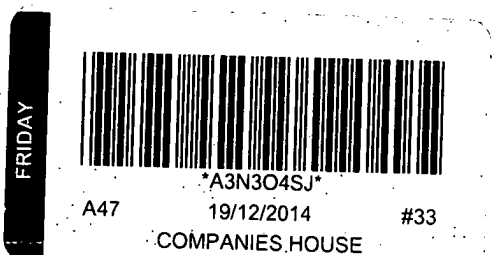


Company Registration No. 08803858 (England and Wales)

VIEWLEY HILL ACADEMY
(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT AND AUDITED ACCOUNTS
FOR THE PERIOD ENDED 31 AUGUST 2014



VIEWLEY HILL ACADEMY

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VIEWLEY HILL ACADEMY

REFERENCE AND ADMINISTRATIVE DETAILS

Members

K Stone
R Desics
K Maughan
J Bruce
C Moore

Trustees

Rev K Stone (Chair) (Appointed 5 December 2013) *#
J Measor (Appointed 5 December 2013) *
G Dorman-Smith (Appointed 5 December 2013) #
L Robson (Appointed 5 December 2013) *
H Turley (Appointed 5 December 2013) #
H Malbon (Accounting Officer) (Appointed 5 December 2013) *#
G Oakley (Appointed 5 December 2013) #
K Maughan (Appointed 5 December 2013) *
R Moffat (Appointed 5 December 2013) #
Rev R Desics (Appointed 5 December 2013) *#
C Birchenough (Appointed 5 December 2013)
L Sinclair (Appointed 5 December 2013)

* members of the finance committee

members of the member of the audit committee

Senior management team

- Headteacher
- Deputy Headteacher
- KS2 Leader
- EY/KS1 Leader

H Malbon
S Gardiner
C Scaife
L Robson

Company registration number

08803858 (England and Wales)

Registered office

Andover Way
Middlesbrough
TS8 9HL

Independent auditor

Evolution Business and Tax Advisors LLP
10 Evolution
Wynyard Park
Wynyard
TS22 5TB

Bankers

Lloyds Bank plc
St James House
137 Albert Road
Middlesbrough
TS1 2PD

VIEWLEY HILL ACADEMY

REFERENCE AND ADMINISTRATIVE DETAILS

Solicitors

Muckle LLP
Time Central
32 Gallowgate
Newcastle upon Tyne
NE1 4BF

VIEWLEY HILL ACADEMY

TRUSTEES' REPORT

FOR THE PERIOD ENDED 31 AUGUST 2014

The trustees present their annual report together with the accounts and independent auditor's reports of the charitable company for the period 5 December 2013 to 31 August 2014. The annual report serves the purpose of both a trustees' report, and a directors' report under company law.

The trust operates an academy for pupils aged 3 to 11 serving a catchment in Middlesbrough in the north east of England. It has a pupil capacity of 273 with a 26 FTE nursery and a roll of 202 and 18.5 FTE in the school census dated October 2014.

Structure, governance and management

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust.

The trustees of Viewley Hill Academy are also the directors of the charitable company for the purposes of company law. Details of the trustees who served during the period are included in the Reference and Administrative Details on page 1.

Members' liability

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

Trustees' indemnities

The academy has purchased insurance to protect Trustees from claims arising from damages, judgements or settlements, defence costs and expenses awarded to any claimant.

Method of recruitment and appointment or election of trustees

The term of office for any Trustee shall be four years. The Headteacher of the academy is a Trustee. The Members appoint up to six community trustees. Staff Trustees are elected by staff of the academy. The Parent Trustees are elected by parents of registered pupils at the academy and must be a parent of a registered pupil at the academy at the time of appointment. There is Trust Governor nominated by the Umbrella Trust, The Discovery Alliance. Subject to remaining eligible to be a particular type of Trustee, any Trustee may be re-appointed or re-elected.

Policies and procedures adopted for the induction and training of trustees

The training and induction provided for new Trustees depends on their existing experience. All new Trustees are directed to central induction training delivered by the Local Authority Trustee Development Service. In addition to this, specific training and orientation on educational, legal and financial matters is provided by the headteacher, business manager or Chair of Trustees as appropriate. All new Trustees are given a tour of the academy, provided with copies of key policies, procedures, plans and other relevant documents to inform their role. As there are normally only one or two new Trustees a year, induction can be tailored carefully to skills and experience.

VIEWLEY HILL ACADEMY

TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2014

Organisational structure

During the period 5th December 2013 to 31st August 2014 the academy operated a two layer management structure: the Board of Trustees and the Senior Leadership Team. The aim of the management structure is to devolve responsibility and to encourage involvement in decision making at all levels.

The Trustees are responsible for: setting general policy, influencing the school improvement plan and overseeing the budget forecast, monitoring the academy's financial operations and academic standards and making major decisions about the direction of the academy, capital expenditure and senior staff appointments.

The Senior Leadership Team consists of the headteacher, deputy headteacher, School Business Manager and two team leaders who manage the academy on a day to day basis implementing policies laid down by the Trustees and reporting back to them. The spending control is devolved to the headteacher and business manager for authorisation of spending within agreed budgets. Any spending above agreed limits must be referred to the Board of Trustees of the trust.

Connected organisations including related party relationships

Viewley Hill Academy is part of the Discovery Alliance, an Umbrella Trust, established by five neighbouring primary academies and one secondary academy. The Discovery Alliance Umbrella Trust is a company registered in England and Wales. The Discovery Alliance was created to facilitate a closer working relationship between the six schools in order to raise standards, improve the educational experiences for children, promote consistency and improve transition between phases. The Head Teachers of the six schools, together with special advisors, form the Raising Achievement Panel (RAP) which meets termly to further the objectives of the Alliance through collaborative working and sharing best practice. Unlike a Multi Academy Trust, the Umbrella Trust and the six schools therein remain autonomous to ensure the best educational outcomes for each, whilst still being able to promote efficiency and effectiveness through a collaborative approach.

Objectives and activities

Objects and aims

Viewley Hill Academy serves an area of high social and economic deprivation; school deprivation factor 0.53 compared to national of 0.24.

Above average SEN at SA+ and Statement: 11.1% compared to national 7.7%

Significantly above average percentage of free school meals; 68.92% compared to 26.7% nationally.

To assist academic study and support good attendance, the academy runs a breakfast club, small group and individual interventions for identified pupils and maintains a high staffing ratio to meet our children's often complex pastoral needs. The academy also offers its pupils a wide range of activities and experiences beyond the academic, with coaching in various sports, participation in musical activities, educational visits and residential outdoor experience.

The Academy's objectives are specifically restricted to the following:

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

VIEWLEY HILL ACADEMY

TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2014

Objectives, strategies and activities

The main objectives of the academy for the period 5th December 2013 to 31st August 2014 are summarised below:

- Raise attainment at the end of KS2 so that standards in English and maths are close to national averages
- Improve the quality of teaching across the school so that pupils in all year groups make at least expected progress
- Embed new financial procedures post conversion

The academy's main objectives are captured in its vision statement which articulates the academy's ethos and strategies for achieving its objectives - see below:

- Our vision sees Viewley Hill at the heart of our community where every family is valued and welcomed.
- We aim to inspire each child to believe in their own potential and provide them with life skills they need for their future.
- We will promote independence, curiosity and resilience; skills which will encourage our children to become life-long learners.
- We will provide a curriculum that is engaging and challenging and which responds to the needs of our children and enriches their experience of the world.
- We will support our children in becoming responsible and considerate young people. We will ensure their voice is heard and encourage them to contribute fully to the life of our school.

The activities undertaken to achieve these objectives are all intended to provide the highest quality of education in the public sector for students between the ages of 3 and 11.

Public benefit

The charity's aims and achievements are set out within this report. The activities set out in this report have been to further the charity's charitable purposes for public benefit. The Trustees have complied with the duty under Section 4 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charities Commission and the Trustees have paid due regard to the guidance in deciding what activities the charity should undertake.

Strategic report

Achievements and performance

The academy is increasingly popular with an increased intake into Reception class in 2013 and 2014. Autumn census 2014 shows a FT roll increase to 202 children from 187 at this point last year. The academy has a three year trend of improving results which evidences achievement against the stated objective of raising attainment in KS2. There has been a rise in attainment across school including in outcomes for foundation stage.

VIEWLEY HILL ACADEMY

TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2014

Key performance indicators

	National 2014	VH 2014
EYFS: % GLD	Not yet known	47%
PHONICS: Met the standard at end of Y1	74%	82% (IGTN)
PHONICS: Met the standard at end of Y2	88%	100% (IGTN)
KS1: Achieving Level 2b+ in Reading(2a+)	81%	59% (46%)
KS1: Achieving Level 2b+ in Writing(2a+)	70%	55% (36%)
KS1: Achieving Level 2b+ in Maths(2a+)	80%	64% (41%)
KS2: Achieving Level 4+ in Reading	89%	80% (IGTN)
KS2: Achieving Level 4+ in Writing	85%	88% (IGTN)
KS2: Achieving Level 4+ in Maths	86%	92% (IGTN)
KS2: Achieving Level 4+ in GPS	76%	64%
KS2 L4+ Combined RWM floor standard	79%	76% (IGTN)
KS2: Achieving Level 5+ in Reading	50%	32%
KS2: Achieving Level 5+ in Writing	33%	28% (IGTN)
KS2: Achieving Level 5+ in Maths	42%	32% (IGTN)
KS2: Achieving Level 5+ in GPS	52%	40% (IGTN)
KS2 L5+ combined RWM	24%	12%
2+ level progress KS1-KS2 in Reading	91%	92% (IGTN)
2+ level progress KS1-KS2 in Writing	93%	100% (IGTN)
2+ level progress KS1-KS2 in Maths	89%	96% (IGTN)
3 level progress KS1-KS2 in Reading	Not yet known	32%
3 level progress KS1-KS2 in Writing	Not yet known	44%
3 level progress KS1-KS2 in Maths	Not yet known	32%

- IGTN = improvement greater than national
- Years 1 & 2 phonics significantly above 2013 national levels
- Improved L2a+ outcomes
- Improved L4 outcomes: reading, writing and maths (above 2013 National levels in areas of writing and maths)
- Although reading is 9% below National average the school made a 9% improvement on previous year
- Improved L5 outcomes (reading/writing/maths) although still below 2013 national performance in writing (The gap is closing in reading and maths)

The school is showing a continuing 3 year upward trend.

The academy was awarded the Early Years Basic Skills Quality Mark during the financial year reported on.

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 the board of trustees continues to adopt the going concern basis in preparing the accounts. Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies.

VIEWLEY HILL ACADEMY

TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2014

Financial review

Most of the academy's income is obtained from the DfE in the form of recurrent grants disbursed via the Education Funding Agency (EFA), the use of which is restricted to particular purposes. The grants received during the period ended 31 August 2014 and the associated expenditure are shown as restricted funds in the statement of financial activities.

The academy also received grants for fixed assets from the EFA and other funding bodies. In accordance with Charities Statement of Recommended Practice, 'Accounting and Reporting 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.

During the period ended 31 August 2014, total expenditure of £777,330 (excluding depreciation and pension deficit transferred on conversion) was more than covered by recurrent grant funding from the DfE together with other incoming resources. The excess of income over expenditure for the period (excluding restricted fixed asset funds, pension deficit on conversion and before transfers) was £68,117.

At 31 August 2014 the net book value of fixed assets was £2,743,178 and movements in tangible fixed assets are shown in note 14 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the academy.

At the date of conversion the LGPS deficit of the academy was £83,000. At 31 August 2014 the pension scheme deficit was £120,000. The employer's contribution rate will be adjusted to reflect the increase in the pension deficit.

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 most significant cost for the Academy is staff costs and as such the policy is to hold reserves which cover approximately one month of total staff costs.

General, non-fixed, asset funds at 31st August 2014 amount to £139,280 and has reached the above policy objective.

Investment policy and powers

The Academy keeps the necessary funds in the main bank account for daily operations and hold surpluses on deposit making transfers as necessary. However, there are limited amount on deposit and the interest on them is negligible.

Principal risks and uncertainties

The Trustees have assessed the major risks to which the academy is exposed, in particular those relating specifically to teaching, provision of facilities and other operational areas of the academy and its finances. The Trustees have implemented a number of systems to assess risks that the school faces especially in the operational areas (e.g. in relation to teaching, health and safety, school visits) and in relation to the control of finance. Where significant financial risk still remains they have ensured they have adequate insurance cover. The academy has an effective system of internal financial control and this is explained in more detail in the Governance Statement.

VIEWLEY HILL ACADEMY

TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2014

The trustees believe that the academy's risk management procedures mitigate as far as reasonably possible the principal risks and uncertainties facing it. The academy does not have significant trade debtors. Lettings income is paid in a timely manner mitigating any credit risk. Cash flow is monitored daily by the academy and budgets are presented to the board of trustees who consider cash flow and liquidity in detail.

Through the academy's risk management procedures, it has considered its principal risks and uncertainties and planned mitigating action wherever possible. The principal risks and uncertainties identified by the board of trustees are:

- Change in government funding regime
- Changes to Teacher's Pension Scheme and LGPS
- Reduction in student numbers either through competition or a damaged reputation
- Reduction in standards/poor Ofsted grading

Key controls that the academy has in place to mitigate these risks include:

- Participation via academy HT representation in LA SMF to keep up to date with and influence as far as possible academy funding methodology
- Regular challenge and support on standards and performance between related Umbrella Trust academies
- Use of external consultants to monitor and develop school standards

Plans for future periods

Prior to conversion the academy was two years into a three to five year refurbishment programme plan to upgrade the teaching areas and technology both educational and operational. At the point of conversion 4 classrooms and 2 link rooms had been completed and benefited from new ceiling insulation, grids and tiles, new carpets, new heating and lights throughout. A new IT suite had been installed comprising 30 new machines and new interactive whiteboard. Partitions to separate open plan areas had been installed and a comprehensive redecorating programme had been completed.

Since conversion the academy has installed Wi-Fi throughout the site, refurbished a further 2 classrooms and link corridor. Since the first phase we have moved to LED lighting, a new option, which offers both financial and environmental savings.

As pupil numbers have increased both pre and post conversion, the academy has recruited additional teaching staff to support the drive for higher attainment.

The Academy has identified the following areas for future development:

- Review of staffing profile based on increasing pupil roll
- Refurbishment of remaining teaching areas to same standard including replacing old lighting with LED lighting
- Pupil toilet upgrades
- Development of inner courtyards to provide outdoor learning areas

VIEWLEY HILL ACADEMY

TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2014

Auditor

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

A resolution proposing that Evolution Business and Tax Advisors LLP be reappointed as auditor of the charitable company will be put to the members.

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on^{11/12/14}..... and signed on its behalf by:



Rev K Stone
Chair

VIEWLEY HILL ACADEMY

GOVERNANCE STATEMENT

FOR THE PERIOD ENDED 31 AUGUST 2014

Scope of responsibility

As trustees we acknowledge we have overall responsibility for ensuring that Viewley Hill Academy 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 , 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 Viewley Hill Academy and the Secretary of State for Education. They are also responsible for reporting to the board of trustees 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 3 times during the period. Attendance during the period at meetings of the board of trustees was as follows:

Trustees	Meetings attended	Out of possible
Rev K Stone (Chair) (Appointed 5 December 2013)	3	3
J Measor (Appointed 5 December 2013)	1	3
G Dorman-Smith (Appointed 5 December 2013)	2	3
L Robson (Appointed 5 December 2013)	3	3
H Turley (Appointed 5 December 2013)	3	3
H Malbon (Accounting Officer) (Appointed 5 December 2013)	3	3
G Oakley (Appointed 5 December 2013)	1	3
K Maughan (Appointed 5 December 2013)	3	3
R Moffat (Appointed 5 December 2013)	3	3
Rev R Desics (Appointed 5 December 2013)	2	3
C Birchenough (Appointed 5 December 2013)	2	3
L Sinclair (Appointed 5 December 2013)	2	3

VIEWLEY HILL ACADEMY

GOVERNANCE STATEMENT (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2014

- Mrs S Gardiner, Deputy Head Teacher attended meetings as an observer

A review of governance in relation to key skills is carried out annually. The last review was autumn 2013, prior to conversion and the period that is being reported on. The result of this review was a reconstitution of the Board of Trustees in preparation for academy status. As an outcome of this review there was the recruitment and appointment of a governor with strong financial skills and a trustee with strong school improvement experience. The next review will be during autumn 2014.

The finance and resources committee is a sub-committee of the main board of trustees. Its purpose is to ensure efficient and effective use of resources whilst seeking ways to ensure outstanding sustainable provision. It also stands as the Audit Committee. Since becoming an Academy, four meetings have been held.

Attendance at meetings in the period was as follows:

Trustees	Meetings attended	Out of possible
Rev K Stone (Chair) (Appointed 5 December 2013)	4	4
J Measor (Appointed 5 December 2013)	3	4
L Robson (Appointed 5 December 2013)	3	4
H Malbon (Accounting Officer) (Appointed 5 December 2013)	4	4
K Maughan (Appointed 5 December 2013)	4	4
Rev R Desics (Appointed 5 December 2013)	3	4

Information

- Mrs Lowe, School Business Manager attends meetings in an advisory capacity
- 3 March 2014 - Reverend Stone was appointed as Chair for the meeting in the absence of Mrs Measor.

School Improvement Committee

The School Improvement Committee is a sub-committee of the main board of Trustees. Its purpose is to ensure that academic standards are monitored and actions are agreed to improve the educational performance indicators of the school.

The School Improvement Committee had met on two occasions (3 February and 16 June 2014) during the period 1 January 2014 to 31 August 2014.

Information

- Mrs S Gardiner, Deputy Head Teacher attended meeting on 3 February 2014

Trustees	Meetings attended	Out of possible
Rev K Stone (Chair) (Appointed 5 December 2013)	2	2
G Dorman-Smith (Appointed 5 December 2013)	2	2
H Turley (Appointed 5 December 2013)	2	2
H Malbon (Accounting Officer) (Appointed 5 December 2013)	2	2
G Oakley (Appointed 5 December 2013)	2	2
R Moffat (Appointed 5 December 2013)	2	2
Rev R Desics (Appointed 5 December 2013)	2	2

VIEWLEY HILL ACADEMY

GOVERNANCE STATEMENT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2014

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 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 Viewley Hill Academy for the period 5th December 2013 to 31 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 is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy's significant risks that has been in place for the period 5th December 2013 to 31 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'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 and resources committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The board of Trustees has considered the need for a specific internal audit function and has appointed Sean Hogg, finance officer for Mouchel Education Services as the academy's responsible officer (RO);

The RO's role includes giving advice on financial matters and performing a range of checks on the academy's financial systems. The RO reports to the accounting officer who in turn reports to the board of Trustees on the operation of the systems of control and on the discharge of the board of Trustees' financial responsibilities. The RO prepares a full written report annually. Recommendations to be actioned include:

- include financial data within the Trustee's induction pack
- incorporate premises financial plan into the school improvement plan and also include future possible financial expenditure linked to premises and staffing needs
- develop simple guidance on SAGE50 procedures

VIEWLEY HILL ACADEMY

GOVERNANCE STATEMENT (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2014

Review of effectiveness

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

- the work of the responsible officer
- the work of the external auditor
- the financial management and governance self-assessment process
- the work of the leadership team 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 resources committee and a plan to ensure continuous improvement of the system is in place.

Approved by order of the board of trustees on 17/12/14 and signed on its behalf by:



Rev K Stone
Chair



H Malbon
Accounting Officer

VIEWLEY HILL ACADEMY

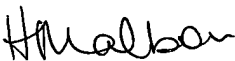
STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE FOR THE PERIOD ENDED 31 AUGUST 2014

As accounting officer of Viewley Hill Academy I have considered my responsibility to notify the academy trust board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and 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's board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook.

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

Approved on17/12/14..... and signed by:



H Malbon
Accounting Officer

VIEWLEY HILL ACADEMY

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who also act as governors for Viewley Hill Academy and are also the directors of Viewley Hill Academy for the purposes of company law) are responsible for preparing the Trustees' Report and the accounts in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

In preparing these accounts, the trustees are required to:

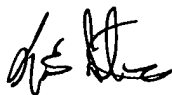
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material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

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

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

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

Approved by order of the board of trustees on 17/12/14 and signed on its behalf by:



Rev K Stone
Chair

VIEWLEY HILL ACADEMY

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF VIEWLEY HILL ACADEMY

We have audited the accounts of Viewley Hill Academy for the period ended 31 August 2014 set out on pages 20 to 40. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2013 to 2014 issued by the EFA.

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

Respective responsibilities of trustees and auditors

As explained more fully in the Trustees' Responsibilities Statement set out on page 15, the trustees, who are also the directors of Viewley Hill Academy for the purposes of company law, are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the accounts 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 accounts

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

In our opinion the accounts:

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

Opinion on other matter prescribed by the Companies Act 2006

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

VIEWLEY HILL ACADEMY

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF VIEWLEY HILL ACADEMY

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 accounts are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Graham Fitzgerald BA FCA (Senior Statutory Auditor)
Evolution Business and Tax Advisors LLP

Chartered Accountants

Statutory Auditor

10 Evolution

Wynyard Park

Wynyard

TS22 5TB

Dated: 18/12/14

VIEWLEY HILL ACADEMY

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO VIEWLEY HILL ACADEMY AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 25 July 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 Viewley Hill Academy during the period 5 December 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 Viewley Hill Academy and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Viewley Hill Academy and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Viewley Hill Academy and the EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Viewley Hill Academy's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Viewley Hill Academy's funding agreement with the Secretary of State for Education dated 18 December 2013 and the Academies Financial Handbook, extant from 1 September 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 5 December 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 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:

- completion of self assessment questionnaire by Accounting Officer
- discussions with the accounting officer and finance team
- review of termly responsible officer reports
- review of governing body and committee minutes
- review of finance and other relevant policies
- review of purchases and expenses on a sample basis
- review of credit and debit card transactions
- review of leases
- consideration of transactions with related parties
- review of register of business interests and consideration of related party transactions.

VIEWLEY HILL ACADEMY

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO VIEWLEY HILL ACADEMY AND THE EDUCATION FUNDING AGENCY (CONTINUED)

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 5 December 2013 to 31 August 2014 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Evolution

Reporting Accountant

Evolution Business and Tax Advisors LLP

Dated: 18/12/14

VIEWLEY HILL ACADEMY

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE PERIOD ENDED 31 AUGUST 2014

	Notes	Unrestricted funds £	Restricted funds £	Fixed Asset fund £	Total 2014 £
Incoming resources					
<i>Resources from generated funds</i>					
- Inherited on conversion	22	41,855	(83,000)	2,742,500	2,701,355
- Activities for generating funds	2	23,273	-	-	23,273
- Investment income	3	101	-	-	101
<i>Resources from charitable activities</i>					
- Funding for educational operations	4	4,440	858,778	20,544	883,762
Total incoming resources		<u>69,669</u>	<u>775,778</u>	<u>2,763,044</u>	<u>3,608,491</u>
Resources expended					
<i>Costs of generating funds</i>					
- Fundraising trading	5	21,901	-	-	21,901
<i>Charitable activities</i>					
- Educational operations	6	4,440	712,661	42,051	759,152
Governance costs	7	-	38,328	-	38,328
Total resources expended	5	<u>26,341</u>	<u>750,989</u>	<u>42,051</u>	<u>819,381</u>
Net incoming/(outgoing) resources before transfers		<u>43,328</u>	<u>24,789</u>	<u>2,720,993</u>	<u>2,789,110</u>
Gross transfers between funds		-	(16,837)	16,837	-
Net income/(expenditure) for the period		<u>43,328</u>	<u>7,952</u>	<u>2,737,830</u>	<u>2,789,110</u>
Other recognised gains and losses					
Actuarial gains/(losses) on defined benefit pension scheme	16	-	(32,000)	-	(32,000)
Net movement in funds		<u>43,328</u>	<u>(24,048)</u>	<u>2,737,830</u>	<u>2,757,110</u>
Fund balances at 5 December 2013		-	-	-	-
Fund balances at 31 August 2014		<u>43,328</u>	<u>(24,048)</u>	<u>2,737,830</u>	<u>2,757,110</u>

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006. A statement of total recognised gains and losses is not required as all gains and losses are included in the statement of financial activities.

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

VIEWLEY HILL ACADEMY

BALANCE SHEET

AS AT 31 AUGUST 2014

	Notes	2014 £	£
Fixed assets			
Tangible assets	10		2,743,178
Current assets			
Debtors	11	64,816	
Cash at bank and in hand		181,159	
		245,975	
Creditors: amounts falling due within one year	12	(112,043)	
Net current assets			133,932
Total assets less current liabilities			2,877,110
Defined benefit pension liability	16		(120,000)
Net assets			2,757,110
Funds of the academy trust:			
Restricted income funds	14		
- Fixed asset funds			2,737,830
- General funds			95,952
- Pension reserve			(120,000)
Total restricted funds			2,713,782
Unrestricted funds	14		43,328
Total funds			2,757,110

The accounts were approved by order of the board of trustees and authorised for issue on 17/12/14


Rev K Stone
Chair

Company Number 08803858

VIEWLEY HILL ACADEMY

CASH FLOW STATEMENT

FOR THE PERIOD ENDED 31 AUGUST 2014

		31 August 2014 £
	Notes	
Net cash inflow/(outflow) from operating activities	17	161,388
Cash funds transferred on conversion		41,855
Returns on investments and servicing of finance		
Investment income		101
		<hr/>
Net cash inflow/(outflow) from returns on investments and servicing of finance		101
		<hr/>
		203,344
Capital expenditure and financial investments		
Capital grants received		20,544
Payments to acquire tangible fixed assets		(42,729)
		<hr/>
Net cash flow from capital activities		(22,185)
		<hr/>
Increase/(decrease) in cash	18	181,159
		<hr/> <hr/>

VIEWLEY HILL ACADEMY

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2014

1 Accounting policies

1.1 Basis of preparation

The accounts have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice: Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction issued by the Education Funding Agency and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

1.2 Going concern

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

1.3 Conversion to an academy trust

The conversion from a state maintained school to an academy trust, involved the transfer of identifiable assets and liabilities and the operation of the school for £nil consideration and has been accounted for under the acquisition accounting method.

The assets and liabilities transferred on conversion from the maintained school to an academy trust have been valued at their fair value being a reasonable estimate of the current market values that the trustees would expect to pay in an open market for an equivalent item. Their fair value is in accordance with the accounting policies set out for Viewley Hill Academy. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in voluntary income as a gift in the SOFA and analysed under unrestricted, restricted general and restricted fixed assets funds.

1.4 Incoming resources

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

Grants receivable

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

General Annual Grant is recognised in full in the period 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.

Sponsorship income

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the statement of financial activities in the period in which it is receivable, where there is certainty of receipt and the value of the donation is measurable.

Donations

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

VIEWLEY HILL ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2014

1 Accounting policies

(Continued)

Other income

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

Donated services and gifts in kind

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

1.5 Resources expended

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

Costs of generating funds

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

Charitable activities

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

Governance costs

These include the costs attributable to the academy trust's compliance with constitutional and statutory requirements, including audit, strategic management and trustees' meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

1.6 Tangible fixed assets and depreciation

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

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

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

Land	Not depreciated
Leasehold buildings	50 years
Computer equipment	2 years
Fixtures, fittings and equipment	4 years

VIEWLEY HILL ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2014

1 Accounting policies

(Continued)

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.

1.7 Leasing and hire purchase commitments

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

1.8 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.

1.9 Pensions benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the 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 16, 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 are recognised as they are paid each period.

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.

VIEWLEY HILL ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2014

1 Accounting policies

(Continued)

1.10 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 or other funders where the asset acquired or created is held for a specific purpose.

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

2 Activities for generating funds

	Unrestricted funds £	Restricted funds £	Total 2014 £
Hire of facilities	4,554	-	4,554
Catering income	7,895	-	7,895
Trips	1,354	-	1,354
Other income	9,470	-	9,470
	<u>23,273</u>	<u>-</u>	<u>23,273</u>

3 Investment income

	Unrestricted funds £	Restricted funds £	Total 2014 £
Short term deposits	101	-	101
	<u>101</u>	<u>-</u>	<u>101</u>

VIEWLEY HILL ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2014

4 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2014 £
DfE / EFA grants			
General annual grant (GAG)	-	660,354	660,354
Start up grants	-	25,000	25,000
Capital grants	-	20,544	20,544
Other DfE / EFA grants	-	113,744	113,744
	-	819,642	819,642
Other government grants			
Local authority grants	-	59,680	59,680
Other funds			
Other incoming resources	4,440	-	4,440
Total funding	4,440	879,322	883,762

5 Resources expended

	Staff costs £	Premises & equipment £	Other costs £	Total 2014 £
Academy's educational operations				
- Direct costs	503,044	-	30,356	533,400
- Allocated support costs	76,562	65,014	84,176	225,752
	579,606	65,014	114,532	759,152
Other expenditure				
Costs of activities for generating funds	2,277	-	19,624	21,901
Governance costs	-	-	38,328	38,328
	2,277	-	57,952	60,229
Total expenditure	581,883	65,014	172,484	819,381

Incoming/outgoing resources for the year include:

	2014 £
Operating leases	
- Plant and machinery	3,059
Fees payable to auditor	
- Audit	5,000
- Other non-audit fees	5,850

VIEWLEY HILL ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2014

5 Resources expended

(Continued)

Included within resources expended are the following transactions. Individual transactions exceeding £5,000 are identified separately:

	2014 £
- Items over £5,000: Compromise agreement	14,800

6 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2014 £
Direct costs			
Teaching and educational support staff costs	4,440	495,597	500,037
Technology costs	-	4,855	4,855
Educational supplies and services	-	22,189	22,189
Staff development	-	3,007	3,007
Other direct costs	-	3,312	3,312
	<u>4,440</u>	<u>528,960</u>	<u>533,400</u>
Allocated support costs			
Support staff costs	-	76,562	76,562
Depreciation	-	42,051	42,051
Technology costs	-	7,795	7,795
Maintenance of premises and equipment	-	22,963	22,963
Cleaning	-	20,754	20,754
Energy costs	-	9,344	9,344
Rates and water	-	5,044	5,044
Insurance	-	12,435	12,435
Security and transport	-	652	652
Catering	-	24,333	24,333
Interest and finance costs	-	(1,000)	(1,000)
Other support costs	-	4,819	4,819
	<u>-</u>	<u>225,752</u>	<u>225,752</u>
Total costs	<u>4,440</u>	<u>754,712</u>	<u>759,152</u>

VIEWLEY HILL ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2014

7 Governance costs

	Unrestricted funds £	Restricted funds £	Total 2014 £
Legal and professional fees	-	24,290	24,290
Auditor's remuneration			
- Audit of financial statements	-	5,000	5,000
- Other non-audit fees	-	9,038	9,038
	<u>-</u>	<u>38,328</u>	<u>38,328</u>

8 Staff costs

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

	2014 Number
Teachers	23
Administration and support	5
Management	1
	<u>29</u>

Costs included within the accounts:

	2014 £
Wages and salaries	451,543
Social security costs	26,360
Other pension costs	69,594
	<u>547,497</u>
Supply teacher costs	16,579
Compensation payments	14,800
Staff development and other staff costs	3,007
	<u>581,883</u>

There were no employees whose annual remuneration was £60,000 or more.

VIEWLEY HILL ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2014

9 Trustees' remuneration and expenses

The headteacher and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of headteacher and staff, and not in respect of their services as trustees. Other trustees did not receive any payments, other than expenses, from the academy trust in respect of their role as trustees. During the period, no travel and subsistence payments were made trustees.

The value of trustees' remuneration in the period was as follows:

H Malbon (headteacher)	£35,001 - £40,000
L Robson (staff governor and trustee)	£25,001 - £30,000
H Turley (staff governor and trustee)	£5,001 - £10,000
C Birchenough (staff governor and trustee)	£5,001 - £10,000

The above figures cover an eight month period.

Other related party transactions involving the trustees are set out within the related parties note.

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 trust business. The insurance provides cover up to £1,150,000 on any one claim and the cost for the period ended 31 August 2014 was £504.

10 Tangible fixed assets

	Leasehold buildings	Computer equipment	Fixtures, fittings and equipment	Total
	£	£	£	£
Cost				
At 5 December 2013	-	-	-	-
Additions	6,165	10,930	25,634	42,729
Transferred on conversion	2,726,000	16,500	-	2,742,500
	<u>2,732,165</u>	<u>27,430</u>	<u>25,634</u>	<u>2,785,229</u>
At 31 August 2014				
	<u>2,732,165</u>	<u>27,430</u>	<u>25,634</u>	<u>2,785,229</u>
Depreciation				
At 5 December 2013	-	-	-	-
Charge for the period	35,560	6,491	-	42,051
	<u>35,560</u>	<u>6,491</u>	<u>-</u>	<u>42,051</u>
At 31 August 2014				
	<u>35,560</u>	<u>6,491</u>	<u>-</u>	<u>42,051</u>
Net book value				
At 31 August 2014	<u>2,696,605</u>	<u>20,939</u>	<u>25,634</u>	<u>2,743,178</u>

Land and buildings were valued using the Depreciation Replacement Cost Method on 29 November 2013 by Martin Catley MRICS on behalf of Mouchel.

VIEWLEY HILL ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2014

11 Debtors	2014
	£
Trade debtors	2,340
VAT recoverable	18,734
Prepayments and accrued income	43,742
	<u>64,816</u>
12 Creditors: amounts falling due within one year	2014
	£
Trade creditors	70,879
Taxes and social security costs	10,129
Other creditors	12,226
Accruals	11,934
Deferred income	6,875
	<u>112,043</u>
13 Deferred income	2014
	£
Deferred income is included within:	
Creditors due within one year	<u>6,875</u>
Total deferred income at 5 December 2013	-
Amounts credited to the statement of financial activities	-
Amounts deferred in the period	<u>6,875</u>
Total deferred income at 31 August 2014	<u>6,875</u>

Included in deferred income is universal infants free school meals funding received in advance.

VIEWLEY HILL ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2014

14 Funds

	Balance at 5 December 2013	Incoming resources	Resources expended	Gains, losses and transfers	Balance at 31 August 2014
	£	£	£	£	£
Restricted general funds					
General Annual Grant	-	660,354	(551,244)	(16,837)	92,273
Start up grants	-	25,000	(21,321)	-	3,679
Other DfE / EFA grants	-	113,744	(113,744)	-	-
Other government grants	-	59,680	(59,680)	-	-
	-	858,778	(745,989)	(16,837)	95,952
Funds excluding pensions	-	(83,000)	(5,000)	(32,000)	(120,000)
	-	775,778	(750,989)	(48,837)	(24,048)
Restricted fixed asset funds					
DfE / EFA capital grants	-	20,544	-	(20,544)	-
Inherited fixed asset fund	-	2,742,500	(35,560)	-	2,706,940
Capital expenditure from GAG or other funds	-	-	(6,491)	37,381	30,890
	-	2,763,044	(42,051)	16,837	2,737,830
Total restricted funds	-	3,538,822	(793,040)	(32,000)	2,713,782
Unrestricted funds					
General funds	-	69,669	(26,341)	-	43,328
Total funds	-	3,608,491	(819,381)	(32,000)	2,757,110

VIEWLEY HILL ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2014

14 Funds

(Continued)

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

General Annual Grant must be used for the normal running costs of the academy. 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.

Start up grant was received to fund costs relating to the formation of the academy.

Other DfE/EFA grants includes pupil premium funding targeted at disadvantaged pupils and the PE and sport grant.

Other government grants includes early years funding for three and four year old children.

DfE/EFA capital grants represent Devolved Formula Capital receivable during the period. This has been spent on maintenance and is reflected in the gains, losses and transfers column.

The pension reserve reflects the LGPS transactions. The costs and income associated with the defined benefit pension scheme have been recorded in the restricted fund. Staff costs are paid from this fund, including contributions to the LGPS, and the pension liability has therefore been aligned with these funds.

The inherited fixed asset fund reflects the fixed assets acquired from Middlesbrough Council on conversion. Depreciation on these assets is charged against this fund.

Capital expenditure has also been funded by GAG. Transfers between these funds are reflected in the gains, losses and transfers column.

Unrestricted funds may be used for any purpose, at the discretion of the trustees, within the objects of the academy trust.

The academy's restricted general and unrestricted funds were £139,280 at 31 August 2014.

15 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Fixed asset funds £	Total funds £
Fund balances at 31 August 2014 are represented by:				
Tangible fixed assets	-	-	2,743,178	2,743,178
Current assets	43,328	202,647	-	245,975
Creditors: amounts falling due within one year	-	(106,695)	(5,348)	(112,043)
Defined benefit pension liability	-	(120,000)	-	(120,000)
	<u>43,328</u>	<u>(24,048)</u>	<u>2,737,830</u>	<u>2,757,110</u>

VIEWLEY HILL ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2014

16 Pensions and similar obligations

The academy trust'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 Teesside Pension Fund. Both are defined-benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2014 and of the LGPS 31 March 2013.

Contributions amounting to £12,116 were payable to the schemes at 31 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](#).

Teachers' Pension Scheme changes

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.

VIEWLEY HILL ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2014

16 Pensions and similar obligations

(Continued)

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 percent 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 (FRS 17) 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 FRS 17 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 contributions are as noted below. The agreed contribution rates for future years are 15.4 per cent for employers and 5.5 to 12.5 per cent for employees. The estimated value of employer contributions for the forthcoming year is £35,000.

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

	2014 £
Employer's contributions	23,000
Employees' contributions	9,000
Total contributions	32,000

VIEWLEY HILL ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2014

16 Pensions and similar obligations

(Continued)

Principal actuarial assumptions

	2014 %
Rate of increase in salaries	3.6
Rate of increase for pensions in payment	2.1
Discount rate for scheme liabilities	3.7
Inflation assumption (CPI)	2.1

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

	2014 Years
Retiring today	
- Males	22.9
- Females	25.4
Retiring in 20 years	
- Males	25.1
- Females	27.7

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

	2014 Expected return %	2014 Fair value £
Equities	7.5	206,071
Government bonds	2.9	4,769
Corporate bonds	3.3	11,044
Cash	1.1	9,789
Property	6.8	13,554
Other assets	7.5	5,773
Total market value of assets		251,000
Present value of scheme liabilities - funded		(371,000)
Net pension asset / (liability)		(120,000)

A building block approach is used to determine the rate of return on fund assets. Historical markets are studied assets with higher volatility are assumed to generate higher returns consistent with widely accepted capital market principles. The assumed rate of return on each asset class is set out within this note. The overall expected rate of return on assets is derived by aggregating the expected return for each asset class over the actual asset allocation for the fund at the accounting date.

VIEWLEY HILL ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2014

16 Pensions and similar obligations

(Continued)

Operating costs and income recognised in the statement of financial activities

	2014 £
Financial expenditure/(income)	
Expected return on pension scheme assets	(10,000)
Interest on pension liabilities	9,000
	<u>(1,000)</u>
Other expenditure/(income)	
Current service cost	29,000
Past service cost	-
	<u>29,000</u>
Total operating charge/(income)	<u>28,000</u>

Actuarial gains and losses recognised in the statement of financial activities

	2014 £
Actuarial (gains)/losses on assets: actual return less expected	(1,000)
Experience (gains)/losses on liabilities	33,000
(Gains)/losses arising from changes in assumptions	-
	<u>32,000</u>
Total (gains)/losses	<u>32,000</u>
Cumulative (gains)/losses to date	<u>32,000</u>

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

	2014 £
Obligations acquired on conversion	(291,000)
Current service cost	(29,000)
Interest cost	(9,000)
Contributions by employees	(9,000)
Actuarial gains/(losses)	(33,000)
	<u>(371,000)</u>

VIEWLEY HILL ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2014

16 Pensions and similar obligations

(Continued)

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

	2014 £
Assets acquired on conversion	208,000
Expected return on assets	10,000
Actuarial gains/(losses)	1,000
Contributions by employers	23,000
Contributions by employees	9,000
	<u>251,000</u>

History of experience gains and losses:

	2014 £
Present value of defined benefit obligations	(371,000)
Fair value of share of scheme assets	<u>251,000</u>
Surplus / (deficit)	<u>(120,000)</u>
Experience adjustment on scheme liabilities	(33,000)
Experience adjustment on scheme assets	<u>1,000</u>

17 Reconciliation of net income to net cash inflow/(outflow) from operating activities

	2014 £
Net income	2,789,110
Capital grants and similar income	(20,544)
Net deficit/(surplus) transferred on conversion	(2,701,355)
Investment income	(101)
FRS17 pension costs less contributions payable	6,000
FRS17 pension finance income	(1,000)
Depreciation of tangible fixed assets	42,051
(Increase)/decrease in debtors	(64,816)
Increase/(decrease) in creditors	112,043
Net cash inflow/(outflow) from operating activities	<u>161,388</u>

VIEWLEY HILL ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2014

18	Reconciliation of net cash flow to movement in net funds	2014
		£
	Increase/(decrease) in cash	181,159
	Net funds at 5 December 2013	-
	Net funds at 31 August 2014	181,159

19	Analysis of net funds					
		At 5	Transferred	Cash flows	Non-cash	At 31 August
		December	on		changes	2014
		2013	conversion			
		£	£	£	£	£
	Cash at bank and in hand	-	41,855	139,304	-	181,159

20 Commitments under operating leases

At 31 August 2014 the academy trust had annual commitments under non-cancellable operating leases as follows:

	2014
	£
Expiry date:	
- Between two and five years	5,244

21 Related parties

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 trustees have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy trust's financial regulations and normal procurement procedures.

Cornerstones - a company in which the daughter of L Sinclair (trustee) has a majority interest:

- The trust purchased services from Cornerstones totalling £3,805 during the period. There were no amounts outstanding at 31 August 2014
- The trust made the purchase at arms' length following a competitive tendering exercise, brokered by Middlesbrough Schools Teaching Alliance, in accordance with its financial regulations, which Mrs Sinclair neither participated in, nor influenced. This decision was made prior to academy conversion.
- In entering into the transaction the trust has complied with the requirements of the EFA's Academies Financial Handbook.

VIEWLEY HILL ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2014

22 Conversion to an academy

On 1 January 2014 the Viewley Hill Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Viewley Hill Academy from the Middlesbrough Local Authority 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 statement of financial activities.

Funds surplus/(deficit) transferred:	Unrestricted funds £	Restricted funds £	Fixed asset funds £	Total 2014 £
Fixed assets funds	-	-	2,742,500	2,742,500
LA budget funds	41,037	-	-	41,037
School private fund	818	-	-	818
LGPS pension funds	-	(83,000)	-	(83,000)
	<u>41,855</u>	<u>(83,000)</u>	<u>2,742,500</u>	<u>2,701,355</u>
Net assets transferred:				£
Leasehold land and buildings				2,742,500
Cash				41,855
Pension surplus/(deficit)				(83,000)
				<u>2,701,355</u>

23 Members' liability

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