

**HATFIELD COMMUNITY FREE SCHOOL  
(A Company Limited by Guarantee)  
ANNUAL REPORT & FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2013**

**Registered Number 07648654 (England and Wales)**



**HATFIELD COMMUNITY FREE SCHOOL**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED 31 AUGUST 2013**

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| <b>CONTENTS</b>  | <b>PAGES</b> |
|--|--------------|
| Reference and Administrative Details   | 3            |
| Trustees' Report   | 4            |
| Governance Statement   | 11           |
| Statement of Regularity, Propriety and Compliance                              | 14           |
| Statement of Trustees' Responsibilities  | 15           |
| Independent Auditor's Report on the financial statements                       | 16           |
| Statement of Financial Activities (incorporating Income & Expenditure Account) | 18           |
| Balance Sheet  | 19           |
| Cash Flow Statement  | 20           |
| Notes to the Financial Statements incorporating                                |              |
| - Statement of Accounting Policies   | 21           |
| - Other Notes to the Financial Statements                                      | 24           |

**HATFIELD COMMUNITY FREE SCHOOL**  
**REFERENCE AND ADMINISTRATIVE DETAILS**  
**YEAR ENDED 31 AUGUST 2013**

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**Trustees**

G Jones (Chair)  
S Poole  
C Tallis (Hertfordshire County Council)  
R Renton (Dean of Students, University of Hertfordshire)  
P Meredith (Head of Onslow St Audrey's Academy)  
A Nightingale\*  
S Newland (resigned 5<sup>th</sup> March 2013)  
M Archer (Responsible Officer)  
N Duncan (resigned 3 October 2012)  
G Green (Community Governor) (appointed director 23 November 2012)\*  
S Noble (Parent governor) (appointed 3 October 2012) (resigned director 2 July 2013)\*  
C Matthews (appointed 2 July 2013)\*  
R Brabner (appointed 2 July 2013)  
J A Bell (Parent governor) (appointed 2 January 2013)  
J Sutton (Staff governor) (appointed 3 October 2012)\*  
A De La Salle (Staff governor) (appointed 3 October 2012)  
S Attard (Principal and accounting officer) \*

\* Members of the Resources Committee

**Company Secretary**

Lorraine Hake

**Senior Management Team:**

Head of School

S Attard

**Principal and Registered Office**

Hatfield Community Free School  
Briars Lane  
Hatfield  
Hertfordshire  
AL10 8ES

**Company Registration Number**

07648654 (England and Wales)

**Independent Auditor**

Baker Tilly Audit Limited  
Cedar House,  
Breckland,  
Linford Wood,  
Milton Keynes, MK14 6EX

**Bankers**

Lloyds Bank  
1 Bancroft  
Hitchin  
Hertfordshire,  
SG5 1JQ

**Solicitors**

Veale Wasbrough Vizards,  
Orchard Court,  
Orchard Lane,  
Bristol BS1 5WS

**HATFIELD COMMUNITY FREE SCHOOL**  
**TRUSTEES' REPORT**  
**YEAR ENDED 31 AUGUST 2013**

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The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the period commencing on 1 September 2012 and ending on 31 August 2013

**Structure, Governance and Management**

**Constitution**

Hatfield Community Free School ('HCFS') is a company limited by guarantee. HCFS is an exempt Charity. HCFS is a Charitable Company governed by its memorandum and articles of association which are the primary governing documents.

The governors act as trustees for the charitable activities of HCFS. Board members are the directors of the charitable company for the purpose of company law.

Details of the governors who served throughout the period 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 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.

**Trustees' Indemnities**

In accordance with normal commercial practice the School has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on School business. The insurance provides cover up to £2,000,000 on any one claim.

**Principal Activities**

HCFS Trust's principal activity is specifically restricted to the following:

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

HCFS is a non-selective school which provides education for pupils of different abilities between the ages of 4 and 11. We will build up the aged groups from age 4 each year with 60 admitted into the cohort. Our pupils are drawn from the local area in accordance with the local authority's admission arrangements to which we have committed until 2014.

**Method of Recruitment and Appointment or Election of Trustees**

Trust Board Directors, some of whom are the members of the Charitable Company for the purpose of company law, are nominated by either the Secretary of State for Education, the Chairman of the Governors, or by all the existing members. The articles of association require the trust board members to appoint a minimum of 3 and a maximum of 8 governors to be responsible for the statutory and constitutional affairs of the charitable company and the management of the School. The articles of association contain provisions for the appointment of additional governors including staff governors and parent governors. There is no maximum number of governors.

Governors are appointed for a fixed term of four years, but are eligible for re-election at the end of the fixed term.

The governing body currently comprises 5 trust board members (who are appointed as directors under Companies Act 2006), 4 co-opted governors whose appointments are determined by the trust board members, the Principal and 2 staff governors (all employed by the trust), and 2 parent governors (elected by the parents).

# HATFIELD COMMUNITY FREE SCHOOL

## TRUSTEES' REPORT

YEAR ENDED 31 AUGUST 2013

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### **Structure, Governance and Management (*continued*)**

The Principal is an ex-officio governor

#### Policies and Procedures Adopted for the Induction and Training of Trustees

New Governors receive induction training and support from the Clerk to the Governing Body.

#### Organisational Structure

The governors are organized into two committees (proposer groups), Outcomes and Resources. Each body forms policy to be agreed at main governing body meetings.

The Governors are responsible for setting general policy, adopting an annual plan and budget, monitoring the School by the use of budgets and making major decisions about the direction of the School, capital expenditure and senior staff appointments. During the period under review the proposers groups held 8 meetings and the governors held 3 meetings.

All governors have access to all policies, procedures, minutes, accounts, budgets and plans that they need to discharge their governing body duties.

The Responsible Officer, appointed from within the Governing Body, has undertaken testing and reported her findings to governors. The governing body approves the Statutory Accounts. The levels of authorisation of budget spend are detailed in the Academy Finance manual.

The day to day management of the school is delegated by the governing body to the Principal who is the Accounting Officer. The Principal is supported by the School Business Manager.

#### Risk Management

The governors developed a comprehensive risk register which assesses the risks to which the School is exposed, the controls in place and whether any further controls are needed. Strategic, Operational, Compliance and Financial Risks are assessed.

The governors have introduced systems, including operational procedures and internal financial controls in order to minimise risk. In areas where risks need further control, governors are monitoring progress against action plans. Where significant financial risk still remains they have ensured they have adequate insurance cover. The School has an effective system of internal financial controls and this is explained in more detail in the Statement on Internal Control.

#### Connected Organisations including related party relationships

There are no related parties which either control or significantly influence the decisions and operations of Hatfield Community Free school. There are no sponsors.

The School continues to work closely with its strategic Partners of Hertfordshire County Council, University of Hertfordshire and Onslow St Audrey's Secondary Academy. There is a close working relationship with parents and the local community in Hatfield.

The school works with many school networks, both locally, nationally and internationally to further the principal activities of HCFS.

**HATFIELD COMMUNITY FREE SCHOOL**  
**TRUSTEES' REPORT**  
**YEAR ENDED 31 AUGUST 2013**

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**Objectives and Activities**

Objects and Aims

The principal object and activity of the charitable company is the operation of Hatfield Community Free School

In accordance with the articles of association the charitable company has adopted a 'Scheme of Government' approved by the Secretary of State for Education. The Scheme of Government specifies, amongst other things, the basis for admitting pupils to the School the catchment area from which the students are drawn, and that the curriculum should comply with the substance of the national curriculum but not be bound by it.

Objectives, Strategies and Activities

The vision for the school clearly establishes the strapline 'for a better future' and the main drivers for the curriculum

- a strong drive on improving learning and engagement in the local community underpinned by the principles of equality and diversity, respect for local people, local culture and local values, citizenship in the local, national and global context,
- building children's repertoire of spoken and written language so that they become confident and effective communicators,
- specialism in science and technology (including IT) to develop skills for learning, life and the future economy,
- aspiration and enterprise so that every child wants to succeed, knows how to achieve well academically and become socially competent, participates, is creative, is able to express their voice, contributes responsibly and has a sense of what it means to be a democratic citizen, believes that they are on the road to college, university or a good job,
- a strong focus on the whole child and their physical, social, spiritual, cultural and emotional wellbeing that means that they are well placed to learn, will make good progress, will develop the emotional resilience to succeed even in the face of adversity

**To achieve this vision the main objectives of the School during the period ended 31 August 2013, all of which have been achieved, are summarised below:**

- Set up a Primary School to open in September 2012,
- Recruit to fill all 60 places,
- Recruit highly qualified teaching staff,
- Create an innovative curriculum that builds on the vision,
- Provide parents with the opportunity for an extended day 8 00 to 6 00,
- Offer extended learning opportunities for children and families 3 00 to 4 00,
- Extend the school year in late July for 10 days,
- Achieve results at the end of EYFS that are significantly above Hertfordshire Local Average

Public Benefit

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives. All our charitable activities are undertaken to further our charitable purposes for the public benefit.

Achievements and Performance

During the year the reputation of the school was established and we were recommended for Primary School of the year and became a finalist. The following results highlight our performance against the objectives set above

# HATFIELD COMMUNITY FREE SCHOOL

## TRUSTEES' REPORT

YEAR ENDED 31 AUGUST 2013

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✓ *Educational Results.*

We have published results for the end of Early Years Foundation Stage only which were externally moderated. The results show the following

81.4% of children achieved a "good level of progress" compared with 61.1% Hertfordshire average

100% of children made good or outstanding progress from a low baseline particularly in Communication and Language, Physical Development and Personal, Social and Emotional Development

Attendance rates were 95.8%, this is above average for children in their first year of statutory education

✓ *Staff deployed resources*

Highly qualified teachers with first class degrees have been teaching the classes this year. The Principal is highly qualified with a Doctorate in Education and the School Business Manager is qualified to degree level and is a Chartered Accountant. All other staff have been inducted and trained to a high level and are effectively supporting the challenging targets set for all children.

✓ *Individual pupil focus*

Work programmes have been designed for all children within our classes of 20 children, each with two adults. Significant vulnerable groups of children perform as well as the other children. There is no attainment gap due to the effective intervention programme designed by the Special Educational Needs Co-ordinator.

✓ *Collaboration with other schools*

The school is a highly effective strategic partner with Wroxham Teaching School. We work on action research projects in order to improve the learning opportunities of the children. We have a strong partnership with the University of Hertfordshire taking in over 40 student teachers during the year to enhance their teaching experiences. We link closely with the family of Hatfield Schools to moderate our work and share good practice. The Principal has supported a school in Dartford in special measures as a member of the interim board. There are close working relationships with other Free School Principals to share good practice and understand the accountabilities of such a new leadership role. The Principal is a Board member of Independent Academies Association, an organisation for academy leaders and governance. At HCFS we believe in close collaboration with different types of organisations that provide quality education for children and strive to put back into the system ideas from our research.

✓ *New initiatives*

The school vision is to encourage parents to join their children in an extended hour activity from 3.00 to 4.00. This comes at a financial cost but assists with working families and our aims of a better future.

We encourage all children to have a hot school meal so that they build social dining skills and have a healthy option. We subsidise this meal so that parents only pay £1.20 per day.

Both of the above are new initiatives which we are valuing as part of our freedoms to innovate.

Going Concern

After making appropriate enquiries, the Governing Body has a reasonable expectation that HCFS 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.

# HATFIELD COMMUNITY FREE SCHOOL

## TRUSTEES' REPORT

YEAR ENDED 31 AUGUST 2013

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The school has 100% capacity of 60 pupils in Year 1 and 60 pupils in Reception, the two years we are funded for in 2012/13. We have maintained a waiting list for places held by Hertfordshire Local Authority. We are holding open days for next year's intake in November and are confident that we again be full to capacity next year.

### Key Performance Indicators

We set Key Financial Performance Indicators in the areas 1 to 6 below for the 2012/13 financial year. The outcomes of the indicators are as shown below.

- 1 Salary costs as a percentage of GAG and Start Up Grant B were 76%, split as follows
  - a Teachers 42%
  - b Learning Support staff 19%
  - c Other staff 15%
- 2 Premises costs as a percentage of GAG and Start Up Grant B were 14%
- 3 External contract expenditure as a percentage of GAG (not including premises costs) was 3%
- 4 Governance costs as a percentage of GAG and Start Up Grant B were 3%. No expenses are claimed by governors.
5. The school has for a second year achieved a 100% allocation against its Pupil Capacity of 60 children per year.
6. Measurable outcomes of Pupil Premium targeted expenditure demonstrate that all pupils receiving this targeted funding are achieving Outstanding progress (Pupil Premium was an annual amount of £623 per child, rising to £900 from April 2013).

From 2013 the use of Sports Funding will be added as a Key Performance Indicator.

### **Financial Review**

During the period to 31st August 2013 the School's income came largely from General Annual Grant and other start up grants from the EFA, the use of which is restricted to particular purposes. The grants received from DfE during the period ended 31 August 2013 and the associated expenditure are shown as restricted funds in the statement of financial activities.

The School received no capital grants from the EFA in the year but ICT fixed assets were donated from the Local Authority as part of a five year capital programme. These included laptops for teachers and a new server which is being managed in house by the IT Specialist. The donated assets are shown in the Statement of Financial Activities as voluntary income in the unrestricted fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

At 31 August 2013 the net book value of fixed assets was £122,636 and movements in tangible fixed assets are shown in note 14 to the financial statements. The assets were used exclusively for preparing to provide education and the associated support services to pupils.

The school held fund balances at 31 August 2013 of £176,353, comprising restricted fixed asset funds of £122,636, restricted general funds of £45,744 and unrestricted funds of £7,973.



**HATFIELD COMMUNITY FREE SCHOOL**  
**TRUSTEES' REPORT**  
**YEAR ENDED 31 AUGUST 2013**

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**Financial Review (*continued*)**

Financial and risk management objective and policies

To monitor and manage the strategic, operational, compliance and financial risks of the school, a comprehensive risk register has been developed which will be reviewed by governors

Principal Risks and Uncertainties

The principal financial risks that may affect the School are

**Pupil numbers**

As funding is driven by pupil numbers it is essential that the planned growth in pupil numbers is achieved. For the first year of operation pupil numbers are at capacity with clear signs that other parents are keen for their children to come to the school. To maintain this promising trajectory the school is developing the quality of provision and understanding how best to meet the expressed needs of the local community.

**Government funding**

The School has considerable reliance on continued government funding through the EFA. For the future there can be no assurance that government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

This risk is mitigated in a number of ways

- maintaining the positive relationships with the EFA and DfE that developed successfully during the preopening phase,
- by ensuring the School is rigorous in delivering good value for money high quality education and training,
- identifying potential sources of funding through grant funding, local sponsorship and consultancy to supplement core EFA funding,

**Funding of pension liabilities**

The Trust's non teaching staff are almost all members of the Hertfordshire Local Government Pension Scheme. The Trust will need to keep under review the potential for its share of scheme liabilities to exceed scheme assets.

Reserves Policy

As at 31 August 2013 the School held an unrestricted reserve of £7,973 generated from donations and other income generating activities during the year. The Trust's approved financial plans are to generate free reserves of £9,000 by August 2013 rising to £23,000 by August 2014. The purpose of these reserves is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance.

The governors review the reserve levels of the School annually. This review considers the nature and predictability of income and expenditure streams, the need to match income with commitments and the purpose for which any earmarked or restricted funds are held.

**HATFIELD COMMUNITY FREE SCHOOL**  
**TRUSTEES' REPORT**  
**YEAR ENDED 31 AUGUST 2013**

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**Investment Policy**

The school reviews its level of surplus cash balances on a regular basis. Where the cash flow identifies a base level of cash funds that will be surplus to requirements these may be invested following approval from the Resources Committee. In making decisions regarding where and how any surplus funds should be invested, due regard will be given to risk.

Surplus funds have this year been invested with the existing banker Lloyds in a deposit account. Later we may consider a six month bond for slightly higher interest rates of interest, but not high risk investments that would not be in the best interests of the School.

**Plans for Future Periods**

The School's three year budget plan is intended to ensure that adequate resources are allocated to support the next phase of the build up of the school to full occupancy of 420 pupils by 2018/19.

**Funds held as Custodian Trustee on behalf of others**

There are no funds held as Custodian Trustee on behalf of others.

**Auditor**

In so far as the governors are aware:

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

The financial statement auditors, Baker Tilly Audit Limited, are willing to continue in office and a resolution to appoint them will be proposed at the annual general meeting.

The report of the governors was approved by the Governors on 13 November 2013 and signed on their behalf by



**Gill Jones**

Lead proposer and Chair of Governors

# **HATFIELD COMMUNITY FREE SCHOOL**

## **GOVERNANCE STATEMENT**

**YEAR ENDED 31 AUGUST 2013**

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### **Scope of Responsibility**

As governors, we acknowledge we have overall responsibility for ensuring that Hatfield Community Free School 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.

For the operational phase of the school the governing body 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 Hatfield Community Free School and the Secretary of State for Education. They are also responsible for reporting to the governing body any material weaknesses or breakdowns in internal control.

### **Governance**

The information on governance included here supplements that described in the Governors' Report and in the Statement of Governors' Responsibilities. The governing body has formally met 3 times during the year to 31st August. Attendance during the year at meetings of the governing body was as follows:

| <b>Trustee</b>                              | <b>Meetings attended</b> | <b>Out of a possible</b> |
|---|--------------------------|--------------------------|
| G Jones (chairperson)                       | 3                        | 3                        |
| S Poole                                     | 3                        | 3                        |
| A Nightingale                               | 3                        | 3                        |
| S Newland (resigned 5th March 2013)         | 1                        | 3                        |
| M Archer (responsible officer)              | 1                        | 3                        |
| G Green                                     | 3                        | 3                        |
| S. Noble (resigned 2nd July 2013)           | 1                        | 3                        |
| S Attard (principal and accounting officer) | 3                        | 3                        |
| A De La Salle (staff trustee)               | 3                        | 3                        |
| J Sutton (staff trustee)                    | 3                        | 3                        |

The Resources Committee is a sub-committee of the main governing body. Its purpose is to assist the decision making of the governing body, 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 school's finances, personnel and premises, including proper planning, monitoring and probity.

Attendance at meetings was as follows:

| <b>Trustee</b>                              | <b>Meetings attended</b> | <b>Out of a possible</b> |
|---|--------------------------|--------------------------|
| G Jones                                     | 2                        | 3                        |
| S Poole                                     | 3                        | 3                        |
| A Nightingale (chairperson)                 | 3                        | 3                        |
| G Green                                     | 3                        | 3                        |
| S Noble                                     | 2                        | 2                        |
| S Attard (principal and accounting officer) | 3                        | 3                        |
| J Sutton                                    | 3                        | 3                        |

**HATFIELD COMMUNITY FREE SCHOOL**  
**GOVERNANCE STATEMENT**  
**YEAR ENDED 31 AUGUST 2013**

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The Outcomes Committee is a sub-committee of the main governing body. Its purpose is to review and evaluate children's learning, the quality of teaching, the quality of leadership, children's achievements and wellbeing, standards of behaviour, the arrangements for safeguarding, community engagement, work with partner organisations and agencies, standards across the school overall.

Attendance at meetings was as follows

| Trustee                                     | Meetings attended | Out of a possible |
|---|-------------------|-------------------|
| G Jones                                     | 3                 | 3                 |
| M Archer (chairperson)                      | 2                 | 3                 |
| J-A Bell                                    | 3                 | 3                 |
| S Attard (principal and accounting officer) | 3                 | 3                 |
| A De La Salle (staff governor)              | 2                 | 3                 |
| R Brabner                                   | 1                 | 1                 |

**The Purpose of the System of Internal Control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives, it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of 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 Hatfield Community Free School 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 governing body has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The governing body is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the year ending 31 August 2013 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the 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 governing body,
- regular reviews by 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 through a comprehensive risk register

# **HATFIELD COMMUNITY FREE SCHOOL**

## **GOVERNANCE STATEMENT**

**YEAR ENDED 31 AUGUST 2013**

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The governors have considered the need for a specific internal audit function and have decided not to appoint an internal auditor. However the governors have appointed M Archer, a Governor, as Responsible Officer ('RO') M Archer is a qualified chartered accountant. The RO's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. On a quarterly basis, the RO reports to the governing body on the operation of the systems of control and on the discharge of the governing body's financial responsibilities. The RO has reported to date on the systems for purchasing and receipt and banking of income.

### **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,
- the work of the external auditor,
- the financial management and governance risk management process,
- the work of the Accounting Officer and School Business Manager within the school 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 the review of the system of internal control by the Resources Committee and an annual review of the systems including the Finance Handbook and Financial Procedures Manual is undertaken.

Approved by order of the members of the governing body on 13 November 2013 and signed on its behalf by



**Gill Jones**  
Chairperson



**Sue Attard**  
Accounting officer

**HATFIELD COMMUNITY FREE SCHOOL**  
**STATEMENT OF REGULARITY, PROPRIETY AND COMPLINACE**  
**YEAR ENDED 31 AUGUST 2013**

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**Hatfield Community Free School**  
**Statement on Regularity, Propriety and Compliance**

As accounting officer of Hatfield Community Free School Trust I have considered my responsibility to notify the academy trust governing body and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

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

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



**Sue Attard**  
Accounting Officer

**HATFIELD COMMUNITY FREE SCHOOL**  
**STATEMENT OF TRUSTEES' RESPONSIBILITIES**  
**YEAR ENDED 31 AUGUST 2013**

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**Hatfield Community Free School**  
**Statement of Governors' Responsibilities**

The governors (who act as trustees for charitable activities of Hatfield Community Free School and are also the directors of the Charitable Company for the purposes of company law) are responsible for preparing the governors' report and the financial statements in accordance with the Annual Accounts Requirements issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations

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

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

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

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

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

Approved by order of the members of the governing body on 13 November 2013 and signed on its behalf by



**Gill Jones**  
Chair

**HATFIELD COMMUNITY FREE SCHOOL**  
**INDEPENDENT AUDITOR'S REPORT**  
**YEAR ENDED 31 AUGUST 2013**

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**Independent Auditor's Report on the Financial Statements to the Board of Trustees of Hatfield Community Free School**

We have audited the financial statements of Hatfield Community Free School for the year ended 31 August 2013, which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement, the Principal Accounting Policies and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's 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 charitable company'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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of Governors and auditors**

The Governors act as trustees for the charitable activities of the Hatfield Community Free School and are also the directors of the company for the purposes of company law.

As explained more fully in the Statement of Governors' Responsibilities set out in the Governors' Report, the Governors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the trustees, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Governors' Report and Statement of Internal Control to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material 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 charitable company'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,
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice,
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006,
- the financial statements have been prepared in accordance with the Financial Reporting and Annual Accounts Requirements issued by the Education Funding Agency in respect of the relevant financial period, and



# HATFIELD COMMUNITY FREE SCHOOL

## INDEPENDENT AUDITOR'S REPORT

YEAR ENDED 31 AUGUST 2013

- 
- grants made by the Education Funding Agency have been applied for the purposes intended

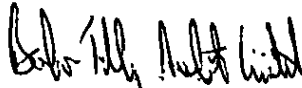
### **Opinion on other matter prescribed by the Companies Act 2006**

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

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

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

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

  
**Philip Coleman**

Senior Statutory Auditor  
for and on behalf of Baker Tilly Audit Limited, Statutory Auditor

Cedar House  
Breckland  
Linford Wood  
Milton Keynes  
MK14 6EX

Date 3 December 2013

**HATFIELD COMMUNITY FREE SCHOOL**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
(including Income and Expenditure Account and Statement of Recognised gains and losses)  
**FOR THE YEAR ENDED 31 AUGUST 2013**

|  | Note | Unrestricted<br>Funds<br>£ | Restricted<br>General<br>Funds<br>£ | Restricted<br>Fixed Asset<br>Funds<br>£ | Total<br>2013<br>£ | Total<br>2012<br>£ |
|--|------|----------------------------|-------------------------------------|---|--------------------|--------------------|
| <b>Incoming resources</b>                                  |      |                            |                                     |   |                    |                    |
| <i>Income resources from generated funds</i>               |      |                            |                                     |   |                    |                    |
| Voluntary income   | 2    | 905                        | 250                                 | 142,308                                 | 143,463            | -                  |
| Investment income  | 4    | 61                         | -                                   | -                                       | 61                 | 2                  |
| Activities for generating funds                            | 3    | 9,053                      | 56,957                              | -                                       | 66,010             | 1,368              |
| <i>Incoming resources from charitable activities</i>       |      |                            |                                     |   |                    |                    |
| Funding for the Academy's educational operations           | 4    | -                          | 454,464                             | -                                       | 454,464            | 78,117             |
| <b>Total incoming resources</b>                            |      | <u>10,019</u>              | <u>511,671</u>                      | <u>142,308</u>                          | <u>663,998</u>     | <u>79,487</u>      |
| <b>Resources expended</b>                                  |      |                            |                                     |   |                    |                    |
| <i>Cost of generating funds</i>                            |      |                            |                                     |   |                    |                    |
| Cost of generating voluntary income                        |      | 2,518                      | -                                   | -                                       | 2,518              | 898                |
| <i>Charitable activities</i>                               |      |                            |                                     |   |                    |                    |
| Academy's educational operations                           | 6    | -                          | 450,454                             | 40,902                                  | 491,356            | 51,875             |
| Governance costs   | 7    | -                          | 12,185                              | -                                       | 12,185             | 9,300              |
| <b>Total resources expended</b>                            | 5    | <u>2,518</u>               | <u>462,639</u>                      | <u>40,902</u>                           | <u>506,059</u>     | <u>62,073</u>      |
| <b>Net incoming/ (outgoing) resources before transfers</b> |      | <u>7,501</u>               | <u>49,032</u>                       | <u>101,406</u>                          | <u>157,939</u>     | <u>17,414</u>      |
| Gross transfers between funds                              | 14   | -                          | (786)                               | 786                                     | -                  | -                  |
| <b>Net income/(expenditure) for the year</b>               |      | <u>7,501</u>               | <u>48,246</u>                       | <u>102,192</u>                          | <u>157,939</u>     | <u>17,414</u>      |
| <i>Other recognised gains and losses</i>                   |      |                            |                                     |   |                    |                    |
| Actuarial losses (gains) on defined benefit pension scheme | 20   | -                          | 1,000                               | -                                       | 1,000              | -                  |
| <b>Net movement in funds</b>                               | 14   | <u>7,501</u>               | <u>49,246</u>                       | <u>102,192</u>                          | <u>158,939</u>     | <u>17,414</u>      |
| <b>Reconciliation of funds</b>                             |      |                            |                                     |   |                    |                    |
| Total funds brought forward at 1 September 2012            |      | 472                        | (3,502)                             | 20,444                                  | 17,414             | -                  |
| <b>Total funds carried forward at 31 August 2013</b>       |      | <u>7,973</u>               | <u>45,744</u>                       | <u>122,636</u>                          | <u>176,353</u>     | <u>17,414</u>      |

All of the academy's activities derive from continuing activities

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

The notes on pages 18 to 38 form part of these financial statements

**HATFIELD COMMUNITY FREE SCHOOL**  
**BALANCE SHEET AS AT 31 AUGUST 2013**  
**COMPANY NUMBER: 07648654**

|   | Notes | 2013<br>£     | 2013<br>£      | 2012<br>£     | 2012<br>£      |
|---|-------|---------------|----------------|---------------|----------------|
| <b>Fixed assets</b>   |       |               |                |               |                |
| Tangible assets   | 11    |               | 122,636        |               | 20,444         |
| <b>Current assets</b>   |       |               |                |               |                |
| Stock   |       | 556           |                | 1,127         |                |
| Debtors   | 12    | 11,830        |                | 19,520        |                |
| Cash at bank and in hand  |       | 84,092        |                | 3,475         |                |
|   |       | <u>96,478</u> |                | <u>24,122</u> |                |
| <b>Liabilities</b>  |       |               |                |               |                |
| Creditors amounts falling due within one year   | 13    | (38,761)      |                | (27,152)      |                |
| <b>Net current assets</b>   |       |               | <u>57,717</u>  |               | <u>(3,030)</u> |
| <b>Total assets less current liabilities and net assets excluding pension liability</b> |       |               |                |               |                |
| Pension scheme liability  | 20    |               | (4,000)        |               | -              |
| <b>Net assets including pension liability</b>   |       |               | <u>176,353</u> |               | <u>17,414</u>  |
| <b>Funds of the academy trust:</b>  |       |               |                |               |                |
| <b>Restricted Income funds</b>  |       |               |                |               |                |
| Fixed asset fund  | 14    | 122,636       |                | 20,444        |                |
| General fund  | 14    | 49,744        |                | (3,502)       |                |
| Pension reserve   | 20    | (4,000)       |                | -             |                |
|   |       | <u></u>       |                | <u></u>       |                |
| <b>Total restricted funds</b>   |       |               | 168,380        |               | 16,942         |
| <b>Unrestricted income funds</b>  |       |               |                |               |                |
| General fund  | 14    |               | 7,973          |               | 472            |
|   |       |               | <u>7,973</u>   |               | <u>472</u>     |
| <b>Total unrestricted funds</b>   |       |               |                |               |                |
| <b>Total funds</b>  |       |               | <u>176,353</u> |               | <u>17,414</u>  |

The financial statements on pages 18 to 38 were approved by the trustees and authorised for issue on 13 November 2013 and are signed on their behalf by



**G Jones**  
Chair of trustees

The notes on pages 18 to 38 form part of these financial statements

**HATFIELD COMMUNITY FREE SCHOOL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2013**

|   | Notes | 2013<br>£     | 2012<br>£    |
|---|-------|---------------|--------------|
| <b>Net cash inflow from operating activities</b>                | 19    | 223,650       | 3,473        |
| Returns on investment and servicing of finance                  |       | 61            | 2            |
| Capital expenditure   | 20    | (143,094)     | (21,149)     |
| <b>Increase in cash in the year</b>                             |       | <u>80,617</u> | <u>3,475</u> |
| <b>Reconciliation of net cash flow to movement in net funds</b> |       |               |              |
| <b>Net funds at 1 September 2012</b>                            |       | 3,475         | -            |
| Increase in cash in the year                                    |       | <u>80,617</u> | <u>3,475</u> |
| <b>Net funds at 31 August 2013</b>                              | 21    | <u>84,092</u> | <u>3,475</u> |

The notes on pages 18 to 38 form part of these financial statements

**HATFIELD COMMUNITY FREE SCHOOL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2013**

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**1. Statement of Accounting Policies**

**Basis of Preparation**

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction issued by the Education Funding Agency and the Companies Act 2006

A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below

**Going concern**

The 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 trust to continue as a going concern. The trustees make this assessment each year in respect of a period of one year from the date of approval of the financial statements.

**Incoming resources**

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

- **Grants receivable**

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

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

**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.

**HATFIELD COMMUNITY FREE SCHOOL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2013**

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

- **Cost of generating funds**  
These are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds
- **Charitable activities**  
These are costs incurred on the 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 governor's meetings and reimbursed expenses

All resources expended are inclusive of irrecoverable VAT

**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

|                         |                         |
|-------------------------|-------------------------|
| Furniture and equipment | - 4 years straight line |
| Plant and machinery     | - 5 years straight line |
| Computer equipment      | - 3 years straight line |

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

**HATFIELD COMMUNITY FREE SCHOOL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2013**

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

**Leased Assets**

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

**Stock**

Unsold uniforms and catering stocks are valued at the lower of cost or net realisable value.

**Taxation**

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

**Pensions Benefits**

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the 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 24, the TPS is a multi-employer scheme and the 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 trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

**Fund Accounting**

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the 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 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 or the Department for Education.

**HATFIELD COMMUNITY FREE SCHOOL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2013**

**2. Voluntary Income**

|                 | Unrestricted<br>funds<br>£ | Restricted<br>funds<br>£ | Total<br>2013<br>£ | Total<br>2012<br>£ |
|-----------------|----------------------------|--------------------------|--------------------|--------------------|
| Other donations | 905                        | 142,558                  | 143,463            | -                  |
|                 | <u>905</u>                 | <u>142,558</u>           | <u>143,463</u>     | <u>-</u>           |

**3. Activities for Generating Funds**

|                      | Unrestricted<br>funds<br>£ | Restricted<br>funds<br>£ | Total<br>2013<br>£ | Total<br>2012<br>£ |
|----------------------|----------------------------|--------------------------|--------------------|--------------------|
| Lettings income      | 5,137                      | 34,074                   | 39,211             | -                  |
| School product sales | 1,716                      | -                        | 1,716              | 868                |
| Consultancy income   | 2,200                      | -                        | 2,200              | 500                |
| Other income         | -                          | 22,883                   | 22,883             | -                  |
|                      | <u>9,053</u>               | <u>56,957</u>            | <u>66,010</u>      | <u>1,368</u>       |

**4. Investment Income**

|                     | Unrestricted<br>funds<br>£ | Restricted<br>funds<br>£ | Total<br>2013<br>£ | Total<br>2012<br>£ |
|---------------------|----------------------------|--------------------------|--------------------|--------------------|
| Short term deposits | 61                         | -                        | 61                 | 2                  |
|                     | <u>61</u>                  | <u>-</u>                 | <u>61</u>          | <u>2</u>           |



**HATFIELD COMMUNITY FREE SCHOOL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2013**

**5. Funding for academy's educational operations**

|                                | Unrestricted<br>funds<br>£ | Restricted<br>funds<br>£ | Total<br>2013<br>£ | Total<br>2012<br>£ |
|--------------------------------|----------------------------|--------------------------|--------------------|--------------------|
| <b>DfE/EFA revenue grants</b>  |                            |                          |                    |                    |
| - General Annual Grant (GAG)   | -                          | 308,194                  | 308,194            | -                  |
| - Start Up Grants              | -                          | 108,467                  | 108,467            | -                  |
| - Other DfE/EFA Grants         | -                          | 24,150                   | 24,150             | 78,117             |
|                                | <u>-</u>                   | <u>440,811</u>           | <u>440,811</u>     | <u>78,117</u>      |
| <b>Other government grants</b> |                            |                          |                    |                    |
| - Local authorities grants     | -                          | 13,653                   | 13,653             | -                  |
|                                | <u>-</u>                   | <u>13,653</u>            | <u>13,653</u>      | <u>-</u>           |
|                                | <u>-</u>                   | <u>454,464</u>           | <u>454,464</u>     | <u>78,117</u>      |

**6. Resources expended**

|  | Non pay expenditure |                        |                     |                    |                    |
|--|---------------------|------------------------|---------------------|--------------------|--------------------|
|  | Staff<br>costs<br>£ | Premises<br>costs<br>£ | Other<br>costs<br>£ | Total<br>2013<br>£ | Total<br>2012<br>£ |
| Costs of generating<br>voluntary income                  | -                   | -                      | 2,518               | 2,518              | 898                |
| Academy's education<br>operations                        |                     |                        |                     |                    |                    |
| - Direct costs   | 243,495             | 40,902                 | 57,049              | 341,446            | 33,774             |
| - Allocated support<br>costs                             | 60,469              | 44,793                 | 44,648              | 149,910            | 18,101             |
|  | <u>303,964</u>      | <u>85,695</u>          | <u>104,215</u>      | <u>493,874</u>     | <u>52,773</u>      |
| Governance costs<br>including allocated<br>support costs | -                   | -                      | 12,185              | 12,185             | 9,300              |
|  | <u>303,964</u>      | <u>85,695</u>          | <u>116,400</u>      | <u>506,059</u>     | <u>62,073</u>      |

**Incoming/outgoing resources for the year include:**

|                              | 2013<br>£     | 2012<br>£  |
|------------------------------|---------------|------------|
| Operating leases             | 624           | 624        |
| Fees payable to auditor      |               |            |
| - Audit                      | 8,450         | 3,500      |
| Depreciation of fixed assets | <u>40,902</u> | <u>705</u> |

**HATFIELD COMMUNITY FREE SCHOOL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2013**

**7. Charitable Activities – Academy's educational operations**

|  | Unrestricted<br>funds<br>£ | Restricted<br>funds<br>£ | Total<br>2013<br>£ | Total<br>2012<br>£ |
|--|----------------------------|--------------------------|--------------------|--------------------|
| <b>Direct costs:</b>                         |                            |                          |                    |                    |
| Teaching and educational support staff costs | -                          | 243,495                  | 243,495            | 31,235             |
| Depreciation                                 | -                          | 40,902                   | 40,902             | 705                |
| Educational supplies                         | -                          | 38,705                   | 38,705             | -                  |
| Educational visits                           | -                          | 820                      | 820                | -                  |
| Technology costs                             | -                          | 1,280                    | 1,280              | -                  |
| Other direct costs                           | -                          | 8,762                    | 8,762              | -                  |
| Staff development                            | -                          | 7,482                    | 7,482              | 1,834              |
|  | -                          | 341,446                  | 341,446            | 33,774             |
| <b>Allocated support costs:</b>              |                            |                          |                    |                    |
| Support staff costs                          | -                          | 60,469                   | 60,469             | -                  |
| Recruitment and support                      | -                          | -                        | -                  | 7,446              |
| Maintenance of premises and equipment        | -                          | 12,876                   | 12,876             | -                  |
| Cleaning                                     | -                          | 4,388                    | 4,388              | -                  |
| Rent and rates                               | -                          | 15,976                   | 15,976             | -                  |
| Insurance                                    | -                          | 11,553                   | 11,553             | 1,748              |
| Security and transport                       | -                          | 1,480                    | 1,480              | -                  |
| Catering                                     | -                          | 17,953                   | 17,953             | -                  |
| Energy costs                                 | -                          | 9,719                    | 9,719              | -                  |
| Other support costs                          | -                          | 15,496                   | 15,496             | 8,907              |
|  | -                          | 149,910                  | 149,910            | 18,101             |
| <b>Total</b>                                 |                            | 491,356                  | 491,356            | 51,875             |

**8. Governance Costs**

|                               | Unrestricted<br>funds<br>£ | Restricted<br>funds<br>£ | Total<br>2013<br>£ | Total<br>2012<br>£ |
|-------------------------------|----------------------------|--------------------------|--------------------|--------------------|
| Legal & professional fees     | -                          | 201                      | 201                | 5,800              |
| Auditor's remuneration        |                            |                          |                    |                    |
| Audit of financial statements | -                          | 8,586                    | 8,586              | 3,500              |
| Support staff costs           | -                          | 2,432                    | 2,432              | -                  |
| Other governor expenses       | -                          | 966                      | 966                | -                  |
|                               | -                          | 12,185                   | 12,185             | 9,300              |

**HATFIELD COMMUNITY FREE SCHOOL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2013**

**9. Staff costs**

Staff costs during the period were

|                       | 2013<br>£      | 2012<br>£     |
|-----------------------|----------------|---------------|
| Wages and salaries    | 253,267        | 25,125        |
| Social security costs | 17,616         | 2,567         |
| Pension costs         | 33,081         | 3,543         |
|                       | <u>303,964</u> | <u>31,235</u> |

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

|                              | 2013<br>No. | 2012<br>No |
|------------------------------|-------------|------------|
| <b>Charitable activities</b> |             |            |
| Teachers                     | 4           | -          |
| Administration and support   | 8           | -          |
| Management                   | 1           | 1          |
|                              | <u>13</u>   | <u>1</u>   |

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

|                   | 2013<br>No. | 2012<br>No |
|-------------------|-------------|------------|
| £70,001 - £80,000 | 1           | -          |

The above employee participated in the Teachers' Pension Scheme. During the year ended 31 August 2013, pension contributions amounted to £9,447 (2012 £3,543)

**10. Related Party Transactions – Trustees' Remuneration & Expenses**

The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff, and not in respect of their services as trustees. Other trustees did not receive any payments, other than expenses, from the academy trust in respect of their roles as trustees. The value of trustees' remuneration, including pension costs, was as follows

|                                    |  |
|------------------------------------|--|
| S G Attard (principal and trustee) | £75,000 - £80,000 (2012 £25,000 - £30,000) |
| J Sutton (staff trustee)           | £25,000 - £30,000                          |
| A De La Salle (staff trustee)      | £30,000 - £35,000                          |

During the year ended 31 August 2013, no expenses were reimbursed to trustees

Other related party transactions involving the trustees are set out in note 25

**HATFIELD COMMUNITY FREE SCHOOL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2013**

**11. Trustees' 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 and the cost for the period ended 31 August 2013 was £1,150 (2012 £689)

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

**12. Tangible Fixed Assets**

|                        | Furniture and<br>equipment<br>£ | Plant and<br>machinery<br>£ | Computer<br>equipment<br>£ | Total<br>£     |
|------------------------|---------------------------------|-----------------------------|----------------------------|----------------|
| <b>Cost</b>            |                                 |                             |                            |                |
| At 1 Sep 2012          | -                               | -                           | 21,149                     | 21,149         |
| Additions              | 132,374                         | 787                         | 9,933                      | 143,094        |
| Disposals              | -                               | -                           | -                          | -              |
| At 31 August 2013      | <u>132,374</u>                  | <u>787</u>                  | <u>31,082</u>              | <u>164,243</u> |
| <b>Depreciation</b>    |                                 |                             |                            |                |
| At 1 Sept 2012         | -                               | -                           | 705                        | 705            |
| Charged in year        | 33,094                          | 52                          | 7,756                      | 40,902         |
| Disposals              | -                               | -                           | -                          | -              |
| At 31 August 2013      | <u>33,094</u>                   | <u>52</u>                   | <u>8,461</u>               | <u>41,607</u>  |
| <b>Net book values</b> |                                 |                             |                            |                |
| At 31 August 2013      | <u>99,280</u>                   | <u>735</u>                  | <u>22,621</u>              | <u>122,636</u> |
| At 31 August 2012      | <u>-</u>                        | <u>-</u>                    | <u>20,444</u>              | <u>20,444</u>  |

As of 28 September 2012, the academy trust occupied a new purpose built school building. This had a 12 month snagging period after which the property was expected to be transferred from the local authority to the academy trust. A 125 year lease is expected to be granted to the academy trust once all snagging has been completed. The value of the school building is £5.8million, which will be shown as fixed assets for the year ended 31 August 2014.

**13. Stock**

|          | 2013<br>£  | 2012<br>£    |
|----------|------------|--------------|
| Clothing | 556        | 1,127        |
| Catering | -          | -            |
|          | <u>556</u> | <u>1,127</u> |

**14. Debtors**

|                                | 2013<br>£     | 2012<br>£     |
|--------------------------------|---------------|---------------|
| Trade debtors                  | 4,179         | -             |
| Other debtors                  | 4,167         | -             |
| Prepayments and accrued income | 3,484         | 19,520        |
|                                | <u>11,830</u> | <u>19,520</u> |

All amounts shown within debtors fall due for repayment within one year

**HATFIELD COMMUNITY FREE SCHOOL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2013**

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

|                                    | 2013<br>£     | 2012<br>£     |
|------------------------------------|---------------|---------------|
| Trade creditors                    | 16,505        | 21,504        |
| Other taxation and social security | 5,215         | 2,148         |
| Other creditors                    | 219           | -             |
| Accruals and deferred income       | 16,822        | 3,500         |
|                                    | <u>38,761</u> | <u>27,152</u> |

**Deferred income**

|                                      |              |          |
|--------------------------------------|--------------|----------|
| Deferred Income at 1 September 2012  | -            | -        |
| Resources deferred in the year       | 7,528        | -        |
| Amounts released from previous years | -            | -        |
| Deferred Income at 31 August 2013    | <u>7,528</u> | <u>-</u> |

At the balance sheet date the academy trust was holding funds received in advance for business rates of £7,528

**16. Funds**

|                                      | Balance at 1<br>September<br>2012<br>£ | Income<br>resources<br>£ | Resources<br>expended<br>£ | Gains,<br>losses<br>and<br>transfers<br>£ | Balance<br>at 31<br>August<br>2013<br>£ |
|--------------------------------------|--|--------------------------|----------------------------|---|---|
| <b>Restricted general funds</b>      |  |                          |                            |   |   |
| General Annual Grant (GAG)           | -                                      | 308,194                  | (257,664)                  | (786)                                     | 49,744                                  |
| Start Up Grant                       | -                                      | 108,467                  | (108,467)                  | -   | -                                       |
| Other DfE/EFA grants                 | (3,502)                                | 24,150                   | (20,648)                   | -   | -                                       |
| Local Authority Grants               | -                                      | 13,653                   | (13,653)                   | -   | -                                       |
| Other income                         | -                                      | 57,207                   | (57,207)                   | -   | -                                       |
| Pension Reserve                      | -                                      | -                        | (5,000)                    | 1,000                                     | (4,000)                                 |
|                                      | <u>(3,502)</u>                         | <u>511,671</u>           | <u>(462,639)</u>           | <u>214</u>                                | <u>45,744</u>                           |
| <b>Restricted fixed asset funds</b>  |  |                          |                            |   |   |
| DfE/EFA capital grants               | 20,444                                 | -                        | (7,050)                    | -   | 13,394                                  |
| Capital expenditure from other funds | -                                      | -                        | (51)                       | 786                                       | 735                                     |
| Donations                            | -                                      | 142,308                  | (33,801)                   | -   | 108,507                                 |
|                                      | <u>20,444</u>                          | <u>142,308</u>           | <u>(40,902)</u>            | <u>786</u>                                | <u>122,636</u>                          |
| <b>Total restricted funds</b>        | <u>16,942</u>                          | <u>653,979</u>           | <u>(503,541)</u>           | <u>1,000</u>                              | <u>168,380</u>                          |
| <b>Unrestricted funds</b>            |  |                          |                            |   |   |
| General funds                        | 472                                    | 10,019                   | (2,518)                    | -   | 7,973                                   |
| <b>Total funds</b>                   | <u>17,414</u>                          | <u>663,998</u>           | <u>(506,059)</u>           | <u>1,000</u>                              | <u>176,353</u>                          |

**HATFIELD COMMUNITY FREE SCHOOL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2013**

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

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2013.

The restricted fixed asset fund represents the net book value of the assets held by the Academy

**17. Analysis of net assets between funds**

Fund balances at 31 August 2013 are represented by

|                          | Unrestricted<br>funds<br>£ | Restricted<br>general<br>funds<br>£ | Restricted<br>fixed<br>asset<br>funds<br>£ | Total<br>funds<br>£ |
|--------------------------|----------------------------|-------------------------------------|--|---------------------|
| Tangible fixed assets    | -                          | -                                   | 122,636                                    | 122,636             |
| Current assets           | 7,973                      | 88,505                              | -  | 96,478              |
| Current liabilities      | -                          | (38,761)                            | -  | (38,761)            |
| Pension scheme liability | -                          | (4,000)                             | -  | (4,000)             |
| <b>Total net assets</b>  | <u>7,973</u>               | <u>45,744</u>                       | <u>122,636</u>                             | <u>176,353</u>      |

**18. Financial Commitments**

**Operating Leases**

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

|  | 2013<br>£  | 2012<br>£ |
|--|------------|-----------|
| <b>Land and buildings</b>                    |            |           |
| Expiring within one year                     | -          | -         |
| Expiring within two and five years inclusive | -          | -         |
| Expiring in over five years                  | -          | -         |
|  | <u>-</u>   | <u>-</u>  |
| <b>Other</b>                                 |            |           |
| Expiring within one year                     | -          | -         |
| Expiring within two and five years inclusive | 624        | -         |
| Expiring in over five years                  | -          | -         |
|  | <u>624</u> | <u>-</u>  |

**HATFIELD COMMUNITY FREE SCHOOL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2013**

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

|  | <b>2013</b>    | <b>2012</b>   |
|--|----------------|---------------|
|  | <b>£</b>       | <b>£</b>      |
| Net income   | 157,939        | 17,414        |
| Depreciation (note 12)                                   | 40,902         | 705           |
| Interest income  | (61)           | (2)           |
| FRS 17 pension cost less contributions payable (note 24) | 5,000          | -             |
| (Increase)/decrease in stock                             | 571            | (1,127)       |
| (Increase)/decrease in debtors                           | 7,690          | (19,520)      |
| Increase in creditors                                    | 11,609         | 27,152        |
| <b>Net cash inflow from operating activities</b>         | <b>223,650</b> | <b>24,622</b> |

**20. Capital expenditure and financial investment**

|   | <b>2013</b>      | <b>2012</b>     |
|---|------------------|-----------------|
|   | <b>£</b>         | <b>£</b>        |
| Purchase of tangible fixed assets   | (143,094)        | (21,149)        |
| Capital grants from DfE/EFA   | -                | -               |
| <b>Net cash outflow from capital expenditure and financial investment</b> | <b>(143,094)</b> | <b>(21,149)</b> |

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

|                          | <b>At 1</b>      | <b>Cash</b>  | <b>At 31</b>  |
|--------------------------|------------------|--------------|---------------|
|                          | <b>September</b> | <b>flows</b> | <b>August</b> |
|                          | <b>2012</b>      | <b>£</b>     | <b>2013</b>   |
|                          | <b>£</b>         |              | <b>£</b>      |
| Cash in hand and at bank | 3,475            | 80,617       | 84,092        |

**22. Members' Liabilities**

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. Contingent Liabilities**

There were no contingent liabilities as at the reporting date

**HATFIELD COMMUNITY FREE SCHOOL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2013**

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**24. Pension and similar obligations**

The academy's employees belong to two principal pension schemes the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff, and the Local Government Pension Scheme (LGPS) for non-teaching staff which is managed by Hertfordshire County Council Both are defined-benefit schemes

The pension costs are assessed in accordance with the advice of independent qualified actuaries The latest actuarial valuation of the TPS was 31 March 2004 and of the LGPS 31 March 2010

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) 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' Pension 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



**HATFIELD COMMUNITY FREE SCHOOL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2013**

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**24. Pension commitments (*continued*)**

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

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, and accrual rate of 1/57<sup>th</sup>, 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.

**HATFIELD COMMUNITY FREE SCHOOL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2013**

**24. Pension and similar obligations (continued)**

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2013 was £25,564 of which employer's contributions totalled £19,939 and employees' contributions totalled £5,625. The agreed contribution rates for future years are 22.5% for employers and 5.5-6.8% 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.

**Principal Actuarial Assumptions**

|  | <b>At 31<br/>August<br/>2013</b> | <b>At 1<br/>September<br/>2012</b> |
|--|----------------------------------|------------------------------------|
| Rate of increase in salaries                         | 5.1%                             | 4.5%                               |
| Rate of increase for pensions in payment / inflation | 2.8%                             | 2.2%                               |
| Discount rate for scheme liabilities                 | 4.6%                             | 4.1%                               |
| Commutation of pensions to lump sums                 | 50%                              | -                                  |

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

|                             | <b>At 31<br/>August 2013</b> |
|-----------------------------|------------------------------|
| <i>Retiring today</i>       |                              |
| Males                       | 21.0 years                   |
| Females                     | 23.8 years                   |
| <i>Retiring in 20 years</i> |                              |
| Males                       | 22.9 years                   |
| Females                     | 25.7 years                   |

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

|                                     | <b>Expected<br/>return at<br/>31 August<br/>2013</b> | <b>Fair value<br/>at 31<br/>August<br/>2013</b> | <b>Expected<br/>return at<br/>1 September<br/>2012</b> | <b>Fair value<br/>at 1<br/>September<br/>2012</b> |
|-------------------------------------|--|---|--|---|
| Equities                            | 6.6%   | 21,000  | 5.5%   | 1,000   |
| Bonds                               | 3.9%   | 5,000   | 3.3%   | -   |
| Property                            | 4.7%   | 2,000   | 3.7%   | -   |
| Other                               | 3.6%   | 1,000   | 2.8%   | -   |
|                                     |  | <u>29,000</u>                                   |  | <u>1,000</u>                                      |
| Total market value of assets        |  | (33,000)  |  | (5,000)   |
| Present value of scheme liabilities |  |   |  |   |
| <b>Deficit in the scheme</b>        |  | <u>(4,000)</u>                                  |  | <u>(4,000)</u>                                    |

The actual return on scheme assets was £2,000

**HATFIELD COMMUNITY FREE SCHOOL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2013**

**24. Pension and similar obligations (*continued*)**

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

|  | 2013<br>£    |
|--|--------------|
| Current service cost (net of employee contributions) | 5,000        |
| Past service cost                                    | -            |
| <b>Total operating charge</b>                        | <u>5,000</u> |

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

|  |         |
|--|---------|
| Expected return on pension scheme assets | (1,000) |
| Interest on pension liabilities          | 1,000   |

**Pension finance costs**

-

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 £1,000 loss.

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

|                        | 2013<br>£     |
|------------------------|---------------|
| On 1 September 2012    | 5,000         |
| Current service cost   | 21,000        |
| Employee contributions | 6,000         |
| Actuarial loss         | -             |
| Interest cost          | 1,000         |
| <b>At 31 August</b>    | <u>33,000</u> |

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

|                           | 2013<br>£     |
|---------------------------|---------------|
| On 1 September 2012       | 1,000         |
| Expected return on assets | 1,000         |
| Actuarial gain            | 1,000         |
| Employer contributions    | 6,000         |
| Employee contributions    | 20,000        |
| <b>At 31 August</b>       | <u>29,000</u> |

The estimated value of employer contributions for the year ended 31 August 2014 is £21,000.

**HATFIELD COMMUNITY FREE SCHOOL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2013**

**24. Pension and similar obligations (*continued*)**

The history of experience adjustments is as follows:

|   | 2013<br>£    |
|---|--------------|
| Present value of defined benefit obligations            | (33,000)     |
| Fair value share of scheme assets                       | 29,000       |
| <b>Deficit in the scheme</b>                            | <u>4,000</u> |
| <b>Experience adjustments on share of scheme assets</b> |              |
| Amount £000   | <u>1,000</u> |
| <b>Experience adjustments on scheme liabilities</b>     |              |
| Amount £000   | <u>1,000</u> |

**25. 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, it is inevitable that transactions will take place with organisations in which a trustee may have 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.

Onslow St Audrey's Academy Trust is a company in which P Meredith is a trustee.

During the year, the academy trust purchased school lunches from Onslow St Audrey's Academy Trust at a cost of £6,780. There were no amounts outstanding at the year end.

West Herts Community Free School Trust is a company in which A Nightingale, S Poole and G Jones are trustees.

During the year, the academy trust hired rooms to the trust at a charge of £1,625. At the year end, £875 was owing to the academy trust.