoring, purchases the time of a consultant to question and advise on data and School Self Evaluation and undertakes a comparison of results from entry to end of Key Stage 1 and from Key Stage 1 to Key Stage 2 to assess the added value.

At 96.4% the overall attendance rate for the year was good.

#### **Early Years Foundation Stage**

- 62% (18/29) achieved a good level of development compared to 57.1% locally and 60% nationally (2014 69%)
- Figures are consistent with those previously achieved by the school.

#### **Key Stage 1**

There has been significant mobility in the KS1 leadership role over the past two years. The KS1 senior leader who was appointed in September 2014 left at Easter 2015. This role has now been jointly taken on by two teachers. Data outcomes show:

- Attainment was slightly down at L2+ in Reading and Maths but sustained in writing
- L3 outcomes improved on 2014 in Reading 53% (37%) and Maths 37% (17%) but were slightly down in Writing 17% (23%)
- At L3 Reading and Maths surpass 2014 National outcomes (30%, 24%) and match them in Writing (16%)
- Closing the gap in Reading and writing will be a focus for 2015

#### **Phonic screening**

- Results from the Year 1 phonic screening were in line with National outcomes
- 48% (14/29) of pupils scored 38 or above with 31% (9) scoring full marks
- In Year 2 4/5 pupils passed the screening

#### **Key Stage 2**

National floor standards were surpassed at the end of KS2.

	National Floor Standards	School
Level 4+ RWM	65%	93%
EP reading	94%	100%
EP writing	96%	100%
EP mathematics	93%	92%

## **Governors' Report (continued)**

**For the year ended 31 August 2015**

The RAISEonline Inspection dashboard for 2014/15 states that there were no weaknesses in the year's data set.

The progress of disadvantaged pupils was at or above other pupils nationally.

The Academy continues to provide excellent value for money in terms of both achievement and attainment of pupils.

### **Key financial performance indicators**

Most of the Academy's income is obtained from the DfE via the EFA in the form of its General Annual Grant (GAG), the use of which is restricted to particular purposes; i.e. the objects of the Academy Trust. The GAG received during the period covered by this report and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

In accordance with the Charities SORP 2005, the Devolved Formula Capital received is shown in the Statement of Financial Activities (SOFA) as Restricted Fixed Asset Funds.

During the year ended 31 August 2015 total incoming resources were £859,640 (2014: £755,250). The total revenue expenditure was £876,934 (2014: £835,074), and £42,103 (2014: £399,467) was spent on fixed assets. At 31 August 2015 the net book value of tangible fixed assets was £1,855,635 (2014: £1,894,238) and movements in tangible fixed assets are shown in note 13 to the financial statements. The assets were used exclusively for providing education and associated support services to the pupils of the Academy.

### **Going concern**

After making appropriate enquiries, the Governing Body has a reasonable expectation that Hartwell Primary School 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.

### **Financial review**

#### **Reserves policy**

The Governors' Finance and Personnel Leadership team has reviewed reserve levels and are confident that they should provide sufficient working capital to cover delays between spending and receipt of grants and to allow for unexpected situations such as urgent maintenance work. Under normal circumstances the Governors would aim to maintain reserves of between four and six weeks of working capital as an appropriate cushion.

As of 31 August 2015 the Academy had Restricted General Reserves of negative £35,484 (2014: £59,044 negative). This includes the Local Government Pension Scheme pension reserve deficit of £125,000 (2014: £115,000).

The Academy had Restricted Fixed Asset Reserves of £1,855,635 (2014: £1,894,238) representing the land and buildings relating to the Academy and assets acquired by restricted grants. The Academy also had Unrestricted Reserves of £14,219 (2014: £14,470).

#### **Investment policy and performance**

Apart from the cash held for the operation of the Academy, Hartwell Primary School has no realisable investments. With respect to its cash holdings the Governing Body has adopted a low risk strategy. The School maintains a

## **Governors' Report (continued)**

**For the year ended 31 August 2015**

Business Account with a Liquidity Select Account attached, generating higher interest, with sweeping and switching to ensure that adequate funds are available in the business account whilst maintaining a balance in the liquidity select account as high as possible.

### **Plans for future periods**

### **Future developments**

Hartwell Primary School will continue to work to maintain the performance of its students at all levels. Additionally, it will continue its efforts to improve the achievements of its students, not only in academic subjects but also in extra curricular activities and in essential life skills; so as to increase the number of opportunities open to its students when they move on to higher education and ultimately employment.


The Governors recognise that through good financial management over the past decade they have been able to invest in and improve significantly the quality of the built environment of the Academy. The improvements made have not only been in the quality of the teaching spaces and facilities but also in the social and recreational areas for students. A focus for the coming year will be the development of the outdoor play area. An all-weather flooring will be installed for the play park and trim trail, and new play equipment installed. Additionally, the playground markings will be updated.

### **Disclosure of information to auditor**

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

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

This report, incorporating the Strategic report, was approved by order of the Board of Governors, as the company directors, on 14/12/15 and signed on the board's behalf by:



Mrs S Bullock  
Chair of Governors

## Governance Statement

### Scope of Responsibility

As Governors, we acknowledge we have overall responsibility for ensuring that Hartwell Primary School 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 Governors has delegated the day-to-day responsibility to the Head Teacher, 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 Hartwell Primary School and the Secretary of State for Education. They are also responsible for reporting to the Board of Governors any material weaknesses or breakdowns in internal control.

### Governance

The information on governance included here supplements that described in the Governors' report and in the Governors' responsibilities statement. The Board of Governors has formally met 3 times during the year. Attendance during the year at meetings of the Board of Governors was as follows:

Governor	Meetings attended	Out of a possible
Mrs S Bullock, Chair of Governors & Parent Governor	3	3
Mr R Alcock, Community Governor	3	3
Mrs J Clancy, Head Teacher and Accounting Officer	3	3
Mr P Bullock, Parent Governor	2	2
Mr A Barker, Co-Opted Governor	2	2
Mr M Cox, Parent Governor,	1	3
Mr D Henderson, Parent Governor	2	2
Mrs J Northing, Foundation Governor	0	1
Mrs S Turner, Co-Opted Governor	2	2
Mr S Mold, Parent Governor	2	3
Mr R Tyman, Teacher Staff Governor	2	2
Mrs J Webster, Site Supervisor Staff Governor	3	3

### Governance reviews:

The Governors intend to carry out a self evaluation of their effectiveness in the coming year.

The Finance and Personnel Leadership team is a sub committee of the main governing body its purpose is to assist the decision making of the governing body (GB), by enabling more detailed consideration to be given to the best means of fulfilling the governing body's responsibility to ensure sound management of the Academy staff and to ensure the Academy staffing complement supports the Academy's aims and ethos and is affordable. Major issues will be referred to the full governing body for ratification.

## Governance Statement (continued)

Attendance at meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
Mrs S Bullock	4	5
Mr R Alcock	3	5
Mr A Barker	4	4
Mr S Mold	4	5
Mr M Cox	3	5
Mrs J Clancy	5	5

### Review of Value for Money

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

The Accounting Officer considers how the Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Governors where value for money can be improved, including the use of benchmarking data where available.

The Accounting Officer for the Academy Trust has delivered improved value for money during the year by increasing the support level provided by the Diocese of Peterborough. For an additional £700 the Academy Trust has gained termly half day visits from a Diocesan School Consultant, termly Head Teacher Briefings, essential advice on admissions and appeals, a spirituality conference for the RE coordinator and training for the Governors. The consultant also facilitated a bespoke project, the focus for the project was the establishment of an Ethos Team. The aim of the Ethos Team is to ensure the sustaining, developing and nurturing of the Academy's distinctive Christian character. The Academy Trust was fortunate to then gain the Consultant, Janet Northing, as a new Foundation Governor.

### The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Hartwell Primary School for the year 1 September 2014 to 31 August 2015 and up to the date of approval of the annual report and financial statements.

### Capacity to Handle Risk

The Board of Governors has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Governors is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks, that has been in place for the year 1 September 2014 to 31 August 2015 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Governors.

### The Risk and Control Framework

The Academy's system of internal financial control is based on a framework of regular management information

## Governance Statement (continued)

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 Governors;
- regular reviews by the Finance and Personnel leadership team of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The governing body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Governors have appointed accountants (Grant Thornton), and a Responsible Officer (RO) through Northants County Council.

The RO's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems.

- Check salary payments are authorised and agree to staff contracts
- Check all purchases are authorised and quotes are sought in line with the Financial Regulations Manual
- Ensure that all income recorded agrees to remittances and receipts
- Ensure bank reconciliations are performed monthly with any discrepancies investigated
- Ensure control accounts are reconciled regularly

On a semi-annual basis, the RO reports to the Board of Governors on the operation of the systems of control and on the discharge of the Board of Governors' financial responsibilities.

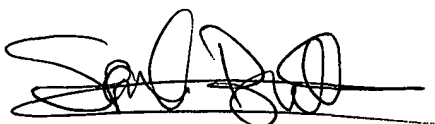
### Review of Effectiveness

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

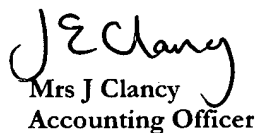
- the work of the Responsible Officer;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance and Personnel leadership team 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 Governors on 14/12/15 and signed on its behalf, by:



**Mrs S Bullock**  
**Chair of Governors**



**Mrs J Clancy**  
**Accounting Officer**


**Hartwell Primary School**  
**(A company limited by guarantee)**

## Statement on Regularity, Propriety and Compliance

As Accounting Officer of Hartwell Primary School I have considered my responsibility to notify the Academy Board of Governors and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Academy and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook (2014).

I confirm that I and the Academy Board of Governors are able to identify any material, irregular or improper use of funds by the Academy, or material non-compliance with the terms and conditions of funding under the Academy's funding agreement and the Academies Financial Handbook (2014).

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

  
Mrs J Clancy  
Accounting Officer

Date: 14/12/15



## **Governors' Responsibilities Statement**

**For the year ended 31 August 2015**

The Governors (who act as Trustees of Hartwell Primary School and are also the directors of the Charitable Company for the purposes of company law) are responsible for preparing the Governors' report (including the Strategic report) and the financial statements in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- 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;
- 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 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 Board of Governors on 14/12/15 and signed on its behalf by:



**Mrs S Bullock**  
**Chair of Governors**

(A company limited by guarantee)



## Independent Auditor's Report to the Members of Hartwell Primary School

We have audited the financial statements of Hartwell Primary School for the year ended 31 August 2015 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2014 to 2015 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 Governors and auditor**

As explained more fully in the Governors' responsibilities statement, the Governors (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 Academy's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Governors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Governors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

(A company limited by guarantee)



## Independent Auditor's Report to the Members of Hartwell Primary School

### 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 2015 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 2014 to 2015 issued by the Education Funding Agency.

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

In our opinion the information given in the Governors' report, incorporating the Strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

### Matters on which we are required to report by exception

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

- the Academy has not kept adequate accounting records; 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.

*Grant Thornton UK LLP*

William Devitt (Senior statutory auditor)

for and on behalf of

### Grant Thornton UK LLP

Chartered Accountants  
Statutory Auditor

300 Pavilion Drive  
Northampton Business Park  
Northampton  
NN4 7YE

Date: *18 December 2015*

## **Independent Reporting Accountant's Assurance Report on Regularity to Hartwell Primary School and the Education Funding Agency**

In accordance with the terms of our engagement letter dated 30 September 2015 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Hartwell Primary School during the year 1 September 2014 to 31 August 2015 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 Hartwell Primary School and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Hartwell Primary School and 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 Hartwell Primary School and EFA, for our work, for this report, or for the conclusion we have formed.

### **Respective responsibilities of Hartwell Primary School's Accounting Officer and the reporting accountant**

The Accounting Officer is responsible, under the requirements of Hartwell Primary School's funding agreement with the Secretary of State for Education dated 31 March 2011, and the Academies Financial Handbook extant from 1 September 2014, 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 2014 to 2015. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2014 to 31 August 2015 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 2014 to 2015 issued by 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's income and expenditure.

**Hartwell Primary School**  
**(A company limited by guarantee)**

## Independent Reporting Accountant's Assurance Report on Regularity to Hartwell Primary School and the Education Funding Agency (continued)

The work undertaken to draw our conclusion includes:

- an assessment of the risk of material irregularity and impropriety across the Academy Trust's activities;
- evaluation of the processes and controls established and maintained in respect of regularity, propriety and compliance of the use of public funds through observation and testing of the arrangements in place and enquiry of the Accounting Officer;
- consideration and corroboration of the evidence supporting the Accounting Officer's statement on regularity, propriety and compliance; and
- detailed testing on a sample basis of income and expenditure for the areas identified as high risk.

### **Conclusion**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2014 to 31 August 2015 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

*Grant Thornton UK LLP*

### **Grant Thornton UK LLP**

Chartered Accountants  
Statutory Auditor

300 Pavilion Drive  
Northampton Business Park  
Northampton  
NN4 7YE

Date: *18 December 2015*

## Statement of Financial Activities

(Incorporating Income and Expenditure Account and Statement of Total Recognised Gains and Losses)  
For the year ended 31 August 2015

	Note	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	Total funds 2014 £
<b>Incoming resources</b>						
Incoming resources from generated funds:						
Voluntary income	2	-	-	-	-	2,763
Activities for generating funds	3	21,975	12,182	-	34,157	22,310
Investment income	4	176	-	-	176	215
Incoming resources from charitable activities	5	-	819,169	6,138	825,307	729,962
<b>Total incoming resources</b>		<b>22,151</b>	<b>831,351</b>	<b>6,138</b>	<b>859,640</b>	<b>755,250</b>
<b>Resources expended</b>						
Charitable activities		22,402	709,695	80,706	812,803	779,924
Governance costs	7	-	64,131	-	64,131	55,150
<b>Total resources expended</b>	8	<b>22,402</b>	<b>773,826</b>	<b>80,706</b>	<b>876,934</b>	<b>835,074</b>
<b>Net incoming / (outgoing) resources before transfers</b>		<b>(251)</b>	<b>57,525</b>	<b>(74,568)</b>	<b>(17,294)</b>	<b>(79,824)</b>
Transfers between Funds	16	-	(35,965)	35,965	-	-
<b>Net income / (expenditure) for the year</b>		<b>(251)</b>	<b>21,560</b>	<b>(38,603)</b>	<b>(17,294)</b>	<b>(79,824)</b>
Actuarial gains and losses on defined benefit pension schemes		-	2,000	-	2,000	(55,000)
<b>Net movement in funds for the year</b>		<b>(251)</b>	<b>23,560</b>	<b>(38,603)</b>	<b>(15,294)</b>	<b>(134,824)</b>
Total funds at 1 September 2014		14,470	(59,044)	1,894,238	1,849,664	1,984,488
<b>Total funds at 31 August 2015</b>		<b>14,219</b>	<b>(35,484)</b>	<b>1,855,635</b>	<b>1,834,370</b>	<b>1,849,664</b>

All activities relate to continuing operations.

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 23 to 39 form part of these financial statements.

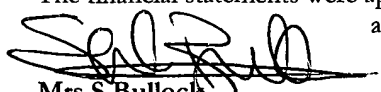
**Hartwell Primary School**  
**(A company limited by guarantee)**  
**Registered number: 07566298**

## Balance Sheet

As at 31 August 2015

	Note	£	2015 £	£	2014 £
<b>Fixed assets</b>					
Tangible assets	13		1,855,635		1,894,238
<b>Current assets</b>					
Debtors	14	20,370		19,359	
Cash at bank		197,231		114,407	
		<u>217,601</u>		<u>133,766</u>	
<b>Creditors:</b> amounts falling due within one year	15	(113,866)		(63,340)	
<b>Net current assets</b>			<u>103,735</u>		<u>70,426</u>
<b>Total assets less current liabilities</b>			<u>1,959,370</u>		<u>1,964,664</u>
Defined benefit pension scheme liability	21		(125,000)		(115,000)
<b>Net assets including pension scheme liability</b>			<u><u>1,834,370</u></u>		<u><u>1,849,664</u></u>
<b>Funds of the Academy</b>					
Restricted funds:					
Restricted funds	16	89,516		55,956	
Restricted fixed asset funds	16	1,855,635		1,894,238	
Restricted funds excluding pension liability		<u>1,945,151</u>		<u>1,950,194</u>	
Pension reserve		<u>(125,000)</u>		<u>(115,000)</u>	
Total restricted funds			<u>1,820,151</u>		<u>1,835,194</u>
Unrestricted funds	16		<u>14,219</u>		<u>14,470</u>
<b>Total funds</b>			<u><u>1,834,370</u></u>		<u><u>1,849,664</u></u>

The financial statements were approved by the Governors, and authorised for issue, on 14/12/15  
and are signed on their behalf, by:

  
Mrs S Bullock  
Chair of Governors

The notes on pages 23 to 39 form part of these financial statements.

**Hartwell Primary School**  
**(A company limited by guarantee)**

## Cash Flow Statement

For the year ended 31 August 2015

	Note	2015 £	2014 £
Net cash flow from operating activities	18	118,613	55,657
Returns on investments and servicing of finance	19	176	215
Capital expenditure and financial investment	19	(35,965)	(392,767)
<b>Increase/(Decrease) in cash in the year</b>		<b>82,824</b>	<b>(336,895)</b>

## Reconciliation of Net Cash Flow to Movement in Net Funds

For the year ended 31 August 2015

	2015 £	2014 £
Increase/(Decrease) in cash in the year	82,824	(336,895)
<b>Movement in net funds in the year</b>	<b>82,824</b>	<b>(336,895)</b>
Net funds at 1 September 2014	114,407	451,302
<b>Net funds at 31 August 2015</b>	<b>197,231</b>	<b>114,407</b>

The notes on pages 23 to 39 form part of these financial statements.



# Notes to the Financial Statements

For the year ended 31 August 2015

## 1. Accounting Policies

### 1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, the Academies Accounts Direction 2014 to 2015 issued by EFA, applicable accounting standards and the Companies Act 2006.

### 1.2 Fund accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the Academy at the discretion of the Governors.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by funders 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 Department for Education.

Investment income, gains and losses are allocated to the appropriate fund.

### 1.3 Incoming resources

All incoming resources are included in the Statement of Financial Activities when the Academy has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

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.

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

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

# Notes to the Financial Statements

For the year ended 31 August 2015

## 1. Accounting Policies (continued)

### 1.4 Resources expended

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.

Charitable activities are costs incurred in the Academy's educational operations.

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

All resources expended are inclusive of irrecoverable VAT.

### 1.5 Going concern

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

### 1.6 Tangible fixed assets and depreciation

All assets costing more than £500 are capitalised.

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 are 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's depreciation policy.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Long-term leasehold buildings	-	50 years
Fixtures, fittings and equipment	-	4 years
Leasehold improvements	-	20 years

## Notes to the Financial Statements

For the year ended 31 August 2015

### **1. Accounting Policies (continued)**

#### **1.7 Operating leases**

Rentals under operating leases are charged to the Statement of financial activities on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

#### **1.8 Taxation**

The Academy 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 is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

#### **1.9 Pensions**

Retirement benefits to employees of the Academy 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.

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 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 21, the TPS is a multi-employer scheme and the Academy 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 in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on the 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 vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

## Notes to the Financial Statements

For the year ended 31 August 2015

### 2. Voluntary income

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Donations	-	-	-	2,763

### 3. Activities for generating funds

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
School fund	21,975	8,341	30,316	15,957
Other income	-	3,841	3,841	6,353
	<u>21,975</u>	<u>12,182</u>	<u>34,157</u>	<u>22,310</u>

### 4. Investment income

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Bank interest	176	-	176	215

# Notes to the Financial Statements

For the year ended 31 August 2015

## 5. Funding for Academy's educational operations

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
<b>DfE/EFA grants</b>				
General Annual Grant (GAG)	-	734,838	734,838	688,094
DfE capital grants	-	6,138	6,138	6,700
Other DfE/EFA grants	-	84,331	84,331	34,068
	-	825,307	825,307	728,862
<b>Other government grants</b>				
Local authority grants	-	-	-	1,100
	-	-	-	1,100
	-	825,307	825,307	729,962

## 6. Expenditure by charitable activity

### Summary by fund type

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Direct costs	22,402	608,796	631,198	651,420
Allocated support costs	-	181,605	181,605	128,504
	22,402	790,401	812,803	779,924

	Unrestricted Funds £	Restricted Funds £	2015 £	2014 £
<b>Direct costs</b>				
Teaching and educational support staff	-	489,584	489,584	509,630
Depreciation	-	80,706	80,706	110,175
Educational supplies	-	35,689	35,689	27,148
Staff development	-	2,817	2,817	4,467
Other direct costs	22,402	-	22,402	-
<b>Total</b>	22,402	608,796	631,198	651,420

## Notes to the Financial Statements

For the year ended 31 August 2015

	Unrestricted Funds £	Restricted Funds £	2015 £	2014 £
<b>Support costs</b>				
Support staff costs	-	77,244	77,244	58,279
Recruitment and support	-	834	834	1,810
Maintenance of premises and equipment	-	28,636	28,636	16,930
Cleaning	-	2,173	2,173	1,657
Rent and rates	-	3,624	3,624	1,801
Energy costs	-	6,916	6,916	5,740
Insurance	-	6,434	6,434	7,924
Security and transport	-	-	-	421
Bank interest and charges	-	-	-	(10)
Other support costs	-	55,744	55,744	33,952
<b>Total</b>	<b>-</b>	<b>181,605</b>	<b>181,605</b>	<b>128,504</b>

### 7. Governance costs

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Auditor's remuneration	-	7,370	7,370	4,250
Legal and professional fees	-	56,761	56,761	50,900
	<b>-</b>	<b>64,131</b>	<b>64,131</b>	<b>55,150</b>

### 8. Resources expended

	Staff costs 2015 £	Non Pay Premises 2015 £	Expenditure Other costs 2015 £	Total 2015 £	Total 2014 £
Direct costs	489,584	80,706	60,908	631,198	651,420
Support costs	77,244	41,349	63,012	181,605	128,504
<b>Charitable activities</b>	<b>566,828</b>	<b>122,055</b>	<b>123,920</b>	<b>812,803</b>	<b>779,924</b>
<b>Governance</b>	<b>-</b>	<b>-</b>	<b>64,131</b>	<b>64,131</b>	<b>55,150</b>
	<b>566,828</b>	<b>122,055</b>	<b>188,051</b>	<b>876,934</b>	<b>835,074</b>

## Notes to the Financial Statements

For the year ended 31 August 2015

### 9. Net incoming / (outgoing) resources

This is stated after charging:

	2015 £	2014 £
Depreciation of tangible fixed assets: - owned by the charity	80,706	110,175
Auditor's remuneration	4,380	4,250
Auditor's remuneration - non-audit	2,990	-
	<u>88,076</u>	<u>114,425</u>

### 10. Staff

#### a. Staff costs

Staff costs were as follows:

	2015 £	2014 £
Wages and salaries	423,353	470,638
Social security costs	20,412	17,930
Other pension costs (Note 21)	123,063	79,341
	<u>566,828</u>	<u>567,909</u>

#### b. Staff numbers

The average number of persons employed by the Academy during the year expressed as full time equivalents was as follows:

	2015 No.	2014 No.
Teachers	9	8
Support Staff	10	10
	<u>19</u>	<u>18</u>

#### c. Higher paid staff

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

	2015 No.	2014 No.
In the band £ 60,001 - £ 70,000	<u>1</u>	<u>1</u>

The above employee participated in the Teachers Pension Scheme. During the year ended 31 August 2015, pension contributions for 1 (2014: 1) staff member amounted to £8,603 (2014: £8,517)

# Notes to the Financial Statements

For the year ended 31 August 2015

## 11. Governors' remuneration and expenses

One or more Governors has been paid remuneration or has received other benefits from an employment with the Academy Trust. The Principal and other staff Governors only receive remuneration in respect of services they provide undertaking the roles of principal and other staff members under their contracts of employment, and not in respect of their role as Governors. The value of Governors' remuneration and other benefits was as follows:

	2015 £	2014 £
Mrs J Clancy, Head Teacher and Accounting Officer	60,000-65,000	60,000-65,000
Mrs S Levell, Staff Governor	NIL	35,000-40,000
Mrs L Marshall, Bursar Staff Governor	15,000-20,000	20,000-25,000
Mrs J Webster, Site Supervisor Staff Governor	10,000-15,000	10,000-15,000
Mr R Tyman, Staff governor	35,000-40,000	NIL

During the year, no Governors received any reimbursement of expenses (2014 - £NIL).

The value of Employer's pension contributions for J Clancy totalled between £5,000-£10,000.

The value of Employer's pension contributions for S Levell totalled between £0-£5,000.

The value of Employer's pension contributions for L Marshall totalled between £0-£5,000.

The value of Employer's pension contributions for J Webster totalled between £0-£5,000.

The value of Employer's pension contributions for R Tyman totalled between £5,000-£10,000.

## 12. Governors' and officers' insurance

In accordance with normal commercial practice the Academy has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £2,000,000 on any one claim. The cost for the year ended 31 August 2015 is not separately identifiable (2014 - £600). The cost of this insurance is included in the total insurance cost.



## Notes to the Financial Statements

For the year ended 31 August 2015

### 13. Tangible fixed assets

	Long term leasehold property £	Leasehold improve- ments £	Fixtures and fittings £	Total £
<b>Cost</b>				
At 1 September 2014	1,460,966	490,802	132,856	2,084,624
Additions	-	34,355	7,748	42,103
At 31 August 2015	1,460,966	525,157	140,604	2,126,727
<b>Depreciation</b>				
At 1 September 2014	87,658	26,895	75,833	190,386
Charge for the year	29,219	25,145	26,342	80,706
At 31 August 2015	116,877	52,040	102,175	271,092
<b>Net book value</b>				
At 31 August 2015	1,344,089	473,117	38,429	1,855,635
At 31 August 2014	1,373,308	463,907	57,023	1,894,238

### 14. Debtors

	2015 £	2014 £
Trade debtors	409	-
Other debtors	13,301	8,346
Prepayments and accrued income	6,660	11,013
	<u>20,370</u>	<u>19,359</u>

### 15. Creditors:

#### Amounts falling due within one year

	2015 £	2014 £
Trade creditors	80,071	22,076
Other taxation and social security	6,932	7,255
Other creditors	63	-
Accruals and deferred income	26,800	34,009
	<u>113,866</u>	<u>63,340</u>

## Notes to the Financial Statements

For the year ended 31 August 2015

**15. Creditors:**  
**Amounts falling due within one year (continued)**

	£
<b>Deferred income</b>	
Deferred income at 1 September 2014	22,680
Resources deferred during the year	17,717
Amounts released from previous years	(22,680)
	<hr/>
Deferred income at 31 August 2015	17,717
	<hr/>

## Notes to the Financial Statements

For the year ended 31 August 2015

### 16. Statement of funds

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
<b>Unrestricted funds</b>						
General Funds	14,470	22,151	(22,402)	-	-	14,219
<b>Restricted funds</b>						
General Annual Grant (GAG)	51,902	727,850	(675,734)	(35,965)	-	68,053
Donations	4,054	17,409	-	-	-	21,463
Pupil premium	-	29,227	(29,227)	-	-	-
Other EFA grants	-	39,172	(39,172)	-	-	-
Local government grants	-	17,693	(17,693)	-	-	-
Pension reserve	(115,000)	-	(12,000)	-	2,000	(125,000)
	(59,044)	831,351	(773,826)	(35,965)	2,000	(35,484)
<b>Restricted fixed asset funds</b>						
Restricted Fixed Asset Fund	1,894,238	6,138	(80,706)	35,965	-	1,855,635
Total restricted funds	1,835,194	837,489	(854,532)	-	2,000	1,820,151
Total of funds	1,849,664	859,640	(876,934)	-	2,000	1,834,370

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

Unrestricted funds - these funds represent donations and lettings during the period. The Funds can be utilised towards meeting any of the charitable objects of the Academy at the discretion of the Governors.

Restricted funds - these funds arise from funding from the Department for Education and the Local Authority.

Restricted fixed asset funds - these funds represent the assets acquired on conversion to an Academy, plus subsequent additions and disposals. Depreciation and capital grants are also attributable to this fund.

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2015.

## Notes to the Financial Statements

For the year ended 31 August 2015

### 17. Analysis of net assets between funds

	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	Total funds 2014 £
Tangible fixed assets	-	-	1,855,635	1,855,635	1,894,238
Current assets	6,929	210,672	-	217,601	133,766
Creditors due within one year	7,290	(121,156)	-	(113,866)	(63,340)
Provisions for liabilities and charges	-	(125,000)	-	(125,000)	(115,000)
	<u>14,219</u>	<u>(35,484)</u>	<u>1,855,635</u>	<u>1,834,370</u>	<u>1,849,664</u>

### 18. Net cash flow from operations

	2015 £	2014 £
Net outgoing resources before revaluations	(17,294)	(79,824)
Returns on investments and servicing of finance	(176)	(215)
Depreciation of tangible fixed assets	80,706	110,175
Capital grants from DfE	(6,138)	(6,700)
(Increase)/decrease in debtors	(1,011)	4,318
Increase in creditors	50,526	18,903
FRS 17 adjustments	12,000	9,000
Net cash inflow from operations	<u>118,613</u>	<u>55,657</u>

### 19. Analysis of cash flows for headings netted in cash flow statement

	2015 £	2014 £
<b>Returns on investments and servicing of finance</b>		
Interest received	<u>176</u>	<u>215</u>
<b>Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets	(42,103)	(399,467)
Capital grants from DfE	<u>6,138</u>	<u>6,700</u>
Net cash outflow capital expenditure	<u>(35,965)</u>	<u>(392,767)</u>

# Notes to the Financial Statements

For the year ended 31 August 2015

## 20. Analysis of changes in net funds

	1 September 2014	Cash flow	31 August 2015
	£	£	£
Cash at bank and in hand:	114,407	82,824	197,231
Net funds	114,407	82,824	197,231

## 21. Pension commitments

The Academy's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Northamptonshire 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 related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

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

### Teachers' Pension Scheme

#### Introduction

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

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

#### Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%);
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions

# Notes to the Financial Statements

For the year ended 31 August 2015

## 21. Pension commitments (continued)

together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million

- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%

During the year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4% from September 2015, which will be payable during the implementation period until the next valuation as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The pension costs paid to TPS in the period amounted to £45,448 (2014: £47,695).

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

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The Academy has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Academy has set out above the information available on the scheme.

### Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2015 was £44,733, of which employer's contributions totalled £37,000 and employees' contributions totalled £7,733. The agreed contribution rates for future years are 17.7% for employers and 5.5 - 7.5% for employees.

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

The amounts recognised in the Balance Sheet are as follows:

	2015	2014
	£	£
Present value of funded obligations	(389,000)	(336,000)
Fair value of scheme assets	264,000	221,000
Net liability	<u>(125,000)</u>	<u>(115,000)</u>

## Notes to the Financial Statements

For the year ended 31 August 2015

### 21. Pension commitments (continued)

The amounts recognised in the Statement of Financial Activities are as follows:

	2015 £	2014 £
Current service cost	(39,000)	(32,000)
Interest on obligation	(13,000)	(9,000)
Expected return on scheme assets	13,000	9,000
Total	<u>(39,000)</u>	<u>(32,000)</u>

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

	2015 £	2014 £
Opening defined benefit obligation	336,000	182,000
Current service cost	39,000	32,000
Interest cost	13,000	9,000
Contributions by scheme participants	8,000	7,000
Actuarial (gains)/losses	(7,000)	106,000
Closing defined benefit obligation	<u>389,000</u>	<u>336,000</u>

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

	2015 £	2014 £
Opening fair value of scheme assets	221,000	131,000
Expected return on assets	13,000	9,000
Actuarial gains and (losses)	(5,000)	51,000
Contributions by employer	27,000	23,000
Contributions by employees	8,000	7,000
Closing fair value of scheme assets	<u>264,000</u>	<u>221,000</u>

The cumulative amount of actuarial gains and losses recognised in the Statement of total recognised gains and losses was £72,000 (2014 - £74,000).

The Academy expects to contribute £29,000 to its Defined benefit pension scheme in 2016.

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	2015	2014
Equities	70.00 %	71.00 %
Bonds	19.00 %	19.00 %
Property	9.00 %	7.00 %
Cash	2.00 %	3.00 %

## Notes to the Financial Statements

For the year ended 31 August 2015

### 21. Pension commitments (continued)

Principal actuarial assumptions at the Balance Sheet date (expressed as weighted averages):

	2015	2014
Discount rate for scheme liabilities	3.80 %	3.70 %
Expected return on scheme assets at 31 August	3.80 %	5.50 %
Rate of increase in salaries	4.60 %	4.50 %
Rate of increase for pensions in payment / inflation	2.70 %	2.70 %

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

	2015	2014
Retiring today		
Males	22.3	22.3
Females	24.3	24.3
Retiring in 20 years		
Males	24.0	24.0
Females	26.6	26.6

Amounts for the current and previous three periods are as follows:

Defined benefit pension schemes

	2015 £	2014 £	2013 £	2012 £
Defined benefit obligation	(389,000)	(336,000)	(182,000)	(137,000)
Scheme assets	264,000	221,000	131,000	90,000
Deficit	<u>(125,000)</u>	<u>(115,000)</u>	<u>(51,000)</u>	<u>(47,000)</u>
Experience adjustments on scheme assets	<u>(5,000)</u>	<u>51,000</u>	<u>8,000</u>	<u>(5,000)</u>

The actual return on scheme assets was £8,000 (2014: £18,000)

### 22. Operating lease commitments

At 31 August 2015 the Academy had annual commitments under non-cancellable operating leases as follows:

	2015 £	2014 £
Expiry date:		
Between 2 and 5 years	<u>1,038</u>	<u>1,038</u>



## Notes to the Financial Statements

For the year ended 31 August 2015

### **23. Related party transactions**

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

### **24. 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 period 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.