

ANNUAL REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31ST AUGUST 2014
HATTON ACADEMIES TRUST (FORMERLY KNOWN
AS SIR CHRISTOPHER HATTON ACADEMY)
(A Company Limited by Guarantee)

TUESDAY



A28 *A3YIS8XT* #137
06/01/2015
COMPANIES HOUSE

Smith Hodge & Baxter
Chartered Accountants
& Statutory Auditors
Thorpe House
93 Headlands
KETTERING
Northamptonshire
NN15 6BL

HATTON ACADEMIES TRUST (FORMERLY KNOWN AS SIR CHRISTOPHER HATTON ACADEMY)

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FOR THE YEAR ENDED 31ST AUGUST 2014

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HATTON ACADEMIES TRUST (FORMERLY KNOWN AS SIR CHRISTOPHER HATTON ACADEMY)
(REGISTERED NUMBER: 07949111)

REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31ST AUGUST 2014

Members	R A Francis Mrs S V Bishop H F MacDonald	
Trustees	R A Francis # Mrs S V Bishop I Chapman C Hinds H F Macdonald # D Morris # M Ryan #	(Chairman) (Executive Principal and Accounting Officer) (Resigned 21 st July 2014) (Director / Company Secretary) (Responsible Officer)

member of the audit committee

Company Secretary/ Director of Finance & Operations	C Hinds
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Senior Management	
• Executive Principal	Mrs S V Bishop
• Director of Finance & Operations	C Hinds
• Senior Vice Principal	T Chambers
• Vice Principal	A Wilson
• Vice Principal	Mrs T Goody
• Head of Primary Education	M Currell

Principal and Registered office	The Pyghtle Wellingborough Northamptonshire NN8 4RP
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Company Registration Number	07949111 (England and Wales)
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Independent Auditor	Smith Hodge & Baxter Chartered Accountants & Statutory Auditors Thorpe House 93 Headlands Kettering Northamptonshire NN15 6BL
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Bankers	Yorkshire Bank 7 Gold Street Northampton NN1 1EN
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Solicitors	Howes Percival Oxford House Northampton NN1 5PN
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Trading Subsidiary	Hatton School Limited
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HATTON ACADEMIES TRUST (FORMERLY KNOWN AS SIR CHRISTOPHER HATTON ACADEMY)
(REGISTERED NUMBER: 07949111)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31ST AUGUST 2014

The trustees present their annual report together with the financial statements and auditors' report of the charitable company for the period 1st September 2013 to 31st August 2014. The annual report serves the purpose of both a trustees' report and directors' report under company law.

On 1st January 2014, the trust became a Multi-academy trust and operates a primary academy, Victoria Primary Academy and a secondary academy, Sir Christopher Hatton Academy, in Wellingborough. Its academies have a combined pupil capacity of 1,674 and had a roll of 1,461 in the school census on January 2014.

Change of academy trust name

On 15th November 2014 the academy trust changed its name from Sir Christopher Hatton Academy to Hatton Academies Trust.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The academy trust is a company, limited by guarantee and an exempt charity. The Charitable Company's memorandum and articles of association are the primary governing documents of the academy trust. Some of the trustees for the charitable activities of Hatton Academies Trust (formerly known as Sir Christopher Hatton Academy) are also directors of the Charitable Company for the purposes of company law.

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

Members' liability

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

Trustees' indemnities

In accordance with normal commercial practice the academy trust has purchased insurance to protect trustees from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business.

Principal activities

The academy trust's principal activity, as set out in its articles of association and funding agreement is to advance, for the public benefit, education in the United Kingdom through its carrying on as schools offering a broad curriculum with emphasis on particular specialisms.

Method of recruitment and appointment or election of Trustees

Trustees of the academy trust are nominated by either the Secretary of State for Education, the Local Authority or members of the Charitable Company. Parent governor trustees are elected by parents of registered pupils at the academies. The Executive Principal is treated as an ex officio trustee. The articles of association require no less than three trustees.

The term of office for any trustee, shall be 4 years except the Executive Principal and the Director of Finance and Operations who remains a trustee whilst in post. Trustees are eligible for re-election at the meeting at which they retire.

Policies and procedures adopted for the induction and training of Trustees

During the year under review the trustees held eight trustees meetings. The training and induction provided for new trustees will depend on their existing experience. Where necessary induction will provide training on charity and educational, legal and financial matters. All new trustees will be given a tour of the academies and the chance to meet with staff and students. All trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as trustees. New Trustees receive a formal induction into the Trust and is tailored specifically to the individual. All new Trustees receive a copy of the Academies Financial Handbook so that they understand their financial responsibilities.

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31ST AUGUST 2014

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Organisational structure

The management structure consists of four levels; the trustees, the Executive Principal, the Senior Management Team and the Academy Management Teams. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

The trustees are responsible for setting general policy, adopting an annual plan and budget, monitoring the academy trust by the use of budgets and making major decisions about the direction of the academy trust, capital expenditure and appointment of the Executive Principal and the Director of Finance and Operations. Trustees delegate some duties and to Local Academy Committees including the implementation and monitoring of local policy, health and safety and safeguarding. Local Academy committees are notified about financial issues arising and finance reports are issued to them.

The Senior Managers are the Executive Principal, the Primary Academy Head of School, four Vice Principals, four Assistant Principals and the Director of Finance and Operations. These managers control the academy trust at an executive level implementing the policies laid down by the trustees and reporting back to them. As a group, the Senior Managers are responsible for the authorisation of spending within agreed budgets and the appointment of staff.

The Departmental Management Team includes the Management Team and the Heads of Department. These managers are responsible for the day to day operation of the departments within the academy trust and for a whole approach.

Connected organisations including Related Party Relationships

Hatton Academies Trust owns 100% of the issued ordinary shares of Hatton School Limited, a company incorporated in England and Wales (registration no. 07761700). Further details regarding the subsidiary company are given in note 14 to the financial statements.

OBJECTIVES AND ACTIVITIES

Objectives and aims

The principal object and activity of the academy trust is to provide education for pupils of different abilities between the ages of 4 and 19.

In accordance with the articles of association the academy trust 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 students to the academy, the catchment area from which the students are drawn, and that the curriculum should comply with the substance of the national curriculum with an emphasis on mathematics and computing and its practical applications.

Objectives, strategies and activities

The main objectives of the academy trust during the year ended 31st August 2014 are summarised below:

- to ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care;
- to raise the standard of educational achievement of all pupils;
- to improve the effectiveness of the academy trust by keeping the curriculum and organisational structure under continual review;
- to provide value for money for the funds expended;
- to comply with all appropriate statutory and curriculum requirements;
- to maintain close links with industry and commerce;
- to conduct the academy trust's business in accordance with the highest standards of integrity, probity and openness.

HATTON ACADEMIES TRUST (FORMERLY KNOWN AS SIR CHRISTOPHER HATTON ACADEMY)
(REGISTERED NUMBER: 07949111)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31ST AUGUST 2014

OBJECTIVES AND ACTIVITIES (continued)

Objectives, strategies and activities (continued)

The academy trust's main strategy to carry out the objects is to provide education for pupils of different abilities, in a learning environment utilising the best possible teaching facilities and staff. To this end the activities provided include:

- in tuition and learning opportunities for all students to attain appropriate academic qualifications;
- training opportunities for all staff, and especially teaching staff;
- secondments and placing of students with industrial and commercial partners;
- a programme of sporting and after school leisure activities for all students;
- a system of after school clubs to allow students to explore in a practical and project orientated way;
- a careers advice and a guidance programme to help students obtained employment or move on to higher education.

Public benefit

The trustees have regard to the Charity Commissions guidance on public benefit Section 4 of the Charities Act 2011. The trustees ensure that the academy trust's activities are undertaken in line with the charitable objects and aims.

Equal opportunities policy

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

Disabled persons

Ramps to access some class rooms and all teaching blocks. Disabled toilets are installed and door widths are adequate to enable wheelchair access to all the main areas of the academies. The policy of the academy trust is to support recruitment and retention of students and employees with disabilities. The academy trust does this by adapting the physical environment, by making support resources available and through training and career development.

STRATEGIC REPORT

ACHIEVEMENT, PERFORMANCE AND PLANS FOR FUTURE PERIODS

The trustees are responsible for setting general policy, adopting an annual plan and budget, monitoring the academy trust by the use of budgets and making major decisions about the direction of the academy trust, capital expenditure and appointment of the Executive Principal and the Director of Business & Finance.

No Ofsted inspections were received in any Trust schools in 2013/14. During the year, the self evaluation for Sir Christopher Hatton Academy grades the Academy as Outstanding. The Trust awaits Ofsted's validation of this assessment.

HATTON ACADEMIES TRUST (FORMERLY KNOWN AS SIR CHRISTOPHER HATTON ACADEMY)
(REGISTERED NUMBER: 07949111)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31ST AUGUST 2014

KEY PERFORMANCE INDICATORS

A. SIR CHRISTOPHER HATTON ACADEMY

The exam results achieved by the Sir Christopher Hatton Academy in 2013/2014 were:

Title	Total	Percentage	Notes
Total number of students	195	-	All students including those with no results
Students not included	0	-	Students marked as 'Off Roll' within 4Matrix
Students included in analysis	195	-	Students to include in the analysis
Pupils with 5+ A*-A	18	9.23%	Pupils that achieved 5+ grades equivalent to A* to A at GCSE
Pupils with 5+ A*-B	62	31.79%	Pupils that achieved 5+ grades equivalent to A* to B at GCSE
Pupils with 5+ A*-C	131	67.18%	Pupils that achieved 5+ grades equivalent to A* to C at GCSE
Pupils with 5+ A*-C (Inc Maths & English)	118	60.51%	Pupils that achieved 5+ grades equivalent to A* to C at GCSE inc En & Ma
Pupils with 5+ A*-G	189	96.92%	Pupils that achieved 5+ grades equivalent to A* to G at GCSE
Pupils with 5+ A*-G (Inc Maths & English)	189	96.92%	Pupils that achieved 5+ grades equivalent to A* to G at GCSE inc En & Ma
Pupils with 1+ A*-G	192	98.46%	Pupils that achieved 1+ grades equivalent to A* to G at GCSE
Any Grades	192	98.46%	Pupils that achieved any grades
Entries achieving a grade A*	77	4.3%	Entries with a standard point score equivalent to grade A* at GCSE
Entries achieving a grade A*-A	249	13.9%	Entries with a standard point score equivalent to grade A* to A at GCSE
Entries achieving a grade A*-B	684	38.19%	Entries with a standard point score equivalent to grade A* to B at GCSE
Entries achieving a grade A*-C	1237	69.07%	Entries with a standard point score equivalent to grade A* to C at GCSE
Total Entries	1791	-	Total number of entries, not weighted
Total Entries (Weighted)	1788	-	Total number of entries, weighted
Average Entries per pupil	9.18	-	Average entries per pupil
English Entries	191	97.95%	Pupils entered for English

Pupils achieving A* to A in English (% of Entries)	35	18.32%	Pupils achieving A* to A in English (% of Entries)
Pupils achieving A* to A in English (% of Pupils)	35	17.95%	Pupils achieving A* to A in English (% of Pupils)
Pupils achieving A* to C in English (% of Entries)	142	74.35%	Pupils achieving A* to C in English (% of Entries)
Pupils achieving A* to C in English (% of Pupils)	142	72.82%	Pupils achieving A* to C in English (% of Pupils)
Maths Entries	191	97.95%	Pupils entered for Maths
Pupils achieving A* to A in Maths (% of Entries)	35	18.32%	Pupils achieving A* to A in Maths (% of Entries)
Pupils achieving A* to A in Maths (% of Pupils)	35	17.95%	Pupils achieving A* to A in Maths (% of Pupils)
Pupils achieving A* to C in Maths (% of Entries)	140	73.3%	Pupils achieving A* to C in Maths (% of Entries)
Pupils achieving A* to C in Maths (% of Pupils)	140	71.79%	Pupils achieving A* to C in Maths (% of Pupils)
Pupils entered for 1 or more Sciences	190	97.44%	Pupils entered for 1 or more Science qualification
Pupils achieving 1 or more Sciences A* to C	173	88.72%	Pupils achieving 1 or more Science qualification A* to C GCSE equiv (% of Pupils)
Pupils achieving 1 or more Sciences A* to C (% of Entries)	173	91.05%	Pupils achieving 1 or more Science qualification A* to C GCSE equiv (% of Entries)
Pupils entered for 2 or more Sciences	154	78.97%	Pupils entered for 2 or more Science qualifications
Pupils achieving 2 or more sciences A* to C	106	54.36%	Pupils achieving 2+ Science qualifications A* to C GCSE equiv (% of Pupils)
Pupils achieving 2 or more sciences A* to C (% of Entries)	106	68.83%	Pupils achieving 2+ Science qualifications A* to C GCSE equiv (% of Entries)
Pupils entered for Three Sciences	22	11.28%	Pupils entered for Three Science qualifications
Pupils achieving Three Sciences A* to C	20	10.26%	Pupils achieving Three Science qualifications A* to C GCSE equiv (% of Pupils)
Pupils achieving Three Sciences A* to C (% of Entries)	20	90.91%	Pupils achieving Three Science qualifications A* to C GCSE equiv (% of Entries)
MFL Entries	94	48.21%	Pupils entered for at least one MFL

HATTON ACADEMIES TRUST (FORMERLY KNOWN AS SIR CHRISTOPHER HATTON ACADEMY)
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31ST AUGUST 2014

KEY PERFORMANCE INDICATORS (continued)

Pupils achieving at least one MFL higher grade (% of Entries)	66	70.21%	Pupils achieving 1+ MFL qualification A* to C GCSE equiv (% of Entries)
Pupils achieving at least one MFL higher grade (% of Pupils)	66	33.85%	Pupils achieving 1+ MFL qualification A* to C GCSE equiv (% of Pupils)
Pupils achieving at least one MFL grade (% of Entries)	92	97.87%	Pupils achieving 1+ MFL qualification D to G GCSE equiv (% of Entries)
Pupils achieving at least one MFL grade (% of Pupils)	92	47.18%	Pupils achieving 1+ MFL qualification D to G GCSE equiv (% of Pupils)
Pupils Entered for English Baccalaureate	72	36.92%	Pupils entered in all subject areas of the Baccalaureate
Pupils Achieving the English Baccalaureate (% of Pupils)	49	25.13%	Pupils achieving A* to C in all subject areas of the Baccalaureate (% of Pupils)
Pupils Achieving the English Baccalaureate (% of Entries)	49	68.06 %	Pupils achieving A* to C in all subject areas of the Baccalaureate (% of Entries)
Pupils Achieving A* to C in EN + MA	124	64%	Pupils achieving A* to C in English & Maths
Pupils Achieving A* to C in EN + MA + 1 SCI	114	58.46%	Pupils achieving A* to C in English, Maths & 1 Science
Pupils Achieving A* to C in EN + MA + 2 SCI	79	40.51%	Pupils achieving A* to C in English, Maths & 2 Sciences
Average Total Point Score (Capped)	317.05	-	APS (Capped) achieved by the statistical cohort
Average Total Point Score	368.02	-	APS (Uncapped) achieved by the statistical cohort
Average Total Point Score [5A*-C + EN/MA] (Capped)	359.02	-	APS (Capped) achieved by students with 5+ A* to C GCSE equiv (Discounted)
Average Total Point Score [5A*-C + EN/MA]	431.75	-	APS (Uncapped) achieved by students with 5+ A* to C GCSE equiv (Discounted)
Average Points Per Entry	40.14	-	Average points per entry
Average Points Per Entry (Capped)	41.08	-	Average points per entry (Capped best 8)
Average Points Per Entry [5A*-C + EN/MA]	43.58	-	Average points per entry for 5A* to C inc EN MA students
Average Points Per Entry [5A*-C + EN/MA] (Capped)	44.92	-	Average points per entry for 5A* to C inc EN MA students (Capped Best 8)
English 3 Levels Progress	144	80.45%	Pupils achieving 3 Levels of progress in English
English 4 Levels Progress	86	48.04%	Pupils achieving 4 Levels of progress in English
English 5 Levels Progress	17	9.5%	Pupils achieving 5 Levels of progress in English
Maths 3 Levels Progress	141	79.66%	Pupils achieving 3 Levels of progress in Maths
Maths 4 Levels Progress	62	35.03%	Pupils achieving 4 Levels of progress in Maths
Maths 5 Levels Progress	16	9.04%	Pupils achieving 5 Levels of progress in Maths

HATTON ACADEMIES TRUST (FORMERLY KNOWN AS SIR CHRISTOPHER HATTON ACADEMY)
(REGISTERED NUMBER: 07949111)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31ST AUGUST 2014

ACHIEVEMENT, PERFORMANCE AND PLANS FOR FUTURE PERIODS (continued)
KEY PERFORMANCE INDICATORS (continued)

B. VICTORIA PRIMARY ACADEMY

The Trust began its sponsorship of Victoria Primary Academy from 1st January 2014 from which time it employed an experienced head teacher/National Leader of Education to lead the academy as Head of Primary Education. Many internal changes were made to the running and ethos of the academy and roles and responsibilities re-established. Consistency has been further reinforced by the investment in and implementation of a consistency guidance document and robust performance management and appraisal systems in line with the sponsor academy Sir Christopher Hatton. Clear, visible and experienced leadership has made a key difference in holding staff to account.

The staffing structure has been reviewed and the senior leadership team restructured, including the addition of a SENCo/Inclusion manager which has increased the academy's leadership capacity and the provision for our children with special educational needs.

There has been a significant staff turnover as the Trust proactively manages its teaching workforce to obtain the best possible teaching workforce for students. A clear accountability framework has been implemented for teaching staff so that they understand their role in the context of school improvement and responsibilities.

Outcomes for students increased considerably at KS2 with the academy delivering the highest outcomes for six years. There was considerable movement to closing the gap to national expectations as the school has been underperforming for a number of years prior to conversion. KS1 outcomes were stable, but did not show the same level of improvement. A restructure of KS1 will ensure that progress will accelerate in this area in 2014/15. Most pleasing were the KS2 SATs results for reading where the school achieved 85% of children reaching a level 4. This was due to the increased focus on the teaching of phonics, language and literacy throughout the academy and the Academy's investment in Read Write Inc and its implementation school-wide.

Attainment at Foundation Stage showed a significant improvement over the previous year with staff being more robust with the data and the progress of their children.

Attendance has improved (see table below) to above national average as result of our investment this year in our inclusion officer. This will be given even greater focus this year with the SENCo/Inclusion manager coming in to support our most deprived families.

Attendance trend:	2010-11	2011-12	2012-13	2013-14
	93.44%	95.24%	94.13%	95.44%

The Academy has increased the level of participation in area sports and wider opportunities. This included a financial commitment to year 6 participating in the Notivate scheme where all our year 6 students wrote songs personal and pertinent to them and recorded a professional CD.

The Academy continues to develop its links with Sir Christopher Hatton Academy as its sponsor and uses the expertise and resources there to support the learning of the students in our care.

The Head of Primary Education has contributed to the local authority commissioned Headteacher programme and through the National Leader of Education support network has begun working with local primary schools.

The Academy has developed a partnership agreement with a local Multi Academy Trust, Northampton Primary Academies Trust (NPAT) and has invested in them to provide an external validation of its performance and the ongoing leadership in practice, monitoring and revision of strategies (including behaviour strategies). The reports from this work indicate that progress that the academy has made since January 2014 has been exceptional, including the high effort and achievement of the leadership team in securing good and outstanding practitioners and eradicating under performance at all levels.

GOING CONCERN

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

HATTON ACADEMIES TRUST (FORMERLY KNOWN AS SIR CHRISTOPHER HATTON ACADEMY)
(REGISTERED NUMBER: 07949111)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31ST AUGUST 2014

ACHIEVEMENT, PERFORMANCE AND PLANS FOR FUTURE PERIODS (continued)

FINANCIAL REVIEW

Financial report for the year

Most of the academy trust's income is obtained from the Education Funding Agency/Department of Education in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the EFA/DfE during the year ended 31st August 2014 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The academy trust also receives grants for fixed assets from the EFA/DfE. In accordance with the Charities Statement of Recommended Practice, 'Accounting Activities by Charities' (SORP 2005), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

In addition funds are received from various activities carried out to generate funds to cover any running costs of the academy trust not met by restricted grants. Any surplus is carried forward as an unrestricted fund in the balance sheet.

During the year ended 31st August 2014 total revenue expenditure was £8.626 million and total incoming funds from the EFA/DfE and other sources were £10.405 million.

At 31st August 2014 the net book value of tangible fixed assets was £15.438 million and movements in tangible fixed assets are shown in note 13 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the academy trust.

The academy trust held fund balances at 31st August 2014 of £14,883 million comprising £14,130 million of restricted funds and £0.573 million of unrestricted funds.

Reserves policy

The trustees review the reserve levels of the academy trust annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The trustees have determined that the approximate level of free reserves should be equivalent of 12 weeks expenditure. The reason for this 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 academy trust's current level of free reserves (total funds less the amount held in restricted funds) is £0.573 million which is less than is needed. The academy trust intends to continue building up free reserves to the level required. As anticipated and in line with the previous year, the academy trust's defined benefit pension scheme continues to be in deficit (see further details below).

Investment policy

The academy trust does not hold any investments other than its subsidiary company and cash. The academy trust holds cash balances and has a policy and objective to ensure balances are maintained to meet operational cash requirements so that any surpluses are transferred to higher interest deposit accounts.

PRINCIPAL RISKS AND UNCERTAINTIES

The trustees have a duty to identify and review the risks to which the academy trust is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

The trustees have assessed the major risks to which the academy trust is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the academy trust, and its finances. The trustees have implemented a number of systems to assess risks that the academy trust faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and academy trips) and in relation to the control of finance. They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds) and internal financial controls in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover. The academy trust has an effective system of internal financial controls and this is explained in more detail in the Governance Statement.

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31ST AUGUST 2014

PRINCIPAL RISKS AND UNCERTAINTIES (continued)

The academy trust exposure to financial risks is not material to the assessment of the trust's assets, liabilities, financial position and its results. Given the nature of the academy trust and low risk and uncomplicated financial instruments used (mainly bank balances and trade creditors). The restricted pension reserve was in deficit (£0.648 million). This deficit relates solely to the actuarial assessment, at 31st August 2014, of Local Government Pension Scheme and future contribution rates have been agreed to reduce this deficit. Further details can be found in note 27 to the financial statements.

The trustees consider the following items as the principal risks and uncertainties facing the academy trust:

- Academy funding within the new Northamptonshire funding formula has led to a real terms decrease in funding for the main sponsor Academy. This coupled with demographic variation in recent years may put increased pressure on
- The Trust is proactively looking for new academies to join the Trust to support its financial sustainability and to do so must be able to demonstrate capacity to support their leadership and management teams to progress. Taking on a new Trust requires significant support to the conversion process.
- The Trust has a robust recruitment and retention strategy to overcome the risk of losing its key senior staff.
- The Trust will have responsibility for the quality of provision within two primary schools in 2014/15 with the addition of Oakway Academy. Leadership capacity must be developed and teaching performance improved to ensure that these schools advance beyond their pre-conversion unsatisfactory
- Ofsted judgements.
- The Trust will have two major premises Capital development projects at Sir Christopher Hatton Academy and Oakway Academy in 2014/15 which must be managed seamlessly to minimise the impact on teaching and learning and progress.

PLANS FOR FUTURE PERIODS

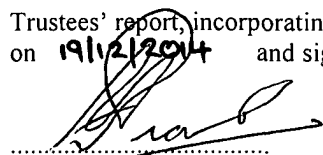
The Trust has clear plans to increase the size of the Trust to support more Primary and Secondary schools with the improvement of their performance for the benefit of local children. From 1st September 2014, the Trust will sponsor Oakway Academy, providing management capacity and support to the Academy Trust in its pursuit of educational excellence.

Furthermore the Trust has plans to develop its role as a provider of training services to teachers locally, contributing to the wider development of education in the local community.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the trustees are aware, there is no relevant information (as defined by Section 418 of the Companies Act 2006) of which the charitable company's auditor is unaware, and the trustees have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Trustees' report, incorporating as strategic report, approved by order of the board of trustees, as the company directors, on **19/12/2014** and signed on the board's behalf by:



R A Francis - Trustee

HATTON ACADEMIES TRUST (FORMERLY KNOWN AS SIR CHRISTOPHER HATTON ACADEMY)
(REGISTERED NUMBER: 07949111)

GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31ST AUGUST 2014

Scope of Responsibility

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

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

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of trustees has formally met eight times during the year.

Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings Attended	Out of a Possible
R A Francis	8	8
Mrs S V Bishop	8	8
I Chapman	5	6
C Hinds	8	8
H F MacDonald	8	8
D Morris		8
M Ryan	8	8

On 1st January 2014 with the formation of the trust Multi-academy trust the Governance Structure was revised and adopted by the Trustees

- Members
- Board of Trustees/Directors meetings with subcommittee as follows:
 - Audit Committee Meetings
 - Finance & Premises Committee meetings
 - Staff and Safeguarding Committee
 - Individual Local Academy Committees

The Board of Trustees delegates specific powers to the Academy Committees, on which members of the local Trust community sit to support the Trust with the delivery of its aims and objectives, for which responsibility has been delegated.

Governance review

The Board of Trustees have agreed to undertake a review of governance in November 2014 and we will report the outcome of this review in 2014/15 governance statement.

The Trustees have reviewed its compliance against the requirements of the Academies Financial Handbook 2014 Edition and have concluded that the Trust complies with the majority of requirements of the AFH and have approved an action plan to maximize compliance.

HATTON ACADEMIES TRUST (FORMERLY KNOWN AS SIR CHRISTOPHER HATTON ACADEMY)
(REGISTERED NUMBER: 07949111)

GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31ST AUGUST 2014 (Continued)

The Finance and Audit Committee is a sub-committee of the main board of trustees. Its purpose is to review and approve all matters relating to Finance. The Committee makes recommendations to the board of trustees for approval as set out in the terms of reference. The main purposes are to ensure a comprehensive review of risks to which the trust is exposed and make recommendations and ensuring there is a robust system of internal controls in place.

M Ryan a qualified accountant joined the Finance and Audit Committee and will be taking on the role of Responsible Officer. In addition to the committee meetings, Mr Ryan has met with the Director of Finance and Operations to provide support and challenge to the Trust's financial and risk management processes.

During the year ended 31 August 2014 this committee served as the Trust's finance and audit committee. Internal audit reports were reviewed at Finance and Audit Committee meetings. As part of the new governance structure a separate audit committee has been established and its members are noted on page 1 in the reference and administration details. The audit committee did not hold a meeting during the year ended 31 August 2014, its first meeting was on 15th December 2014 and will meet at least three times per year.

Attendance at finance committee meetings during the year was as follows:

Trustee	Meetings Attended	Out of a Possible
M Ryan	3	3
R A Francis	3	3
C Hinds	3	3
D Morris	3	3
I Chapman	3	3
Mrs S V Bishop	3	3

The purpose of the system of internal control

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

Capacity to handle risk

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustee 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 31st August 2014 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The risk and control framework

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

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

GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31ST AUGUST 2014 (Continued)

The risk and control framework (Continued)

- delegation of authority and segregation of duties;
- identification and management of risks.

The board of trustees has considered the need for a specific internal audit function and have instructed Smith Hodge & Baxter to conduct quarterly internal checks and form a report to assist the RO, Finance and Audit committee in their review and management of risks, systems of controls and on the discharge of the board of trustees' financial responsibilities. The trustees are responsible for the design and selection of the internal checks. During the year, the quarterly checks were conducted and reports showed no significant issues. Other findings have been addressed as part of usual committee and trustee business.

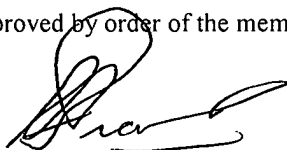
Review of effectiveness

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

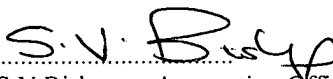
- the work of the Responsible Officer and internal audit checks;
- the work of the external auditor;
- the financial management and governance self assessment process;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal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

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Finance and General Purposes Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on **19 December** 2014 and signed on its behalf by:



R A Francis - Trustee



Mrs S V Bishop - Accounting Officer


HATTON ACADEMIES TRUST (FORMERLY KNOWN AS SIR CHRISTOPHER HATTON ACADEMY)
(REGISTERED NUMBER: 07949111)

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

As accounting officer of Hatton Academies Trust I have considered my responsibility to notify the academy trust governing body and Educational 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 irregularity or improper use of funds by the academy trust, or any 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. If any instances are identified after the date of this statement, these will be notified to the board of trustees and EFA.



.....
Mrs S V Bishop - Accounting Officer

19 December 2014

HATTON ACADEMIES TRUST (FORMERLY KNOWN AS SIR CHRISTOPHER HATTON ACADEMY)
(REGISTERED NUMBER: 07949111)

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

The trustees, (who act as governors of Hatton Academies Trust and are also the directors of the Charitable Company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Annual Accounts Direction published by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

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

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

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

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

Approved by order of the members of the board of trustees on 19 December 2014 and signed on its behalf by:



.....
R A Francis - Trustee

INDEPENDENT AUDITORS REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
HATTON ACADEMIES TRUST
FOR THE YEAR ENDED 31ST AUGUST 2014

We have audited the financial statements of Hatton Academies Trust for the year ended 31st August 2014 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Annual Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

This report is made solely to the academy trust's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the academy trust's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the academy trust and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

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

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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the academy trust's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the academy trust's affairs as at 31st August 2014, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and have been prepared in accordance with the requirements of the Companies Act 2006 and the Annual Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual Report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

- 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 trustee's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

19 December 2014

Caroline Armstrong (Senior Statutory Auditor)
for and on behalf of Smith Hodge & Baxter
Chartered Accountants & Statutory Auditors
Smith Hodge & Baxter
Thorpe House
93 Headlands
KETTERING
Northamptonshire
NN15 6BL

HATTON ACADEMIES TRUST (FORMERLY KNOWN AS SIR CHRISTOPHER HATTON ACADEMY)
(REGISTERED NUMBER: 07949111)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY
TO HATTON ACADEMIES TRUST AND THE EDUCATION FUNDING AGENCY
FOR THE YEAR ENDED 31ST AUGUST 2014

In accordance with the terms of our engagement letter dated 4 September 2014 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies: Accounts Direction 2013 to 2014, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Hatton Academies Trust during the period 1 September 2013 to 31 August 2014 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to The Hatton Academies Trust and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the The Hatton Academies Trust and EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the The Hatton Academies Trust and EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of The Hatton Academies Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of The Hatton Academies Trust funding agreement with the Secretary of State for Education dated 1 December 2013 and the Academies Financial Handbook extant from 1 September 2013 (updated October 2013), for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2013 to 2014. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period from 1 September 2013 to 31 August 2014 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2013 to 2014 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- Assessment and testing of the internal audit work and reliance placed upon this work for the review of internal control procedures
- Further testing of the internal control procedures has been carried out in the following areas:
 - Sample test of delegated authority procedures
 - Enquiry and review of transactions with connected persons
 - Review of governance procedures including inspection of Trustee and relevant Board minutes
 - Sample test of procurement procedures
- Communication with the accounting officer

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1st September 2013 to 31st August 2014 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Reporting Accountant
Smith Hodge & Baxter
Chartered Accountants & Statutory Auditors
Thorpe House
93 Headlands
KETTERING
Northamptonshire
NN15 6BL

Date: 19 December 2014

HATTON ACADEMIES TRUST (FORMERLY KNOWN AS SIR CHRISTOPHER HATTON ACADEMY)
(REGISTERED NUMBER: 07949111)
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31ST AUGUST 2014

(Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

		Unrestricted	Restricted	Restricted	Restricted	Total	Total
	Note	Funds	Pension	General	Fixed	2014	2013
		£000s	Reserve	Funds	Asset	£000s	£000s
			£000s	£000s	Funds		
					£000s		
INCOMING RESOURCES							
Incoming resources from generated funds							
Voluntary income	2	-	-	-	-	-	55
Voluntary income - transfer from Local Authority on conversion	3	272	(255)	-	2,432	2,449	-
Activities for generating funds	4	11	-	157	-	168	381
Investment income		4	-	-	-	4	-
Incoming resources from charitable activities							
Funding for the academy trust's educational operations	5	-	-	7,700	84	7,784	6,042
Total incoming resources		287	(255)	7,857	2,516	10,405	6,478
RESOURCES EXPENDED							
Charitable activities							
Academy trust's educational operations	7	66	19	7,572	844	8,501	7,042
Governance costs	8	-	-	125	-	125	42
Total resources expended	6	66	19	7,697	844	8,626	7,084
Net incoming/(outgoing) resources before transfers		221	(274)	160	1,672	1,779	(606)
Gross transfers between funds		(268)	-	-	268	-	-
NET INCOME/(EXPENDITURE) FOR THE YEAR		(47)	(274)	160	1,940	1,779	(606)
Other recognised gains/(losses)							
Actuarial losses on defined benefit pension schemes		-	(421)	-	-	(421)	-
Net movement in funds		(47)	(695)	160	1,940	1,358	(606)
RECONCILIATION OF FUNDS							
Funds brought forward at 1st September 2013		620	(648)	55	13,498	13,525	14,131
Funds carried forward at 31st August 2014	18	573	(1,343)	215	15,438	14,883	13,525

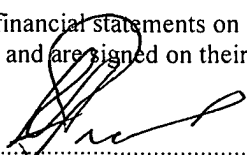
All of the academy trust's activities derive from continuing operations during the above two financial periods.

HATTON ACADEMIES TRUST (FORMERLY KNOWN AS SIR CHRISTOPHER HATTON ACADEMY)
(REGISTERED NUMBER: 07949111)

BALANCE SHEET AS AT 31ST AUGUST 2014

	Notes	2014 £000	2013 £000
FIXED ASSETS			
Tangible assets	13	15,438	13,498
Investments	14	-	-
		<hr/>	<hr/>
		15,438	13,498
CURRENT ASSETS			
Stocks	15	4	1
Debtors	16	354	490
Cash at bank and in hand		1,034	708
		<hr/>	<hr/>
		1,392	1,199
CURRENT LIABILITIES			
Creditors: Amounts falling due within one year	17	(604)	(524)
		<hr/>	<hr/>
NET CURRENT ASSETS		788	675
		<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		16,226	14,173
Pension Scheme Liability	27	(1,343)	(648)
		<hr/>	<hr/>
NET ASSETS INCLUDING PENSION SCHEME LIABILITY		14,883	13,525
		<hr/>	<hr/>
FUNDS OF THE ACADEMY TRUST	18		
Restricted income funds:			
Fixed asset fund		15,438	13,498
General fund		215	55
Pension reserve		(1,343)	(648)
		<hr/>	<hr/>
Total restricted funds		14,130	12,905
Unrestricted income funds:			
General fund		573	620
		<hr/>	<hr/>
Total unrestricted funds		573	620
		<hr/>	<hr/>
TOTAL FUNDS		14,883	13,525
		<hr/>	<hr/>

The financial statements on pages 17 to 35 were approved by the trustees and authorised for issue on 19 December 2014 and are signed on their behalf by:



.....
R A Francis - Trustee

HATTON ACADEMIES TRUST (FORMERLY KNOWN AS SIR CHRISTOPHER HATTON ACADEMY)
(REGISTERED NUMBER: 07949111)

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST AUGUST 2014

	Notes	2014 £000s	2013 £000s
Net cash inflow from operating activities	21	318	150
Returns on investments and servicing of finance	22	4	-
Capital expenditure and financial investment	23	(268)	(8)
Cash transferred on conversion to an academy trust		272	-
		<hr/>	<hr/>
Increase in cash in the year	24	326	142
		<hr/>	<hr/>
Reconciliation of net cash flow to movements in net funds			
Net funds at 1st September 2013		708	566
		<hr/>	<hr/>
Net funds at 31st August 2014	24	1,034	708
		<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST AUGUST 2014

1. 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 2013 to 2014 issued by the EFA and the Companies Act 2006. A summary of the principal accounting policies which have been applied consistently, except where noted, is set out below.

Going Concern

The 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 cause significant doubts on the ability of the company to continue as a going concern. The trustees make this assessment in respect of a period of one year from the date of approval of the financial statements.

Preparation of Consolidated Financial Statements

The financial statements contain information about Hatton Academies Trust as an individual a charitable company and do not contain consolidated financial information as the parent of a group. In the trustees' opinion the results of the subsidiary are not material to an understanding of the academy trust's financial statements as in accordance with S402(2) of Companies Act 2006 and 19(1)(a) of the Charities (Accounts and Reports) Regulations 2008.

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 year 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 (GAG) 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 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.

On 23rd December 2013 the Academy Trust entered into a 125 year lease with Northamptonshire County Council for the former Victoria Primary School's land and buildings. The rental charge under this lease is a peppercorn. Substantially all the risks and rewards incidental to ownership are assumed by the Academy Trust and therefore the lease is treated as a finance lease and the asset capitalised and depreciated over the period of the lease, in accordance with the tangible fixed assets accounting policy below.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31ST AUGUST 2014

1. ACCOUNTING POLICIES (continued)

Resources Expended

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

- **Charitable activities**

These are costs incurred on the academy trust's educational operations.

- **Governance costs**

These include the costs attributable to the academy trust's compliance with constitutional and statutory requirements, including audit, strategic management and trustees' 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 (which is included at a value of £2.4 million), leasehold land (which is included at a value of £0.161 million) and software licences which have an indefinite life (£11,010), at rates calculated to write off the cost of each asset over its expected useful life, as follows:

Leasehold buildings	2% of cost
Freehold buildings	2% of cost
Furniture and equipment	5% or 10% of cost
ICT equipment	33⅓% or 10% of cost

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.

Investments

The academy trust's shareholding in the wholly owned subsidiary Hatton School Limited is included in the balance sheet at the cost of the share capital owned. There is no readily available market value and the cost of a valuation exceeds the benefit derived.

Stocks

Canteen 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.

Pension Benefits

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

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31ST AUGUST 2014

1. ACCOUNTING POLICIES (continued)

Pension Benefits (continued)

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 27, the TPS is a multi employer scheme and the academy trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the 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 academy trust at the discretion of the trustees.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Education Funding Agency/Department for Education where the asset acquired or created is held for a specific purpose.

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

Restricted pension reserve funds represent the academy trust's share of the assets and liabilities of the Local Government Pension Scheme.

HATTON ACADEMIES TRUST (FORMERLY KNOWN AS SIR CHRISTOPHER HATTON ACADEMY)
(REGISTERED NUMBER: 07949111)

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31ST AUGUST 2014

2. VOLUNTARY INCOME

	Unrestricted Funds £000s	Restricted Funds £000s	Total 2014 £000s	Total 2013 £000s
Other donations	-	-	-	31
Gift Aid – Hatton School Limited	-	-	-	24
	<u>-</u>	<u>137</u>	<u>137</u>	<u>55</u>

3. TRANSFER OF ACADEMIES INTO THE ACADEMY TRUST

On 1 January 2014 the Victoria Primary School converted to academy status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Hatton Academies Trust from the Northamptonshire County Council for £nil consideration.

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as net incoming resources in the statement of financial activities as voluntary income.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the SOFA.

	Unrestricted Funds £000s	Restricted General Funds £000s	Restricted Fixed Asset Funds £000s	Total £000s
Tangible fixed assets				
Leasehold land and buildings	-	-	2,432	2,432
Budget surplus/(deficit) on LA funds	272	-	-	272
LGPS pension surplus/(deficit)	-	(255)	-	(255)
Net assets	<u>272</u>	<u>(255)</u>	<u>2,432</u>	<u>2,449</u>

The above net assets includes £272,000 that was transferred as cash.

The leasehold land and buildings have been acquired on a 125 year lease period.

4. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted Funds £000s	Restricted Funds £000s	Total 2014 £000s	Total 2013 £000s
Catering income	-	-	-	149
Pupil trips and other parental contributions	-	137	137	-
Other income	11	20	31	208
Capital grants	-	-	-	24
	<u>11</u>	<u>157</u>	<u>168</u>	<u>381</u>

HATTON ACADEMIES TRUST (FORMERLY KNOWN AS SIR CHRISTOPHER HATTON ACADEMY)
(REGISTERED NUMBER: 07949111)

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31ST AUGUST 2014

5. FUNDING FOR ACADEMY TRUST'S EDUCATIONAL OPERATIONS

	Unrestricted Funds £000s	Restricted Funds £000s	Total 2014 £000s	Total 2013 £000s
DfE/EFA revenue grants				
General Annual Grant (GAG)	-	6,886	6,886	5,597
Start Up Grants	-	25	25	-
Capital Grants	-	249	249	-
Other DfE/EFA grants	-	559	559	293
	-	7,719	7,719	5,890
Other Government grants				
Local authority grants	-	65	65	152
	-	65	65	152
	-	7,784	7,784	6,042

6. RESOURCES EXPENDED

	Staff Costs £000s	Non pay Premises £000s	Expenditure Other Costs £000s	Totals 2014 £000s	Totals 2013 £000s
Academy trust's educational operations:					
Direct costs	5,013	844	1,041	6,898	5,543
Allocated support costs	812	579	212	1,603	1,499
	5,825	1,423	1,253	8,501	7,042
Governance costs including allocated support costs	-	-	125	125	42
	5,825	1,423	1,378	8,626	7,084

Incoming/outgoing resources for the year include:

Fees payable to auditor - audit	7	6
- other services	4	3
Depreciation - owned assets	844	828

HATTON ACADEMIES TRUST (FORMERLY KNOWN AS SIR CHRISTOPHER HATTON ACADEMY)
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NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31ST AUGUST 2014

7. CHARITABLE ACTIVITIES

	Unrestricted Funds £000s	Restricted Funds £000s	Totals 2014 £000s	Totals 2013 £000s
Direct costs – Educational operations				
Teaching and Educational Support Staff costs	-	5,013	5,013	4,088
Depreciation	-	844	844	828
Educational Supplies	-	599	599	369
Examination Fees	-	140	140	141
Staff Development	-	75	75	34
Educational Consultancy	-	17	17	11
Other Direct Costs	51	159	210	72
	<u>51</u>	<u>6,847</u>	<u>6,847</u>	<u>5,543</u>
Support costs – Educational operations				
Support Staff costs	-	812	812	791
Cleaning	-	39	39	29
Recruitment and Support	-	23	23	9
Light and Heat	-	99	99	90
Rates and Rents	-	33	33	59
Insurance	-	56	56	43
Telephone and Broadband costs	-	57	57	45
Maintenance of premises and equipment	-	379	379	239
Security and Transport	-	7	7	10
Catering	15	-	15	87
Bank interest and charges	-	1	1	1
Other Support Costs	-	82	82	96
	<u>15</u>	<u>1,588</u>	<u>1,603</u>	<u>1,499</u>
Total direct and support costs	<u>66</u>	<u>8,435</u>	<u>8,501</u>	<u>7,042</u>

8. GOVERNANCE COSTS

	Unrestricted Funds £000s	Restricted Funds £000s	Total 2014 £000s	Total 2013 £000s
Auditors' remuneration				
- audit of financial statements	-	7	7	6
- other services	-	4	4	3
Legal and professional fees	-	114	114	33
	<u>-</u>	<u>125</u>	<u>125</u>	<u>42</u>

9. STAFF

a. Staff costs

Staff costs during the year were:	2014	2013
	£000s	£000s
Wages and salaries	4,659	3,990
Social security	309	283
Other pension costs	674	540
	<u>5,642</u>	<u>4,813</u>
Supply staff costs	183	66
	<u>5,825</u>	<u>4,879</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31ST AUGUST 2014

9. STAFF (continued)

b. Staff numbers

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

Charitable Activities	2014 No.	2013 No.
Management	10	10
Administration and support	66	84
Teachers	90	71
	<u>166</u>	<u>165</u>

c. Higher paid staff

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

	2014 No.	2013 No.
£60,001 - £70,000	1	1
£120,001 - £130,000	-	1
£130,001 - £140,000	1	-
	<u>1</u>	<u>1</u>

The above employees participated in the Teachers' Pension Scheme. During the year ended 31st August 2014 employers' pension contributions for these members of staff amounted to £28,830 (2013: £26,478).

10. CENTRAL SERVICES

The academy trust has provided the following central services to its academies during the year:

Back office functions

- Accounting services
- Human resources
- Payroll
- ICT services
- Facilities advisory
- Insurance services
- Staff cover
- Health and safety audits
- Administration support

Teaching and Learning

- Principal – Leadership and management
- Science specialist teaching years 5 and 6
- MDL Specialist teaching and support years 5 and 6
- Specialist PE teaching
- Specialist Music support
- Safeguarding support

The trust charges for these services on a fair share based on school size in relation to pupil numbers.

The actual amounts charged during the year were as follows:

	2014 £000s
Victoria Primary	62
	<u>62</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31ST AUGUST 2014

11. RELATED PARTY TRANSACTIONS - TRUSTEES' REMUNERATION AND EXPENSES

The Executive Principal and 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 from the academy trust in respect of their role as trustees. The value of trustees' remuneration was as follows:

- Mrs V Bishop (Executive Principal and trustee) - £135,000 - £140,000 (2013: £120,000-125,000)
- C Hinds (trustee) - £55,000 - £60,000 (2013: £55,000 - £60,000)
- A Goodwin (trustee until 1st October 2014) - £10,000 - £15,000 (2013: £10,000 - £15,000)

Travel expenses totalling £1,679 were reimbursed to two Trustees during the year. No expenses were reimbursed to Trustees during the period ended 31st August 2013.

Other related party transactions involving the Trustees are set out in note 28.

12. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £2,000,000 (2013: £2,000,000) aggregate liability in any one period and the cost for the year ended 31st August 2014 was £180.17 (2013: £2,000). The cost of this insurance is included in the total insurance cost.

13. TANGIBLE FIXED ASSETS

	Leasehold Land and Buildings £000s	Freehold Land and Buildings £000s	Furniture and Equipment £000s	Software and ICT equipment £000s	Totals £000s
COST					
At 1st September 2013	-	11,867	2,429	443	14,739
Transfer in on conversion	2,432	-	-	-	2,432
Additions	-	352	-	-	352
Disposals	-	-	-	-	-
At 31st August 2014	2,432	12,219	2,429	443	17,523
DEPRECIATION					
At 1st September 2013	-	284	730	227	1,241
Charge for the year	45	190	480	129	844
Eliminated on disposal	-	-	-	-	-
At 31st August 2014	45	474	1,210	356	2,085
NET BOOK VALUE					
At 31st August 2014	2,387	11,745	1,219	87	15,438
At 31st August 2013	-	11,583	1,699	216	13,498

The academy trust's transactions relating to land and buildings included:

- The acquisition of the freehold on Orchard House which was purchased by the trust at a value of £352,000.

HATTON ACADEMIES TRUST (FORMERLY KNOWN AS SIR CHRISTOPHER HATTON ACADEMY)
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NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31ST AUGUST 2014

14. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
COST	
At 1st September 2013 and 31st August 2014	1
NET BOOK VALUE	
At 1st September 2013 and 31st August 2014	1

The academy trust's investments at the balance sheet date in the share capital of companies include the following:

Hatton School Limited

Country of incorporation: England & Wales

Nature of business: catering services, hire of sports and business facilities and sale of uniform

Class of share: % holding
 Ordinary 100

	2014 £	2013 £
Aggregate capital and reserves	(3,817)	1
Loss for the year	(3,818)	(586)

The investment is shown in the balance sheet at cost. The trustees have not prepared group accounts as they are of the opinion that the results of the subsidiary are not material to an understanding of the academy trust's financial statements in accordance with S402(2) of Companies Act 2006 and 19(1)(a) of the Charities (Accounts and Reports) Regulations 2008.

A summary of the results for the year ended 31st August 2014 and the balance sheet position as at 31st August 2014 is shown below:

	2014 £	2013 £
Turnover	224,978	121,657
Other income	4,154	8,620
Expenditure	(232,950)	(106,863)
(Loss)/profit on ordinary activities before Gift Aid payment	(3,818)	23,414
Gift Aid payment Hatton Academies Trust	-	(24,000)
Net loss before taxation	(3,818)	(586)
Taxation	-	-
Retained loss for the year	(3,818)	(586)
Current assets	144,086	172,552
Current liabilities	(147,903)	(172,551)
	(3,817)	1
Called up share capital	1	1
Profit and loss account	(3,818)	-
Shareholder's funds	(3,817)	1

The audit report for Hatton School Limited for the year ended 31st August 2014 is unmodified.

15. STOCKS

	2014 £000s	2013 £000s
Uniforms	4	1

HATTON ACADEMIES TRUST (FORMERLY KNOWN AS SIR CHRISTOPHER HATTON ACADEMY)
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NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31ST AUGUST 2014

16. DEBTORS	2014 £000s	2013 £000s
Trade debtors	22	105
Amounts owed by group undertakings	142	167
Prepayments and accrued income	103	89
VAT recoverable	45	83
Other debtors	42	46
	<u>354</u>	<u>490</u>

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2014 £000s	2013 £000s
Trade creditors	286	124
Taxation and social security	115	96
Accruals and deferred income	74	233
Other creditors	129	71
	<u>604</u>	<u>524</u>

Deferred income

	2014 £000s
Deferred income at 1 September 2013	-
Resources deferred in the year	27
Amount related from previous years	-
	<u>27</u>
Deferred income at 31 August 2014	

At the balance sheet date the academy trust was holding funds received in advance for free school meals for the year ended 31 August 2014.

18. FUNDS	Balance at 1st September 2013 £000s	Incoming resources £000s	Resources expended £000s	Gains, losses and Transfers £000s	Balance at 31st August 2014 £000s
Restricted general funds					
General Annual Grant (GAG)	44	6,886	6,715	-	215
Start Up Grant	-	25	25	-	-
Other DfE/EFA grants	-	724	724	-	-
Local authority grants	-	65	65	-	-
Other restricted general funds	11	157	168	-	-
Pension Reserve	(648)	(255)	19	(421)	(1,343)
	<u>(593)</u>	<u>7,602</u>	<u>7,716</u>	<u>(421)</u>	<u>(1,128)</u>
Restricted fixed asset funds					
DfE/EFA capital grants	-	84	-	(84)	-
Fixed Assets	13,498	2,432	844	352	15,438
	<u>13,498</u>	<u>2,516</u>	<u>844</u>	<u>268</u>	<u>15,438</u>
Total restricted funds	<u>12,905</u>	<u>10,118</u>	<u>8,560</u>	<u>(153)</u>	<u>14,310</u>
Unrestricted funds					
Unrestricted funds	620	287	66	(268)	573
	<u>620</u>	<u>287</u>	<u>66</u>	<u>(268)</u>	<u>573</u>
Total unrestricted funds	<u>620</u>	<u>287</u>	<u>66</u>	<u>(268)</u>	<u>573</u>
TOTAL FUNDS	<u>13,525</u>	<u>10,405</u>	<u>8,626</u>	<u>(421)</u>	<u>14,883</u>

HATTON ACADEMIES TRUST (FORMERLY KNOWN AS SIR CHRISTOPHER HATTON ACADEMY)
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NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31ST AUGUST 2014

18. FUNDS (continued)

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 2014.

Restricted Fixed Asset Funds represent resources which have been applied to specific capital purposes imposed by the funder together with cash resources still to be expended.

Restricted Pension Reserve Funds represent the academy trust's share of the assets and liabilities of the Local Government Pension Scheme.

Unrestricted funds represent funds that have been earmarked for academy business that does not fall within the restricted funds above.

Analysis of academies by fund balance

Fund balances at 31 August 2014 were allocated as follows:

	Total £000s
Sir Christopher Hatton Academy	594
Victoria Primary Academy	194
	<hr/>
Total before fixed assets and pension reserve	788
Restricted fixed asset fund	15,438
Pension reserve	(1,343)
	<hr/>
TOTAL	14,883
	<hr/>

Analysis of academies by cost

Expenditure incurred by each academy during the year was as follows:

	Teaching & Educational Support Staff Costs £000s	Other Support Staff Costs £000s	Educational Supplies £000s	Other costs (Excluding Depreciation) £000s	Total £000s
Sir Christopher Hatton Academy	4,292	746	493	1,128	6,659
Victoria Primary Academy	721	66	106	105	998
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
ACADEMY TRUST	5,013	812	599	1,233	7,657
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Fund balances at 31st August 2014 are represented by:

	Unrestricted Funds £000s	Restricted Pension Reserve £000s	Restricted General Funds £000s	Restricted Fixed Asset Funds £000s	Total Funds £000s
Tangible fixed assets	-	-	-	15,438	15,438
Fixed asset investments	-	-	-	-	-
Current assets	573	-	819	-	1,392
Current liabilities	-	-	(604)	-	(604)
Pension scheme liability	-	(1,343)	-	-	(1,343)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Net Assets	573	(1,343)	215	15,438	14,883
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

20. CAPITAL COMMITMENTS

	2014 £000s	2013 £000s
Contracted for, but not provided in the financial statements	96	-
	<hr/>	<hr/>

HATTON ACADEMIES TRUST (FORMERLY KNOWN AS SIR CHRISTOPHER HATTON ACADEMY)
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NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31ST AUGUST 2014

21. RECONCILIATION OF NET INCOME TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2014	2013
	£000s	£000s
Net income/(expenditure)	1,779	(606)
Net assets transferred in on conversion	(2,449)	-
Depreciation	844	828
Capital grants from DfE and other capital income	(84)	(24)
Interest receivable	(4)	-
FRS 17 pension cost less contributions payable	(9)	(7)
FRS 17 pension finance costs	28	23
(Increase)/decrease in stocks	(3)	2
Decrease/(increase) in debtors	136	(168)
Increase in creditors	80	102
Net inflow from operating activities	318	150

22. RETURNS ON INVESTMENTS AND SERVICING OF FINANCE

	2014	2013
	£000s	£000s
Interest received	4	-
Net cash inflow from returns on investment and servicing of finance	4	-

23. CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT

	2014	2013
	£000s	£000s
Capital grants from DfE/EFA	84	24
Purchase of tangible fixed assets	(352)	(32)
Net cash outflow from capital expenditure and financial investment	(268)	(8)

24. ANALYSIS OF CHANGES IN NET FUNDS

	At 1st September 2013	Cash Flows	At 31st August 2014
	£000s	£000s	£000s
Cash at bank and in hand	708	326	1,034
Total	708	326	1,034

25. CONTINGENT LIABILITIES

During the year of the Funding Agreement, in the event of the sale or disposal by other means, of any asset for which a Government capital grant was received, the academy trust is required, either to re-invest the proceeds, or to repay to the Secretary of State for Education the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State.

Upon termination of the Funding Agreement, whether as a result of the Secretary of State or the academy trust serving notice, the academy trust shall repay to the Secretary of State sums determined by reference to:

- (a) the value at that time of the academy trust site and premises and other assets held for the purpose of the academy trust; and
- (b) the extent to which expenditure incurred in providing those assets was met by payments by the Secretary of State under the Funding Agreement.

26. MEMBERS' LIABILITY

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

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31ST AUGUST 2014

27. PENSION AND SIMILAR OBLIGATIONS

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

Contributions amounting to £Nil (2013: £70,599) were payable to the schemes at 31st August 2014 and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

The Teachers' Pensions Regulations require an annual account to be kept of receipts and expenditure (including the cost of pensions' increases). From 1 April 2001, the account has been credited with a real rate of return, which is equivalent to assuming that the balance in the account is invested in notional investments that produce that real rate of return.

Valuation of the Teachers' Pension Scheme

The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%);
- total scheme liabilities for service to the effective date of £191,500 million, and notional assets of £176,600 million, giving a notional past service deficit of £14,900 million; and
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations.

The new employer contribution rate is applicable from 1 April 2015 and will be implemented for the TPS from September 2015.

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

27. PENSION AND SIMILAR OBLIGATIONS (continued)

Teachers Pension Scheme (continued)

Lord Hutton made recommendations in 2011 about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation with trade unions and other representative bodies. In March 2012 the Department for Education published proposals for the design for a reformed TPS.

The key provisions of the reformed scheme include: a pension based on career average earnings; an accrual rate of 1/57th, and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Pension benefits built up before 1 April 2015 will be fully protected.

In addition, the proposed final agreement includes a Government commitment that those within 10 years of normal pension age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall up to three and a half years outside of the 10 year protection.

In his interim report of October 2010, Lord Hutton recommended that short-term savings were also required, and that the only realistic way of achieving these was to increase member contributions. At the Spending Review 2010 the Government announced an average increase of 3.2 percentage points on the contribution rates by 2014-15. The increases have been phased in since April 2012 on a 40:80:100% basis.

The Department for Education has continued to work closely with trade unions and other representatives bodies to develop the reformatting Teachers' Pension Scheme and regulations giving effect to it came into force on 1 April 2014. Communications are being rolled out and the reformatting scheme will commence on 1 April 2015.

Under the definitions set out in Financial Reporting Standard (FRS17) Retirement Benefits, the TPS is a multi-employer pension scheme. The academy trust is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the academy trust has taken advantage of the exemption in FRS17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31st August 2014 was £80,000 of which employer's contributions totaled £62,000 and employees' contributions totaled £18,000. The agreed contribution rates for future years are 16.3% for employers and 5.5% to 7.5% for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to 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 18th July 2013.

Principal Actuarial Assumptions

	At 31st August 2014	At 31st August 2013
Rate of increase in salaries	4.5%	5.1%*
Rate of increase for pensions in payment/inflation	2.7%	2.8%
Inflation assumption (CPI)	2.7%	2.9%
Discount rate for scheme liabilities	3.7%	4.6%
Commutation of pensions to lump sums - Pre April 2008 service	50%	50%
- Post April 2008 service	75%	75%

*Salary increases are presumed to be 1% p.a. until 31st March 2015 reverting to the long term assumption shown thereafter.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31ST AUGUST 2014

27. PENSION AND SIMILAR OBLIGATIONS (continued)

Local Government Pension Scheme (continued)

Sensitivity Analysis

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

Change in assumptions at year ended 31st August 2014	Approximate % % increase	Approximate monetary
	Employer Liability	amount £000s
0.5% decrease in Real Discount Rate	15%	446
1 year increase in member life expectancy	3%	92
0.5% increase in the Salary Increase Rate	8%	241
0.5 % increase in the Pension Increase Rate	6%	189

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

	At 31st August 2014	At 31st August 2013
<i>Retiring today</i>		
Males	22.3	21.4
Females	24.3	23.3
<i>Retiring in 20 years</i>		
Males	24.0	23.4
Females	26.6	25.5

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

	Expected return at 31st August 2014	Fair value at 31st August 2014 £000s	Expected return at 31st August 2013	Fair value at 31st August 2013 £000s
Equities	6.4%	785	6.7%	401
Bonds	2.9%	210	3.5%	99
Property	4.5%	78	4.7%	28
Cash	3.3%	33	3.6%	22
Total market value of assets		1,106		550
Present value of scheme liabilities				
- Funded		(2,449)		(1,198)
Deficit in the scheme		(1,343)		(648)

The expected returns on assets other than bonds have been calculated using 5000 simulations of the Hymans Robertson Asset Model, calibrated using market data as at a recent date. The expected return on bonds has been derived from the yields applicable at the accounting date on suitable bond indices.

The actual return on scheme assets was £91,000 (2013: £Nil).

Amounts recognised in the statement of financial activities	2014 £000s	2013 £000s
Current service cost (net of employee contributions)	197	136
Past service cost	-	-
Total operating charge	197	136

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31ST AUGUST 2014

27. PENSION AND SIMILAR OBLIGATIONS (continued)

Analysis of pension finance (income)/costs	2014 £000s	2013 £000s
Expected return on pension scheme assets	(45)	(19)
Interest on pension liabilities	73	42
Pension finance costs	28	23

The actuarial gains and losses for the current period 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 £430,000 (2013: £Nil loss).

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

	2014 £000s	2013 £000s
At 1st September 2013	1,198	947
Defined benefit obligations transferred on conversion	413	-
Current service cost	197	136
Interest cost	73	42
Employee contributions	53	40
Actuarial loss	526	33
Benefits paid	(11)	-
Past service cost	-	-
At 31st August 2014	2,449	1,198

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

	2014 £000s	2013 £000s
At 1st September 2013	550	315
Fair value of scheme assets transferred on conversion	158	-
Expected return on assets	45	19
Actuarial gain/(loss)	105	33
Employer contributions	206	143
Employee contributions	53	40
Benefits paid	(11)	-
At 31st August 2014	1,106	550

The estimated value of employer contributions for the year ending 31st August 2015 is £321,000 (2014: £139,000).

The history of experience adjustments is as follows:

	2014 £000s	2013 £000s	2012 £000s
Present value of defined benefit obligations	(2,449)	(1,198)	(947)
Fair value of share of Scheme assets	1,106	550	315
Deficit in the Scheme	(1,343)	(648)	(632)
Experience adjustments on share of Scheme assets	(241)	33	(7)
Experience adjustments on Scheme liabilities	(85)	-	-

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31ST AUGUST 2014

28. RELATED PARTY TRANSACTIONS

Owing to the nature of the academy trust's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy trust's financial regulations and normal procurement procedures. The following transactions took place in the period of account:

Hatton School Limited – The Academy Trust's subsidiary

- The Trust received a Gift Aid donation of £Nil (2013: £24,784) from the subsidiary.
- At the year end debtors include £141,745 (2013: £166,529) due from the subsidiary.

Tompkins Robinson Surveyors – a company in which Mr D Morris (trustee) is a director

- The trust purchased services totalling £7,750
- The trust made the purchase at arms' length following a tendering exercise in accordance with its financial regulations, which Mr D Morris neither participated in, nor influenced.
- In entering into the transaction the trust has complied with the requirements of the EFA's Academies Financial Handbook
- Tompkins Robinson Surveyors have also provided consultancy services to the Trust on premises projects this year free of charge including advice and a valuation of the Orchard House premises for insurance purposes. The value of all services provided free of charge is estimated at £10,000.

Nobles Engineering Solutions Limited – a company in which Mr T Francis (Trustee) is a director

- The trust provided services totalling £6,820 to this company and there was a debtor owed from this company to the Trust of £8,064 at the balance sheet date.
- The trust made this transaction at arms' length in accordance with its financial regulations, which Mr T Francis neither participated in, nor influenced.
- In entering into the transaction the trust has complied with the requirements of the EFA's Academies Financial Handbook

29. ULTIMATE CONTROLLING PARTY

The academy trust is under the control of the trustees.

30. EVENTS AFTER THE BALANCE SHEET DATE

After the year end and as detailed in the Trustees' Report, Oakway Academy joined the Academy Trust. There was a flood at this premises after the year end and the projected costs for remedial action not covered by insurance are estimated at £37,000.