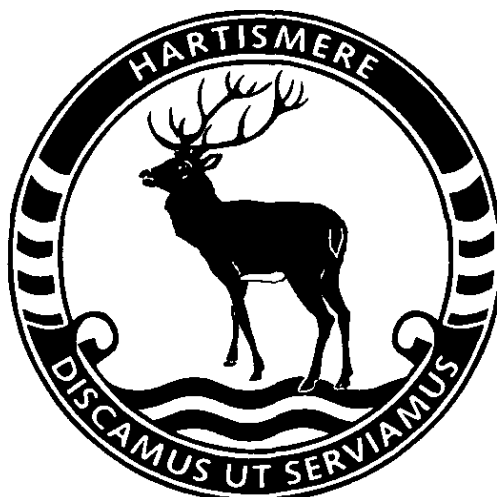


Hartismere School

(A Company Limited by Guarantee)

Annual Report and Financial Statements

Year ended 31 August 2012



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COMPANIES HOUSE

Company Registration Number: 07341583



school
achievement award
department for education and sli



HARTISMERE SCHOOL

Contents	Page
Reference and Administrative Details	3
Governors' Report	4 - 8
Governance Statement	9 - 10
Statement on regularity, propriety and compliance	11
Statement of Governors' Responsibilities	12
Independent Auditor's Reports	13 - 15
Statement of Financial Activities incorporating Income & Expenditure Account	16
Balance Sheet	17
Cash Flow Statement	18
Notes to the Financial Statements, incorporating	
Statement of Accounting Policies	19 - 21
Other Notes to the Financial Statements	22 - 37

HARTISMERE SCHOOL

Reference and Administrative Details of the Academy, its Governors and Advisors

Governors/Trustees

*James McAtear
Manon Ravenhill (Chair)
*Barbara Bailey (Vice-Chair)
*Nick Roche
Gina Cole
*Morra Buxton
*Peter Gilbee (term ended 31/12/11)
Sara Michell
Neil Cave
*Simon Hooton
*Godfrey Musgrave-Brown
*Pauline Aldous
Fiona Bowden (term ended 31/07/12)
Mark Burnidge
Odile Wladon
*Carlton Blaxill (term ended 31/07/12)
*Dr John Battersby
Dr Michelle Furness
Judith Haywood
Lee Macdonald (appointed 31/01/12)

* = members of the Finance and Premises committee

Senior Managers

- Headteacher
- Deputy Headteacher
- Deputy Headteacher

James McAtear
Christopher Aldous
Adrian Hayton

Director of Finance

Deborah Ebbage

Registered Office

Castleton Way
Eye
Suffolk
IP23 7BL

Company Registration Number

7341583

Auditors

MA Partners LLP
7 The Close
Norwich
NR1 4DJ

Bankers

Lloyds TSB

Solicitors

Stone King LLP
Wellington House
East Road
Cambridge
CB1 1BH

HARTISMERE SCHOOL

Governors' Report

The governors present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2012

The financial statements have been prepared in accordance with the accounting policies on pages 17 to 19 of the attached financial statements, and comply with the charitable company's memorandum and articles of association, the Companies Act 2006 and the requirements of the Statement of Recommended Practice "Accounting and Reporting by Charities" as issued in March 2005 (SORP 2005)

Structure, Governance and Management

Constitution

The Academy is a company limited by guarantee (registration number 07341583) and an exempt charity. The company's memorandum and articles of association are the primary governing documents of the Academy.

The governors act as the trustees for the charitable activities of Hartismere School. Three of the Trustees are directors of the company for the purposes of company law. The company is known as Hartismere School.

Details of the governors who served throughout the period except as noted are included in the Reference and Administrative Details on page 3.

Members' Liability

Each member of the 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 ceased to be a member.

Governors' Indemnities

There were no provisions required for third party indemnity.

Principal Activities

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.

Method of Recruitment and Appointment or Election of Governors

The management of the company is the responsibility of the governors who are appointed under the terms of the articles of association.

Governors are subject to retirement after a term of 4 years. After the term they are eligible for re-election at the meeting at which they retire.

All new governors will be given a tour of the Academy and the chance to meet with staff and students. All governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as governors. As there are normally only two or three new governors a year, induction tends to be done informally and is tailored specifically to the individual.

Policies and Procedures Adopted for the Induction and Training of Governors

During the period under review, the governors held 3 full governing body meetings and 3 meetings for each of the principal committees. New governors are offered training across a number of areas dependent on relevant committees. This training is arranged by an external provider. Vice Chair of governors is responsible for arranging appropriate training for new and existing governors.

HARTISMERE SCHOOL

Governors' Report (continued)

Organisational Structure

The management structure consists of three levels, the Governors, Governing Body Committees and the Leadership Team

The governors are responsible for setting general policy, adopting an annual plan and budget, monitoring the Academy by the use of budgets and making major decisions about the direction of the Academy, capital expenditure and senior staff appointments. Committees of the Governing body have delegated responsibilities. Three principal committees exist, Teaching and Learning Committee, Community Committee, Finance and Premises Committee, together with further ad hoc committees: Steering Committee, Hearings Committee, Appeals Committee, Pupil Discipline Committee and Admissions Committee.

The leadership team consists of the Headteacher and two Deputy Headteachers. These managers control the Academy at an executive level implementing the policies laid down by the governors and reporting back to them. The Headteacher is the Accounting Officer.

Risk Management

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

The governors have considered the need for a specific internal audit function and have decided not to appoint an internal auditor. However, the governors have appointed T Riches of Customer Service Direct Ltd as the Responsible Officer. On a quarterly basis she undertakes an independent review of the financial systems and provides a written report providing feedback on how the Academy's financial affairs are being discharged. The written report includes action points identifying any areas for improvement.

This provides the Governing body with assurance that -

- the financial responsibilities of the Governing Body are being properly discharged,
- resources are being managed in an efficient, economical and effective manner,
- sound systems of internal financial control are being maintained, and
- financial considerations are fully taken into account in reaching decisions.

These arrangements can provide only reasonable and not absolute assurance that assets are safeguarded, transactions are authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected within a timely period.

Connected Organisations, including Related Party Relationships

- The school acts as sponsor to two other schools as part of the process of conversion to Academy Status. These partnerships are on-going and developmental.
- The School also acts in partnership with the South Norfolk Partnership with a view to offering extended vocational education for students aged 14-18.

HARTISMERE SCHOOL

Governors' Report (continued)

Objectives and Activities

Objects and Aims

The school aims to provide the best teaching and learning opportunities for its students possible

It further aims to create opportunities for young people to learn to be givers to their community

Its objective is to develop well-balanced young people who have their minds as sharp as possible but who recognise their responsibilities to make a real contribution to their communities

Objectives, Strategies and Activities

The following is a brief summary of some of the main objectives of the school during the period

- Raising the funds to implement the plan to erect an all weather floodlit astro turf
- Raising the funds to create a specialised study area for supervised sixth form study
- Achieving a contextual value added (CVA) score in excess of 1017
- Raising the percentage of GCSE 5 A*-C grades including English and Maths to a figure in excess of 70%
- Achieving a percentage of GCSE 5 A*-C grades to a figure in excess of 85%
- Achieving an average points score in excess of the County average
- Maintaining Sixth form numbers in excess of 190
- Implementing curriculum changes known as electives and fast track A levels into the school's curriculum

Public Benefit

The governors acknowledge the duty in Section 4 of the Charities Act 2006 to have due regard to the Charity Commission's published general and relevant sub-sector guidance on public benefit. We have referred to this guidance when reviewing our aims, strategy and in planning future activities. All activities undertaken by the Academy are for the public benefit.

Achievements and Performance

The following is a brief summary of some of the main achievements and performance of the school during the period

- The school has successfully raised funding to secure an all weather floodlight pitch
- The school has successfully raised funding to create a specialised study area for supervised sixth form study
- The estimated contextual value added (CVA) score is 1025
- A level of 72% was achieved at GCSE 5 A*-C grades including English and Maths in 2012
- A level of 95% was achieved at GCSE 5 A*-C grades
- Average Points Scores at Sixth form are above the County average
- The School is significantly oversubscribed

Going Concern

After making appropriate enquiries, the Governing Body 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.

Key Financial Performance Indicators

Hartismere School converted to Academy status on 1 September 2010. The school was rated "outstanding" by OFSTED in February 2010.

The total number of students on roll in the year ended 31 August 2012 numbered 909. From 1 September 2010 the Academy has a PAN (Pupil Admissions Number) each year of 147 (previously 145).

Examination results for 2012 were very pleasing

- At A and AS level candidates achieved an average of over 760 points per candidate
- There was a 98% pass rate and 62% of grades were A-C
- At GCSE over 80% of grades were A-C and 95% of students achieved 5 or more passes at this level

The School Improvement Plan is set to further ensure outstanding results are achieved in 2013.

HARTISMERE SCHOOL

Governors' Report (continued)

Financial Review

Financial and Risk Management Objectives and Policies

Most of the Academy's income is obtained from the Education Funding Agency (EFA) in the form of recurrent grants, the use of which is restricted to particular purposes. These grants received from the Education Funding Agency (EFA) during the year ended 31 August 2012 and the associated expenditure are shown as restricted funds in the statement of financial activities.

The Academy also has been in receipt of capital grants from the EFA through the bid process for capital maintenance fund. In accordance with the Academies Accounts Direction 2011/12, such grants are shown in the Statement of Financial Activities as restricted income in the restricted 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 year ended 31 August 2012, total expenditure of £4,943,166 was more than covered by recurrent grant funding from the EFA together with other incoming resources. The excess of income over expenditure for the year (excluding restricted fixed asset funds) was £119,243.

At 31 August 2012 the net book value of fixed assets was £9,448,406 and movements in tangible fixed assets are shown in the 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.

In October 2011 the freehold title for the land and buildings occupied by the Academy was transferred to the Academy from the Local Authority for nil consideration. The land and school buildings have been valued at 31 August 2012 by the EFA and this valuation has been included in the accounts. The land was valued at £584,194. The school buildings are valued at depreciated replacement cost of £6,436,935. No depreciation has been charged for these buildings in the current year. The EFA estimate the remaining useful life of the school buildings to be 27 years. The biomass boiler and associated building were also transferred to the Academy in October 2011 for nil consideration. The biomass boiler was valued on transfer at £931,653 and the boiler building at £406,847. Both valuations were based on net depreciated cost. Depreciation on the biomass boiler and the boiler building has been provided for in these accounts from the date of transfer based on the remaining useful life of the asset.

In accordance with FRS17, the Academy received an actuarial assessment of pension scheme deficit. The deficit balance is included within the balance sheet as at 31 August 2012 and supporting notes to the accounts number 27.

Principal Risks and Uncertainties

As an Academy School, the level of financial risk mainly occurs around certainty of year on year funding, cash flow and actuarial assessed pension fund deficit.

The governors have identified these areas and manage the impact of cash flow by monitoring monthly cash flows projected at the start of each financial year against actual cash flows and bank balances. Future budgets are monitored in line with staffing levels/costs.

Reserves Policy

The Academy held fund balances at 31 August 2012 of £9,079,052 comprising of £84,444 in unrestricted funds, £26,739 in restricted general funds, £9,335,869 in the restricted fixed asset fund and a £368,000 deficit on the pension fund.

Governors also expect to maintain a positive balance of General Annual Grant and to use the grant in the period that it has been granted to ensure no claw back. The governors have determined that the surplus of unrestricted funds should be maintained to enable the school to react to budget changes within a manageable period without the use of cash flow advances from EFA and that will support the plans in the future detailed below.

Investment Policy

The Academy's aim is to spend the public monies with which we are entrusted for the direct education benefit of students as soon as is prudent. Any investments held will be included in the financial statements.

HARTISMERE SCHOOL

Governors' Report (continued)

Plans for Future Periods

- To raise sufficient sums to build a new PE classroom and Sports Pavilion
- To raise sufficient funds to renew the schools' toilet facilities
- To implement the system of comprehensive Initial Assessment planned
- To implement the personalised curriculum planned
- To achieve 3 levels of progress in excess of 70% for both Maths and English
- To maintain a GCSE 5 A*-C percentage in excess of 85%
- To maintain a GCSE 5 A*-C percentage including English and Maths in excess of 68%
- To achieve over 800 points per candidate at Sixth form
- To implement the use of value added and achievement reports in the Sixth Form using the ALPS system
- To implement a programme of lectures and outside speakers in the Sixth Form
- To establish a rotation programme of enrichment activities for all students in year 12
- To develop intervention lessons in some Sixth Form subject areas
- To develop the area at the back of the Sixth Form block as a garden space
- To develop the quality of the school's grounds
- To remain oversubscribed despite a falling local demographic
- To implement the Music and Sports Specialists schools plans

Funds held as Custodian Trustee on behalf of others

The Academy trust does not hold any funds on behalf of others

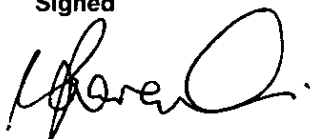
Auditor

In so far as the governors are aware

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

Approved by order of the members of the Governing Body on 17 December 2012 and signed on its behalf by

Signed



M Ravenhill
Chair

HARTISMERE SCHOOL

Governance Statement

Scope of Responsibility

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

The Governing Body has delegated the day-to-day responsibility to the Headteacher, 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 Hartismere Academy 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 Governors' Report and in the Statement of Governors' responsibilities. The Governing Body has formally met 3 times during the year. Attendance during the year at meetings of the Governing Body was as follows:

Governor	Meetings attended	Out of a possible
James McAtear (Headteacher and Accounting Officer)	3	3
Manon Ravenhill (Chair)	3	3
Barbara Bailey (Vice Chair)	2	3
Nick Roche	3	3
Gina Gole	3	3
Moirá Buxton	1	3
Peter Gilbee (term ended 31/12/11)	1	1
Sara Michell	2	3
Neil Cave	2	3
Simon Hooton	2	3
Godfrey Musgrave-Brown	3	3
Pauline Aldous	3	3
Fiona Bowden (term ended 31/07/12)	3	3
Mark Burridge	3	3
Odile Wladon	0	3
Carlton Blaxill (term ended 31/07/12)	2	3
Dr John Battersby	3	3
Dr Michelle Furness	2	3
Judith Haywood	2	3
Lee Macdonald (appointed 31/01/12)	1	2

The Finance and Premises Committee is a sub-committee of the main Governing Body. Its purpose is to assist the decision making of the Governing Body, by enabling more detailed consideration to be given to the best means of fulfilling the Governing Body's responsibility to ensure sound management of the Academy's finances and resources, including proper planning, monitoring and probity. To make appropriate comments and recommendations on such matters to the Governing Body on a regular basis. Attendance at meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
James McAtear (Headteacher and Accounting Officer)	3	3
Barbara Bailey	2	3
Nick Roche	3	3
Moirá Buxton	0	3
Simon Hooton (Chair)	3	3
Godfrey Musgrave-Brown	3	3
Pauline Aldous	3	3
Dr John Battersby	3	3
Carlton Blaxill (term ended 31/07/12)	1	3
M Ravenhill (not appointed to F&P Committee)	1	3
Lee Macdonald (new Governor not appointed to F&P Committee)	1	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

HARTISMERE SCHOOL

Governance Statement (continued)

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 Hartismere Academy Trust for the year ended 31 August 2012 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Governing Body has reviewed the key risks to which the Academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Governing Body is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy trust's significant risks that has been in place for the year ending 31 August 2012 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Body.

The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Governing Body,
- regular reviews by the Finance and Premises 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 Governing Body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the governors have appointed T Riches, of Customer Services Direct Ltd, as Responsible Officer ('RO'). The RO's role includes giving advice on financial matters and performing a range of checks on the Academy trust's financial systems. On a quarterly basis, the RO conducts a review and provides a written report and action plan to the Governing Body on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities. The RO function has been fully delivered for the year ended 31 August 2012 in line with the EFA's requirements. There were no material control issues arising as a result of the RO's work.

Review of Effectiveness

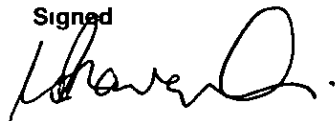
As Accounting Officer, the Headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the Responsible Officer,
- the work of the external auditor,
- the financial management and governance self-assessment process,
- the work of the 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 Premises 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 Governing Body on 17 December 2012 and signed on its behalf by

Signed



M Ravenhill
Chair

Signed



J McAtear
Accounting Officer

HARTISMERE SCHOOL

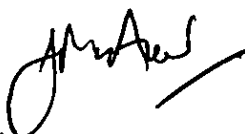
Statement on regularity, propriety and compliance

As Accounting Officer of Hartismere Academy Trust I have considered my responsibility to notify the Academy trust Governing Body and the Education Funding Agency of material irregularity, impropriety and noncompliance with EFA terms and conditions of funding, under the funding agreement in place between the Academy trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

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

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

Signed

A handwritten signature in black ink, appearing to read 'J McAtear', with a long horizontal stroke extending to the right.

J McAtear
Accounting Officer

HARTISMERE SCHOOL

Statement of Governors' Responsibilities

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

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


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

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

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

Approved by order of the members of the Governing Body on 17 December 2012 and signed on its behalf by

Signed



M Ravenhill
Chair

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HARTISMERE SCHOOL

We have audited the financial statements of Hartismere School for the year ended 31 August 2012 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 2011/12 issued by the Education Funding Agency.

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

RESPECTIVE RESPONSIBILITIES OF GOVERNORS AND AUDITOR

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

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

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the academy's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the Governors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Governors' report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements

- give a true and fair view of the state of the academy's affairs as at 31 August 2012 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 2011/12 issued by the Education Funding Agency.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

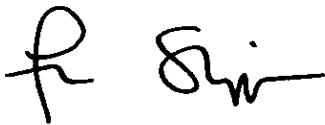
HARTISMERE SCHOOL

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HARTISMERE SCHOOL (continued)

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 governors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



F M E Shippam BSc FCA DChA (Senior statutory auditor)

for and on behalf of

MA Partners LLP

Chartered Accountants
Statutory Auditor

7 The Close
Norwich
Norfolk
NR1 4DJ
Date

2. DECEMBER 2012

HARTISMERE SCHOOL

INDEPENDENT AUDITORS' ASSURANCE REPORT ON REGULARITY TO HARTISMERE SCHOOL AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 17 December 2012 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2011/12, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Hartismere School during the year 1 September 2011 to 31 August 2012 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 Hartismere School and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Hartismere School 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 Hartismere School and the EFA, for our work, for this report, or for the conclusion we have formed.

RESPECTIVE RESPONSIBILITIES OF HARTISMERE SCHOOL'S ACCOUNTING OFFICER AND THE AUDITOR

The Accounting officer is responsible, under the requirements of Hartismere School's funding agreement with the Secretary of State for Education dated 1 September 2010, and the Academies Financial Handbook as published by DfES in 2012, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2011/12. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2011 to 31 August 2012 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 2011/12 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's income and expenditure.

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2011 to 31 August 2012 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

MA Partners LLP

MA Partners LLP

Chartered Accountants
Statutory Auditor

7 The Close
Norwich
Norfolk
NR1 4DJ

Date 21 DECEMBER 2012

HARTISMERE SCHOOL

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2012

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

	Notes	Unrestricted Funds £	Restricted General Funds £	Restricted Pension Fund £	Restricted Fixed Asset Funds £	Total 2012 £	Total 2011 £
Incoming resources							
Incoming resources from generated funds							
- Voluntary Income	3	11,651	1,000	-	8,359,629	8,372,280	500
- Activities for generating funds	4	121,292	-	-	-	121,292	141,038
Investment Income	5	652	-	-	-	652	568
Incoming resources from charitable activities							
- Funding for the Academy's educational	6	57,600	4,650,557	-	401,623	5,109,780	5,301,607
- Other Income	4	76,522	204,577	-	-	281,099	248,083
Total incoming resources		267,717	4,856,134	-	8,761,252	13,885,103	5,691,796
Resources expended							
Cost of generating funds							
Costs of activities for generating funds	7	38,126	-	-	-	38,126	22,875
Charitable activities							
-Academy's educational operations	8	109,623	4,530,087	83,000	171,472	4,894,182	5,271,356
Governance costs	9	-	10,858	-	-	10,858	16,738
Other resources expended - transfer from Local Authority on conversion	28	-	-	-	-	-	285,713
Total resources expended	7	147,749	4,540,945	83,000	171,472	4,943,166	5,596,681
Net incoming/(outgoing) resources before transfers		119,968	315,189	(83,000)	8,589,780	8,941,937	95,115
Gross transfers between funds	17	(35,524)	(296,390)	99,000	232,914	-	-
Net income/(expenditure) for the year		84,444	18,799	16,000	8,822,694	8,941,937	95,115
Other recognised gains and losses							
Actuarial gains (losses) on defined benefit pension schemes	17, 27	-	-	(104,000)	-	(104,000)	146,000
Net movement in funds		84,444	18,799	(88,000)	8,822,694	8,837,937	241,115
Reconciliation of funds							
Total funds brought forward 1 September	17	-	7,940	(280,000)	513,175	241,115	-
Funds carried forward at 31 August 2012		84,444	26,739	(368,000)	9,335,869	9,079,052	241,115

All of the Academy's activities derive from continuing operations. A Statement of Total Recognised Gains and Losses is not required as all gains and losses are included in the Statement of Financial Activities

HARTISMERE SCHOOL

BALANCE SHEET AS AT 31 AUGUST 2012
Company Registration Number: 07341583

	Notes	2012 £	2011 £
Fixed Assets			
Tangible assets	13	<u>9,448,906</u>	<u>365,174</u>
		<u>9,448,906</u>	<u>365,174</u>
Current assets			
Stock	14	16,250	15,468
Debtors	15	137,330	183,671
Cash at bank and in hand		<u>329,140</u>	<u>550,477</u>
		<u>482,720</u>	<u>749,616</u>
Current Liabilities			
Creditors: Amounts falling due within one year	16	<u>(389,709)</u>	<u>(482,947)</u>
Net current assets		<u>93,011</u>	<u>266,669</u>
Total assets less current liabilities		9,541,917	631,843
Creditors: amounts falling due after more than one year			
Long Term Liabilities	16	<u>(94,865)</u>	<u>(110,728)</u>
Net assets excluding pension liability		9,447,052	521,115
Pension scheme liability	27	<u>(368,000)</u>	<u>(280,000)</u>
NET ASSETS INCLUDING PENSION SCHEME LIABILITY		<u>9,079,052</u>	<u>241,115</u>
Funds of the Academy			
Restricted funds			
- Fixed asset fund	17	9,335,869	513,174
- Other restricted funds	17	26,739	7,941
- Pension reserve	17	<u>(368,000)</u>	<u>(280,000)</u>
Total restricted funds		<u>8,994,608</u>	<u>241,115</u>
Unrestricted funds			
- General fund	17	84,444	-
Total unrestricted funds		<u>84,444</u>	<u>-</u>
TOTAL FUNDS		<u>9,079,052</u>	<u>241,115</u>

The financial statements were approved by the Governors, and authorised for issue on 17 December 2012 and are signed on their behalf by

Signed

 Chair of Governors

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 AUGUST 2012

	Notes	2012 £	2011 £
Net cash inflow from operating activities	21	287,524	386,794
Returns on investments and servicing of finance	22	652	568
Capital expenditure	23	(493,952)	188,676
Repayment of loans		(15,561)	(25,561)
(Decrease)/Increase in cash in the period	24	<u>(221,337)</u>	<u>550,477</u>
Reconciliation of net cash flow to movement in net funds			
Net funds at 1 September 2011		550,477	-
Net funds at 31 August 2012		<u>329,140</u>	<u>550,477</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2012

Note 1

Statement of Accounting Policies

Basis of Preparation

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction issued by the 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 governors assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The governors make this assessment in respect of a period of one year from the date of approval of the financial statements.

Incoming Resources

All incoming resources are recognised when the Academy 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.

- **Sponsorship income**

Sponsorship income provided to the Academy 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.

- **Donations**

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

- **Other income**

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

- **Donated Services and gifts in kind**

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

Note 1

Statement of 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.

- **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's educational operations.

- **Governance Costs**

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

All resources expended are inclusive of irrecoverable VAT.

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.

In October 2011 the freehold title for the land and buildings occupied by the Academy was transferred to the Academy from the Local Authority for nil consideration. The land and school buildings have been valued at 31 August 2012 by the EFA and this valuation has been included in the accounts. The land was valued at £584,194. The school buildings are valued at depreciated replacement cost of £6,436,935. No depreciation has been charged for these buildings in the current year. The EFA estimate the remaining useful life of the school buildings to be 27 years. The biomass boiler and associated building were also transferred to the Academy in October 2011 for nil consideration. The biomass boiler was valued on transfer at £931,653 and the boiler building at £406,847. Both valuations were based on net depreciated cost. Depreciation on the biomass boiler and the boiler building has been provided for in these accounts from the date of transfer based on the remaining useful life of the asset.

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's depreciation policy.

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

Buildings	2%
Main school buildings	3.7%
Biomass boiler	7%
Furniture and equipment	10%
Computer equipment and software	33%
All weather surface pitch	10%

No depreciation is charged on assets that are not brought into use by the balance sheet date.

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.

HARTISMERE SCHOOL

Note 1

Statement of Accounting Policies (continued)

Leased Assets

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

Stock

Unsold uniforms are valued at the lower of cost or net realisable value

Taxation

The Academy is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes

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

Pensions Benefits

Retirement benefits to employees of the Academy are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS') These are defined benefit schemes, are contracted out of the State Earnings-Related Pension Scheme ('SERPS'), and the assets are held separately from those of the Academy

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

The LGPS is a funded scheme and the assets are held separately from those of the Academy in separate trustee administered funds Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities The actuarial valuations are obtained at least triennially and are updated at each balance sheet date The amounts charged to operating surplus are the current service costs and gains and losses on 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 at the discretion of the governors

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the grantor 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 and Department for Education

HARTISMERE SCHOOL

Note 2

General Annual Grant

	2012 £	2011 £
GAG brought forward from previous year	(92,775)	-
GAG allocation for current year	4,467,979	4,367,615
Total GAG available to spend	4,375,204	4,367,615
Recurrent expenditure from GAG	4,166,874	4,420,213
Fixed assets purchased from GAG	232,914	143,622
Total GAG expenditure	4,399,788	4,563,835
Transfer of pension contributions to Pension Reserve	99,000	95,000
Transfer from other restricted funds	(88,060)	-
Transfer from unrestricted funds	(35,524)	(198,444)
GAG carried forward to next year	-	(92,775)
Maximum permitted GAG carry forward at end of current year (12% of allocation for current year)	536,157	524,114
GAG to surrender to DfE (12% rule breached if result is positive)	(536,157)	(616,889)
Use of GAG brought forward from previous year for recurrent purposes		
Recurrent expenditure from GAG in current year	4,166,874	
GAG allocation for current year	(4,467,979)	
GAG allocation for previous year x 2%	(87,352)	
GAG b/fwd from previous year in excess of 2%, used on recurrent expenditure in current year	(388,457)	

Note 3

Voluntary Income

	Unrestricted Funds £	Restricted Funds £	Total 2012 £	Total 2011 £
Donations - Revenue	11,651	1,000	12,651	500
Gifted Assets	-	8,359,629	8,359,629	-
	11,651	8,360,629	8,372,280	500

Note 4

Activities for Generating Funds

	Unrestricted Funds £	Restricted Funds £	Total 2012 £	Total 2011 £
Hire of facilities	39,102	-	39,102	36,482
Items sold	41,133	-	41,133	44,643
Income from services provided	41,057	-	41,057	59,914
	121,292	-	121,292	141,038
Other Incoming Resources				
Insurance Claims	1,274	-	1,274	12,034
Academy Trips	-	204,577	204,577	168,097
Catering Income	75,248	-	75,248	67,951
	76,522	204,577	281,099	248,083
	197,814	204,577	402,391	389,121

HARTISMERE SCHOOL

Note 5

Investment Income

	Unrestricted Funds £	Restricted Funds £	Total 2012 £	Total 2011 £
Bank Interest	652	-	652	568
	<u>652</u>	<u>-</u>	<u>652</u>	<u>568</u>

Note 6

Funding for Academy's Educational Operations

	Unrestricted Funds £	Restricted Funds £	Total 2012 £	Total 2011 £
DfE/YPLA Capital Grants				
Devolved Formula Capital	-	19,407	19,407	19,170
PFS Capital Maintenance Grant	-	352,216	352,216	352,216
MSDC Corporate Regeneration Grant	-	30,000	30,000	-
	<u>-</u>	<u>401,623</u>	<u>401,623</u>	<u>371,386</u>
DfE/YPLA Revenue Grants				
General Annual Grant	-	4,467,979	4,467,979	4,367,616
Start Up Grant	-	-	-	25,000
Other DfE/EFA Grants	-	96,660	96,660	84,810
	<u>-</u>	<u>4,564,639</u>	<u>4,564,639</u>	<u>4,477,426</u>
Other Government Grants				
Standards Funds	-	-	-	37,851
Special Educational Projects	-	85,918	85,918	414,944
Suffolk CC contribution from Biomass Project	50,000	-	50,000	-
PE Grant	7,600	-	7,600	-
	<u>57,600</u>	<u>85,918</u>	<u>143,518</u>	<u>452,795</u>
	<u>57,600</u>	<u>5,052,180</u>	<u>5,109,780</u>	<u>5,301,607</u>

HARTISMERE SCHOOL

Note 7

Resources Expended

	Non Pay Expenditure			Total	Total
	Staff Costs	Premises	Other Costs	2012	2011
	£	£	£	£	£
Costs of activities for generating funds	-	-	38,126	38,126	22,874
Academy's educational operations					
• Direct Costs	3,154,220	171,472	423,436	3,749,128	3,916,200
• Allocated Support Costs	436,444	255,951	241,629	934,024	967,712
• Other Expenditure	-	-	211,030	211,030	387,444
	<u>3,590,664</u>	<u>427,423</u>	<u>914,221</u>	<u>4,932,308</u>	<u>5,294,230</u>
Governance costs (including allocated support costs)	-	-	10,858	10,858	16,738
Other resources expended (note 29)	-	-	-	-	285,713
	<u>3,590,664</u>	<u>427,423</u>	<u>925,079</u>	<u>4,943,166</u>	<u>5,596,681</u>

Incoming/outgoing resources for the year include

	2012	2011
	£	£
Operating leases	43,125	35,057
Fees payable to auditor	7,380	6,000
	<u>50,505</u>	<u>41,057</u>

HARTISMERE SCHOOL

Note 8

Charitable Activities - Academy's educational operations

	Unrestricted Funds £	Restricted Funds £	Total 2012 £	Total 2011 £
Direct Costs				
Teaching and educational support staff costs	-	3,154,220	3,154,220	3,548,445
Depreciation	-	171,472	171,472	42,977
Educational supplies	7,670	198,146	205,816	159,955
Examination fees	7,243	109,538	116,781	121,653
Staff development	-	26,753	26,753	20,423
Educational consultancy	-	16,802	16,802	-
Pupil transport	-	21,004	21,004	22,747
Other direct costs	-	36,280	36,280	-
	<u>14,913</u>	<u>3,734,215</u>	<u>3,749,128</u>	<u>3,916,200</u>
Allocated Support Costs				
Support staff costs	-	436,444	436,444	541,268
Pupil recruitment and support	-	29,958	29,958	19,431
Maintenance of premises and equipment	22,361	100,727	123,088	87,022
Cleaning	-	5,865	5,865	5,739
Rent, rates and water	-	29,569	29,569	29,882
Insurance	-	41,274	41,274	39,397
Travel and subsistence	-	5,409	5,409	5,114
Catering	72,349	22,247	94,596	91,787
Heat and light	-	64,897	64,897	78,454
Technology	-	48,115	48,115	27,611
Supplies, printing and telephone	-	24,449	24,449	19,192
Legal and professional fees	-	30,360	30,360	22,815
	<u>94,710</u>	<u>839,314</u>	<u>934,024</u>	<u>967,712</u>
Other Expenditure				
Other GAG Expenditure	-	70	70	-
Other GAG Costs	-	-	-	8,946
Other Non GAG Expenditure	-	210,960	210,960	221,871
SSCO Expenditure	-	-	-	156,627
	<u>-</u>	<u>211,030</u>	<u>211,030</u>	<u>387,444</u>
	<u>109,623</u>	<u>4,784,559</u>	<u>4,894,182</u>	<u>5,271,356</u>

HARTISMERE SCHOOL

Note 9

Governance Costs

	Unrestricted Funds £	Restricted Funds £	Total 2012 £	Total 2011 £
Legal and professional fees	-	3,478	3,478	10,738
Auditors remuneration - audit of financial statements	-	7,380	7,380	6,000
	-	10,858	10,858	16,738

Note 10

Staff Costs

	2012 £	2011 £
Direct staff costs during the period were		
Wages and salaries	2,953,988	3,211,140
Social security costs	217,689	234,720
Other pension costs	395,350	439,746
	3,567,027	3,885,606
Compensation payments	-	188,213
Indirect employee expenses	23,637	28,892
	3,590,664	4,102,711

of which supply teacher costs

£ 22,751 £ 54,520

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

	2012	2011
Charitable Activities		
Teaching Staff	56	53
Support Staff	37	35

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

	2012	2011
£60,001 - £70,000	1	2
£70,001 - £80,000	2	1

Note 11

Governors Remuneration and Expenses

Principal and staff governors only receive remuneration in respect of services they provide undertaking the roles of Principal and staff and not in respect of their services as governors/trustees. Governors did not receive any payments from the Academy in respect of their role as governors. The value of staff governors' remuneration was as follows

- J McAtear, staff governor and trustee £90,000 - £100,00
- P Aldous, staff governor and trustee £45,000 - £50,000
- M Bumdge, staff governor and trustee £40,000 - £45,000
- G Musgrave-Brown, staff governor and trustee £25,000 - £30,000

During the year ended 31 August 2012, no governor was reimbursed expenses

Note 12

Governors' and Officers Insurance

In accordance with normal commercial practice the Academy has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business

The insurance provides cover up to £1,000,000 on any one claim and the cost for the year was £644. The cost of this insurance is included in the total insurance cost

HARTISMERE SCHOOL

Note 13

Tangible Fixed Assets

	Freehold Land and Buildings £	Plant and Machinery £	Furniture and Equipment £	Computer Equipment and Software £	2012 Total £
Cost/Valuation					
At 1 September 2011	96,321	-	227,874	83,956	408,151
Assets transferred from Local Authority	7,427,976	931,653	-	-	8,359,629
Additions	525,185	-	307,854	62,536	895,575
At 31 August 2012	8,049,482	931,653	535,728	146,492	9,663,355
Depreciation					
At 1 September 2011	4,287	-	21,924	16,766	42,977
Charged in year	41,575	55,472	37,786	36,639	171,472
At 31 August 2012	45,862	55,472	59,710	53,405	214,449
Net Book Values					
At 31 August 2012	8,003,620	876,181	476,018	93,087	9,448,906
At 31 August 2011	92,034	-	205,950	67,190	365,174

Included within freehold land and buildings is land with a value of £584,194 which is not being depreciated

Note 14

Stock

	2012 £	2011 £
Uniform	16,250	15,468
	16,250	15,468

Note 15

Debtors

	2012 £	2011 £
Trade debtors	9,549	-
Prepayments	76,513	27,990
Other debtors	18,244	106,870
VAT debtor	33,024	48,811
	137,330	183,671

HARTISMERE SCHOOL

Note 16

Creditors amounts falling due within one year

	2012	2011
	£	£
Trade creditors	90,080	76,099
Other creditors	46,059	55,751
Accruals and deferred income	189,532	287,360
Loan accounts	64,038	63,737
	389,709	482,947

	2012	2011
	£	£
Accruals and deferred income (included within the above)		
Accruals as at 31 August 2012	82,968	224,905
Deferred income as at 31 August 2012	106,564	62,455
	189,532	287,360

Creditors amounts falling due after more than one year

	2012	2011
	£	£
Loan accounts	94,865	110,728
	94,865	110,728

HARTISMERE SCHOOL

Note 17 Funds

	Balance as at 31 August 2011 £	Incoming Resources £	Resources Expended £	Transfers in/out £	Gains / Losses £	Balance as at 31 August 2012 £
Restricted general funds						
General Annual Grant	(92,775)	4,467,979	(4,166,874)	(208,329)	-	-
Other DfE/EFA Grants	23,176	96,660	(61,591)	(33,569)	-	24,676
Other Restricted Funds	77,540	291,495	(312,480)	(54,492)	-	2,063
	7,941	4,856,134	(4,540,945)	(296,390)	-	26,739
Restricted pension fund						
Pension reserve	(280,000)	-	(83,000)	99,000	(104,000)	(648,000)
	(280,000)	-	(83,000)	99,000	(104,000)	(648,000)
Restricted fixed asset funds						
DfE/EFA capital grants	371,386	401,623	(51,924)	-	-	721,085
Capital expenditure from GAG	100,290	-	(29,878)	232,914	-	303,326
Capital expenditure from other funds	41,499	8,359,629	(89,670)	-	-	8,311,458
	513,175	8,761,252	(171,472)	232,914	-	9,335,869
Total restricted funds	241,116	13,617,386	(4,795,417)	35,524	(104,000)	8,714,608
Unrestricted funds						
Unrestricted fund	-	267,717	(147,748)	(35,524)	-	84,444
	-	267,717	(147,748)	(35,524)	-	84,444
Total funds	241,116	13,885,103	(4,943,165)	-	(104,000)	8,799,052

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

General Annual Grant (GAG) must be used for the normal running costs of the Academy. Grants of £54,492 and £33,569 have been received from EFA to support the Academy redundancies. These amounts have been transferred from other restricted funds to GAG. The Academy's GAG has been overspent by £35,524 and a transfer from unrestricted funds has been made to support this overspend. The following transfers have been made from GAG: £99,000 to the restricted pension fund representing the cost of employer contributions towards the Local Government Pension scheme. A transfer of £232,914 has been made from GAG representing fixed asset additions and loan repayments.

DfE/EFA and other grants were receivable during the year to support the standard of teaching and learning at the Academy. These grants include School Games Organiser, Bikeability, Change4Life and Activities for All.

The Academy was successful in a bid for capital funding of £704,432 through the Capital Maintenance Fund (provided by Partnership for Schools) of which 50% was received in the previous year and the balance in the year ending 31 August 2012. The grant has been used to provide an all weather surface floodlit pitch, 6th form reading room and ICT suite. The projects were completed during the year and included in additions to fixed assets.

The pension reserve deficit at the year end was £368,000 and represents the Academy's share of the deficit of the Local Government Pension Scheme. This deficit is being repaid over a seven year period.

Unrestricted funds include sale of school meals, uniform sales, hire of facilities and income from services provided. Unrestricted grants have been received for PE Teacher advanced skills funding and a contribution from Suffolk County Council from the biomass boiler project. These funds are used to support expenditure from the restricted general funds as required.

HARTISMERE SCHOOL

Note 18

Analysis of net assets between funds

Fund balances at 31 August 2012 are represented by

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds 2012 £
Tangible fixed assets	-	-	9,448,906	9,448,906
Current assets	124,391	268,381	89,948	482,720
Current liabilities	(39,947)	(241,642)	(108,120)	(389,709)
Non current liabilities	-	-	(94,865)	(94,865)
Pension scheme liability		(368,000)		(368,000)
Total net assets	84,444	(341,261)	9,335,869	9,079,052

Note 19

Capital commitments

	2012 £	2011 £
Contracted for, but not provided in the financial statements		
A2 Refurbishment	8,664	-
6th Form Reading Room & ICT Rooms	-	55,490
	8,664	55,490

Note 20

Financial commitments

Operating leases

At 31 August 2012 the Academy had annual commitments under non-cancellable operating leases as follows

	2012 £	2011 £
Other		
Expiring within one year	735	9,054
Expiring within two and five years inclusive	31,114	30,602
Expiring in over five years	-	-
	31,849	39,656

HARTISMERE SCHOOL

Note 21

Reconciliation of net income to net cash inflow

	2012 £	2011 £
Net Income	8,941,937	95,115
Pension scheme deficit transferred	-	422,000
Depreciation	171,472	42,977
Capital grants from DfE and other capital income	(401,623)	(371,386)
Interest receivable	(652)	(568)
FRS17 pension cost less contributions payable	(26,000)	(9,000)
FRS17 pension finance income	10,000	13,000
(Increase)/decrease in stocks	(782)	(15,468)
(Increase)/decrease in debtors	46,341	(183,671)
(Increase)/decrease in creditors	(93,540)	419,210
Gifted tangible fixed assets (note 13)	(8,359,629)	(225,441)
Loan obligations on gifted fixed assets (note 28)	-	200,026
Net cash inflow from operating activities	287,524	386,794

Note 22

Returns on investment and servicing of finance

	2012 £	2011 £
Interest received	652	568
	652	568

Note 23

Capital expenditure and financial investment

	2012 £	2011 £
Purchase of tangible fixed assets	(895,575)	(182,710)
Capital grants from DfE/YPLA	401,623	371,386
Net cash outflow from capital expenditure and financial investment	(493,952)	188,676

Note 24

	At 31 August 2011 £	Cashflows £	At 31 August 2012 £
Analysis of changes in net funds			
Cash in hand and at bank	550,477	(221,337)	329,140
	550,477	(221,337)	329,140

Note 25

Contingent Liabilities

During the period 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 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 serving notice, the Academy shall repay to the Secretary of State sums determined by reference to

- (a) the value at that time of the Academy's site and premises and other assets held for the purpose of the Academy 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

Note 26

Member's Liability

Each member of the 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 ceased to be a member

Note 27

Pensions and similar obligations

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

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

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

Teachers' Pension Scheme

The Teachers Pension Scheme ("TPS") is a statutory, contributory, defined benefit scheme The regulations under which the TPS operate are the Teachers Pensions Regulations 2010

Although teachers and lecturers are employed by various bodies, their retirement and other pension benefits, including annual increases payable under the Pensions (Increase) Acts are, as provided for in the Superannuation Act 1972, paid out of monies provided by Parliament Under the unfunded TPS, teachers' contributions on a 'pay-as-you-go' basis, and employers' contributions, are credited to the Exchequer under arrangements governed by the above Act

The Teachers' Pensions Regulations require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pensions' increases) From 1 April 2001, the Account has been credited with a real rate of return (in excess of price increases and currently set at 3.5%), which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return

The Government Actuary ("GA"), using normal actuarial principles, conducts formal actuarial reviews of the TPS The aim of the reviews is to specify the level of future contributions

The contribution rate paid into the TPS is assessed in two parts First, a standard contribution rate ("SCR") is determined This is the contribution, expressed as a percentage of the salaries of teachers and lecturers in service or entering service during the period over which the contribution rate applies, which if it were paid over the entire active service of these teachers and lecturers would broadly defray the cost of benefits payable in respect of that service Secondly, a supplementary contribution is payable if, as a result of the actuarial investigation, it is found that accumulated liabilities of the Account for benefits to past and present teachers, are not fully covered by standard contributions to be paid in future and by the notional fund built up from past contributions The total contribution rate payable is the sum of the SCR and the supplementary contribution rate

The last valuation of the TPS related to the period 1 April 2001 to 31 March 2004 The GA's report of October 2006 revealed that the total liabilities of the Scheme (pensions currently in payment and the estimated cost of future benefits) amounted to £166,500 millions The value of the assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) was £163,240 millions The assumed real rate of return is 3.5% in excess of prices and 2% in excess of earnings The rate of real earnings growth is assumed to be 1.5% The assumed gross rate of return is 6.5%

As from 1 January 2007, and as part of the cost sharing agreement between employers' and teachers' representatives, the SCR was assessed at 19.75%, and the supplementary contribution rate was assessed to be 0.75% (to balance assets and liabilities as required by the regulations within 15 years) This resulted in a total contribution rate of 20.5%, which translated into an employee contribution rate of 6.4% and employer contribution rate of 14.1% payable The cost sharing agreement also introduced – effective for the first time for the 2008 valuation – a 14% cap on employer contributions payable

HARTISMERE SCHOOL

Pensions and similar obligations

Teachers' Pension Scheme (continued)

From 1 April 2012 to 31 March 2013, the employee contribution rate will range between 6.4% and 8.8%, depending on a member's Full Time Equivalent salary. Further changes to the employee contribution rate will be applied in 2013/14 and 2014/15.

Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. Many of these are being discussed in the context of the design for a reformed TPS and scheme valuations are, therefore, currently suspended. The Government, however, has set out a future process for determining the employer contribution rate under the new scheme, and this process will involve a full actuarial valuation.

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The academy is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the academy has taken advantage of the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy has set out above the information available on the scheme and the implications for the academy in terms of the anticipated contribution rates.

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2012 was £123,000, of which employer's contributions totalled £99,000 and employees' contributions totalled £24,000. The agreed contribution rates for future years are 23.4% for employers and a variable % for employees dependant on the salary of individuals as follows:

Annual Salary	Contribution Rate
£0 - £12,900	5.50%
12,901 - 15,100	5.80%
£15,101 - £19,400	5.90%
£19,401 - £32,400	6.50%
£32,401 - £43,300	6.80%
£43,301 - £81,100	7.20%
Above £81,100	7.50%

Principal Actuarial Assumptions

	2012 % p.a	2011 % p.a
Pension increase rate	2.60%	2.60%
Salary increase rate	4.90%	4.90%
Expected return on assets	5.90%	5.90%
Discount rate	5.40%	5.40%

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

	Males	Females
Current Pensioners	21.4 years	23.3 years
Future Pensioners	23.7 years	25.7 years

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Pensions and similar obligations

Local Government Pension Scheme (continued)

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

	Expected return at 31 August 2012	Value at 31 August 2012 £	Expected return at 31 August 2011	Value at 31 August 2011 £
Equities	5.50%	573,000	6.80%	505,000
Bonds	2.80%	286,000	4.60%	171,000
Property	3.70%	99,000	4.80%	81,000
Cash	2.80%	30,000	3.90%	57,000
Total market value of assets		988,000		814,000
Present value of scheme liabilities				
- Funded		(1,356,000)		(1,094,000)
Deficit in the scheme		(368,000)		(280,000)

None of the fair values of the assets shown above include any of the Academy's own financial instruments or any property occupied by, or other assets used by, the Academy

The return on the Fund in market value terms for the period to 31 August 2012 is estimated based on actual Fund returns as provided by the Administering Authority and index returns where necessary

The actual return on the scheme assets for the period from 1 July 2011 to 30 June 2012 was -0.8%

The estimated return for the period from 1 September 2011 to 31 August 2012 is 5.8%

Amounts recognised in the statement of financial activities

	2012 £	2011 £
Analysis of pension costs		
Current service cost	73,000	86,000
Past service cost (gain)	-	-
Total operating charge	73,000	86,000
	2012 £	2011 £
Analysis of pension finance income/(costs)		
Interest cost	(62,000)	(55,000)
Expected return on pension scheme	52,000	42,000
Pension finance income/(costs)	(10,000)	(13,000)

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 £42,000 gain

HARTISMERE SCHOOL

Pensions and similar obligations

Local Government Pension Scheme (continued)

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

	2012	2011
	£	£
Scheme liabilities at 1 September	1,094,000	-
Transfer in of scheme obligations	-	1,072,000
Current service cost	73,000	86,000
Interest cost	62,000	55,000
Contributions by scheme participants	24,000	25,000
Actuarial gains/losses	103,000	(144,000)
Scheme liabilities at 31 August	1,356,000	1,094,000

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

	2012	2011
	£	£
Fair value of scheme assets at 1 September	814,000	-
Transfer in of scheme assets	-	650,000
Expected return on scheme assets	52,000	42,000
Contributions by employer	99,000	95,000
Contributions by scheme participants	24,000	25,000
Actuarial gains/losses	(1,000)	2,000
Fair value of scheme assets at 31 August	988,000	814,000

The estimated value of employer contributions for the year ended 31 August 2013 is £90,000

The history of experience adjustments is as follows.

	2012	2011
	£	£
Present value of defined benefit obligations	(1,356,000)	(1,094,000)
Fair value of share of scheme assets	988,000	814,000
Deficit in scheme	(368,000)	(280,000)
	£	£
Experience adjustments on share of scheme assets	(1,000)	2,000
Experience adjustments on scheme liabilities	(103,000)	144,000

HARTISMERE SCHOOL

Note 28

Other resources expended – transfer from Local Authority on conversion

	Total 2012	Total 2011
	£	£
Gifted tangible fixed assets	-	225,441
Loan obligations in respect of gifted tangible fixed assets	-	(200,026)
Predecessor school surplus	-	110,872
Pension scheme deficit transferred at 1 September 2010	-	(422,000)
	-	(285,713)

The gifted tangible fixed assets were transferred to the Academy on conversion together with the obligation to repay Suffolk County Council for the following loans, an advance of Devolved Formula Capital of £98,146, Suffolk Catering £20,000 and Salix £81,880