

Company Registration Number: 07702119 (England and Wales)

Hall Mead School

(A Company Limited by Guarantee)

Annual Report and Financial Statements

Year ended 31 August 2013



HALL MEAD SCHOOL

(A Company Limited by Guarantee)

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Reference and Administrative Details

Trustees

Glen Adams *
Colin Arthey Resigned 15/11/12
Caroline Brennan
James Brooks Appointed 15/10/13
Jemma Dockrill *
Steve Downham *
Margaret Drew
Andy Emanuel * Resigned 4/11/13
Malcolm Evans *
Emma Field
David Forster (Vice Chair)
Victoria Hallett
David Harries *
Scott Lister
Simon London *
John McKernan (Chair) *
Steve Roome (Responsible Officer) Resigned 18/3/13
Sarah Simon
Keith Stewart
Karen Townsend
Jonathan Walshe Appointed 20/12/12

* members of the Finance and Audit Committee

Company Secretary

Nigel Curtis

Senior Management Team (up to 31/8/13)

- | | |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none">• Headteacher• Deputy Headteacher• Deputy Headteacher• Senior Assistant Headteacher• Senior Assistant Headteacher• Assistant Headteacher• Business Manager | <p>Simon London
James Brooks
Elaine Ward
Tina Parsons
Paul Cotter
Daniel Lockwood
Nigel Curtis</p> |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------|

Principal and Registered Office

Marlborough Gardens
Upminster
Essex
RM14 1SF

Company Registration Number

07702119

Independent Auditor

MHA MacIntyre Hudson
Chartered Accountants & Statutory Auditors
Boundary House
4 County Place
Chelmsford
Essex
CM2 0RE

Bankers

Lloyds Bank PLC
1-3 Market Place
Romford
Essex
RM1 3AA

Solicitors

Winckworth Sherwood
Minerva House
5 Montague Close
London
SE1 9BB

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Trustees' Report

For the year ended 31 August 2013

The Governors present their annual report together with the financial statements and auditors' report of the Charitable Company for the year 1 September 2012 to 31 August 2013. The Charitable Company is known as Hall Mead School and is referred to herein as the Charitable Company, Hall Mead School or the Academy.

The financial statements have been prepared in accordance with the accounting policies set out in 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), as amended.

Structure, Governance and Management

Constitution

The Academy is a company limited by guarantee with no share capital (registration number 07702119) and an exempt charity. As an exempt charity, it is not required to be registered with the Charities Commission and instead is regulated by the Education Funding Agency (EFA) on behalf of the Department of Education. The Charitable Company's Memorandum and Articles of Association are the primary governing documents of the Academy. The Articles of Association require there are at least 3 members of the Charitable Company who are responsible for the statutory and constitutional affairs of the Charitable Company and the appointment of Governors who are responsible for the management of the Academy.

Details of the trustees who served during the year are included in the Reference and Administrative Details on page 1.

Members' Liability

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

Governors

The Governors are directors of the Charitable Company for the purposes of the Companies Act 2006 and trustees for the purposes of charities legislation and as such are responsible for all aspects of the operations of the Academy (and may be referred to herein as Governors, Trustees and/or Directors). Further details of the responsibilities of Governors are given in the sections below.

Governing Body composition

The Governors who were in office at 31 August 2013 and served throughout the year, except where shown, are included in the Reference and Administrative Details pages of this Annual Report and Financial Statements. The Governing Body comprises up to 9 community governors, 6 parent governors, 3 staff governors and the Headteacher.

Except for the Headteacher, Governors are appointed to serve for a period of four years, subject to remaining eligible within the class of governor of their appointment, but are eligible for re-election.

Governance code

The Governing Body has adopted a Code of Practice and adheres to the Seven Principles of Public Life set out by the Nolan Committee. It has also set out a Scheme of Delegations, a Code of Conduct and Financial Regulations to codify various matters for the better operation of the Academy's business and within which it expressly reserves specified significant matters for its sole decision.

Governing Body Committees

Membership of committees is reviewed and determined annually. Committee appointments may involve non Governing Body members, but the attendance of those Committee members who are not Governors is not detailed in the table on page 10 for reasons of brevity.

A brief overview of the Constitution and responsibilities of the seven principal committees of the Governing Body is given below. Other panels and working groups are formed as considered appropriate to deal with particular issues as they arise.

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Curriculum, Learning and Teaching Committee

The Curriculum Learning and Teaching Committee consists of between three and eight members. It meets at least four times per year and reviews and monitors the Academy's curriculum needs and the quality of teaching and learning. The Committee takes a strategic overview of the curriculum to ensure it reflects and reinforces the Academy's aims and values and the Academy meets the needs of the individual pupils and the locality within the framework set by Government, sets and monitors targets for attainment across the curriculum including progress, and approves Academy policies that support the delivery of the curriculum.

Finance and Audit Committee

The Finance and Audit Committee (previously the Finance Committee) consists of between three and eight members and also meets at least four times per year. It monitors Academy accounting policies, considers financial, funding and capital investment issues, and reviews the budget and management accounts. It oversees the strategic financial planning of the Academy, oversees the effective and efficient financial management of the Academy, and provides guidance and assistance to the Headteacher and the Governors in all matters relating to budgeting and finance.

During the year, the Governing Body considered the amended guidance issued by the EFA concerning the Responsible Officer and requirement for a committee fulfilling the function of an audit committee and consequently terminated the Responsible Officer role and added audit committee responsibilities to the Finance committee, which was then re-named.

The Finance and Audit Committee's audit functions are led by the vice chair of the committee and the work centres around ensuring the Academy has appropriate and effective systems of internal control and the management of risk.

Premises, Health and Safety Committee

This Committee consists of between three and eight members and meets at least six times per year. It considers all matters connected with the Academy's premises and all health & safety issues relating to visitors, staff and pupils.

Governor Effectiveness Committee

This Committee consists of between three and eight Members and meets at least four times per year. The Committee is responsible for ensuring the organisation and operations of the Governing body, its committees and the Governors themselves are efficient and effective.

Pay Policy Committee

This Committee consists of between three and eight Members and meets at least once a year. It reviews Academy pay policy and determines pay progression.

Pupils and Personnel Committee

This Committee currently consists of between three and eight members and meets at least three times per year. It oversees the effective staffing of the Academy, supports and monitors the performance, continuous professional development and wellbeing of all staff, the contribution the pupils make to the Academy and wider community, and the wellbeing and behaviour of pupils.

Headteacher Performance Management Committee

This Committee currently comprises three Governors, including the Chair, Vice-Chair and one other Governor, elected annually and conducts the Headteacher's annual appraisal and pay review.

In addition to Governors, members of the Senior Leadership Team and other advisors will attend Committee meetings as necessary. The Governing Body as a whole also meets biannually with the Senior Leadership Team to undertake an operating review and receive training covering governor responsibilities.

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For the year ended 31 August 2013

Governor Indemnities

The Articles of Association include provisions for the indemnification of Governors in respect of certain of their actions in connection with the Academy, and the Academy has in place Governors and Officers insurance for the benefit of Governors and other officers of the Academy. Details of the costs can be found in Note 12 to the accounts.

Principal Activities

The principal object and activity of the Charitable Company is the operation and development of the Hall Mead School to provide education for pupils of different abilities between the ages of 11 and 16 offering a broad and balanced curriculum. The Academy is recognised as a Leading Edge Specialist Academy in Technology and Languages by the Specialist Schools and Academies Trust.

In accordance with the Articles of Association the Charitable Company has adopted a scheme of Government approved by the Secretary of State of the Department of Education. The Scheme of Government specifies, amongst other things, the basis for admitting students to the Academy, the catchment area from which the students are drawn, and that the curriculum should comply with the substance of the national curriculum with an emphasis on languages and science and technology and their applications.

Policies and Procedures Adopted for the Induction and Training of Trustees

The recruitment and appointment of Governors is undertaken in such a way as to seek to ensure the Governing Body has the balance of skills, knowledge and experience it considers necessary. Parent governors are subject to election by the parents of pupils and staff Governors are subject to election by employees of the Academy. Community Governors are appointed by the Members of the Academy. The Governing Body also considers succession planning from time to time.

As there are normally only two or three Governors appointed each year, induction tends to be undertaken informally and is tailored specifically to the individual, although all are allocated a mentor from amongst the other Governors. The training provided for new Governors depends upon their own experience although all Governors have access to web-based and traditional training provided by Havering Local Authority for all schools in the area. Where necessary induction will provide training on charity and educational, legal and financial matters. All new Governors are given a tour of the Academy and a chance to meet staff and students. All Governors have access to copies of policies, procedures, minutes, accounts, budgets, plans and other documents they may require to undertake their role as Governors.

Organisational structure

The Academy's Management structure consists of Governors, Headteacher, Senior Leadership Team and the teaching and non-teaching management teams. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

The Governors are responsible for setting the strategic direction of the Academy, challenging and supporting the Academy by monitoring, reviewing and evaluating its performance and ensuring it is accountable to its stakeholders.

With effect from 1 September 2013 the Senior Leadership Team currently comprises the Headteacher, three Deputy Headteachers, one Senior Assistant Headteacher, three Associate Assistant Headteachers and the Business Manager. These managers control the Academy at an executive level implementing the policies laid down by the Governing Body and reporting back to them. As a group, the Senior Leadership Team are responsible for authorisation of spending within agreed budgets and the appointment of staff, though appointment boards for senior staff will always involve a Governor. Some spending control is devolved to members of the management team, within limits, above which the Senior Leadership Team must countersign.

The teaching management team includes ten Directors of Faculty. These managers are responsible for the day to day operation of the Academy, in particular organising the teaching staff, facilities and students.

The non-teaching management team consists of 8 Managers and are responsible for 58 Full Time Equivalent (FTE) members of

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Risk Management

The Governors, together with the Senior Leadership Team, have assessed the major risks to which the Academy is exposed, in particular relating to specific teaching, provision of facilities and other operational areas of the Academy and its finances. The Governors consider that various systems are in existence to assess risks that the Academy faces. They have introduced systems, including operational procedures and internal financial controls in order to minimise risk. Where significant financial risk still remains the Governors have, where deemed appropriate, put in place insurance cover. The Academy has an effective system of internal financial controls and this is explained in more detail in the value for money statement published on the Academy website.

Connected Organisations Including Related Party Relationships

During the year the Academy was connected with the Upminster Learning Trust which supported the Academy in its learning vision and pursued the twin themes of "Raising aspirations, broadening horizons". Trust partners included University of East London, West Ham United FC, the maxillo-facial department of Queen's Hospital Romford, St Francis Hospice, Parents of Autistic Children Together, Corbets Tey School, Upminster Junior School. Since the year end the Upminster Learning Trust has been dissolved.

The Academy also works in partnership with Havering Sixth Form College and Havering College of Further & Higher Education, to which many of the Academy's pupils transfer on completing their education.

The Academy is the Lead Academy in a Memorandum of Understanding with The Albany School and Redden Court School. The Academy is also a lead organisation in the Havering Teacher Training Partnership, which administers the training of new teachers in Havering schools.

The parents of pupils of the Academy are invited to attend and involve themselves in the activities of Hall Mead Friends Association (HMFA), a charity whose aim is to provide additional support to the Academy. During the year the Academy received a donation of £9,370 (2012 £7,435). On behalf of the Academy, the Governors wish to record their thanks for the continued support it receives from HMFA.

Objectives and Activities

Objects, aims and objectives

As noted above the principal object and activity of the Charitable Company is the operation and development of Hall Mead School to provide education for pupils of different abilities between the ages of 11 and 16 offering a broad and balanced curriculum. The Academy is recognised as a Leading Edge Specialist Academy. It has two specialisms in technology and languages, endorsed by the Specialist Schools and Academies Trust.

In setting the objectives and planning the Academy's activities, the Governors, as Trustees, have given careful consideration to the Charity Commission's guidance on public benefit.

The main objectives of the Academy during the year ended 31 August 2013 are summarised below:

- the education of young people between the ages of 11 - 16,
- enabling the development of successful learners, confident individuals and responsible citizens,
- to raise the standards of educational achievement of all pupils,
- to raise aspirations and broaden the horizons of all pupils,
- to support the employees of the Academy to enable them to achieve the stretching goals set for attainment and progress of students.

Strategies and activities

The Academy's main strategy is encompassed in its mission statement "Traditional values future thinking". To this end the activities include:

- appropriate learning opportunities for all students to enable them to achieve their best,
- training opportunities for all staff,
- a pastoral system that supports the ethos of the school,
- support for students' progression to the next phase of their learning.

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Public Benefit

The Charitable Company's aims are set out in this report. The Governors have complied with their duty under section 4 of the Charities Act 2006 to have due regard to public benefit guidance published by the Charities Commission and the Governors have paid due regard to this guidance in deciding what activities the Charitable Company should undertake.

Equal opportunity policy

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

Disabled persons

The policy of the Academy is to support the admission, recruitment and retention of students and employees with disabilities. The Academy does this by adapting the physical environment, by making support resources available and through training and career development.

Achievements and Performance

The Academy has just completed its second year of operation and has strategic goals related to achievement, progress, engagement, destinations and its provision. These goals have been closely monitored by the Governing Body.

The Academy was inspected by Ofsted in February 2013 and was judged to be outstanding in all four categories and outstanding for Overall Effectiveness.

Total students in the year ended 31 August 2013 numbered 961 (2012 – 962) and the Academy has a full complement in all year groups. The Academy admitted 192 students in 2012 (2011 - 192) from an application of 813 (2011 – in excess of 900) year 6 students. The reduced application reflects national and local population change.

Examination results 2013

The Academy takes enormous pride in its long history of academic excellence. Hall Mead School has been officially designated as a High Performing Specialist School because of its high attainment over the last 4 years. In 2011, the Academy was once again awarded for its high performance at GCSE by The Specialist Schools and Academies Trust. Its high levels of achievement were again recognised in 2012 with its re-designation as a Leading Edge Academy. Hall Mead performs highly in the full range of achievement measures from progress measures like 'value added' to attainment measures such as 'The English Baccalaureate', without reliance upon the less valued GCSE equivalencies.

Percentage achieving 5+ A*-C GCSEs (or equivalent) including English and Maths GCSEs: 72%
(National figure: 58%)

Percentage achieving all English Baccalaureate subjects: 22%
(National figure: 16%)

Average point score per pupil (best 8) - all qualifications: 343
(National figure: 340)

Best 8 subjects Value Added: 1,007.6 (1,000 being the base level)

Going concern

After making appropriate enquiries and considering the Academy's funding agreement with the Secretary of State for Education is only terminable on seven years' notice, or other exceptional events, the Governing Body has a reasonable expectation that the Academy has adequate resources to continue in operational existence for the foreseeable future. For this reason it has adopted the going concern basis in preparing these financial statements.

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Key Financial Performance Indicators

Other than the attainment targets for academic achievement, the Governing Body uses both financial and other non financial key performance indicators to manage the Academy. The Academy maintains a strong management information function which is focussed on regular and accurate reporting. Financial KPIs are measured continuously.

During the year the following key performance indicators were used:

- Pupil numbers on role
- Percentage of good and outstanding lesson observations
- Staff Turnover
- Cash income in excess of expenditure
- Average cash balance
- Rate of pupil progress

Financial Review

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. Those grants received from the EFA during the year ended 31 August 2013 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The Academy has also been in receipt of capital grants from the EFA through the bid process for the Academies capital maintenance fund. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2005), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the year ended 31 August 2013, total expenditure of £6,912,282 (2012 - £7,539,939) was more than covered by recurrent grant funding from the EFA, together with other incoming resources. The excess of expenditure over income for the year was £345,999. In 2012 the excess of expenditure over income for the year (excluding restricted fixed asset funds) was £345,413.

At 31 August 2013 the net book value of fixed assets was £14,162,314 (2012 - £14,313,905) and movements in tangible fixed assets are shown in note 13 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

Upon Academy conversion in the prior period, a number of assets were recognised as gifted to the Academy. These include fixed assets (the Academy buildings) of £14,537,211 and unspent delegated budget upon closure of the Local Authority School of £175,179.

In accordance with FRS17, the Academy received an actuarial assessment of the financial position of Academy staff who are members of the Local Government Pension Scheme (LGPS), but no information about the financial position of Academy staff who are members of the Teachers Pension Scheme (TPS). The LGPS assets, liabilities and deficit in respect of the Academy staff are included within the Balance Sheet as at 31 August 2013 and supporting notes to the accounts (see note 25). The assets, liabilities and deficit of the TPS in respect of the Academy staff are not included within the Balance Sheet for the reason explained in note 1 of the financial statements.

Financial and Risk Management Objectives and Policies

Principal Risks and Uncertainties

As detailed the Governors have a comprehensive risk management process to identify and monitor the risks faced by the Academy. The key areas of risk have been categorised as: strategic and reputational, operational, compliance, financial, demographic and physical asset. The principal risks and uncertainties are centred around changes in the level of funding from the EFA, in light of the forthcoming Funding Review and its implications. In addition, the Academy is a member of the Local Government Pension Scheme (LGPS), which results in the recognition of a significant deficit on the Academy Balance Sheet and the Teachers Pension Scheme (TPS), not recognised on the Academy's Balance Sheet and explained further in note 1 of the financial statements.

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Trustees' Report

For the year ended 31 August 2013

Reserves Policy

The Governors review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected costs. The Academy's current level of free reserves (total funds less the amounts held in fixed assets and restricted funds) is £91,967 (2012 - £54,492). The Governors intend to build up the Academy's free reserves over time when financial conditions allow.

The pension reserve is in deficit due to the Academy's share of the LGPS liabilities exceeding its share of the assets.

Financial position and going concern

The Academy held fund balances at 31 August 2012 of £13,428,106 (2012 - £13,699,105) comprising £14,339,139 (2012 - £14,669,613) of restricted funds and £91,967 (2012 - £54,492) of unrestricted general funds and a LGPS pension reserve deficit of £1,003,000 (2012 - £1,025,000).

Investment Policy

Hall Mead School has an Investment Policy which is reviewed annually by the Finance and Audit Committee. It covers the principles, purpose and guidelines to ensure the Academy manages its cash balances to provide for the day-to-day working.

Interest bearing deposit accounts may be held with sound financial institutions only. Treasury deposits, with maturity dates which do not result in the cash funds being unavailable for longer than 6 weeks are permissible.

Periodically (at least every 3 months) the rates will be reviewed to ensure reasonable interest rates are being achieved.

Plans for Future Periods

At the annual 2013 October conference, the Governors and Senior Leadership Team undertook the following analyses:

- A summary of the Academy's readiness to pursue additional responsibilities following its 'Outstanding' Ofsted judgement of February 2013.
- An evaluation of the Academy's Ofsted report of 2013,
- An assessment against the 'Going 4 Great' network's "9 Pillars of Greatness".

Objectives were determined against each of the 9 Pillars with the aim of ensuring the Academy progresses beyond its 'Outstanding' judgement and does not become complacent, embracing the opportunities which such a judgement offers but keeping focused on the core business of teaching and learning at all times. The 9 Pillars are as follows:

- 1 A shared vision, values, culture and ethos, based on the highest expectations of all members of the school community
- 2 Inspirational leadership at all levels throughout the school
- 3 Exceptional teaching, learning, assessment and feedback to support the highest levels of attainment and achievement
- 4 A relentless focus on engaging and involving students
- 5 Personalised and highly effective continuous professional development within a learning community
- 6 A stimulating and inclusive environment and climate for learning
- 7 A rich and creative curriculum, within and beyond the classroom, fully meeting the needs of individuals and groups of students
- 8 High quality partnerships, with parents, the community, other schools and networks, locally, nationally and internationally
- 9 Robust and rigorous self-evaluation, data analysis and collective review

**HALL MEAD SCHOOL
(A Company Limited by Guarantee)**

Trustees' Report

For the year ended 31 August 2013

Insofar as the Trustees are aware

- there is no relevant audit information of which the Charitable Company's auditor was 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 auditors are aware of that information

Auditor

The independent auditors, MHA MacIntyre Hudson, are willing to continue in office and a resolution to appoint them will be proposed at the Annual General Meeting

Approved by order of the board of Trustees on 12th December 2013 and signed on its behalf by



J. McKernan

Chair of Trustees

HALL MEAD SCHOOL

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Governance Statement

For the year ended 31 August 2013

Scope of Responsibility

The Governors acknowledge that they have overall responsibility for ensuring Hall Mead School has an effective and appropriate system of control, financial and otherwise. The Governors are also responsible for keeping proper books and accounting records which disclose, with reasonable accuracy at any time, the financial position of the Academy and enable the Governing Body to ensure the financial statements comply with the Companies Act 2006. The Governors also acknowledge responsibility for safeguarding the assets of the Academy and hence for taking reasonable steps for the prevention and detection of frauds and other irregularities and to provide reasonable assurance that:

- the Academy is operating efficiently and effectively,
- its assets are safeguarded against unauthorised use or disposition,
- the proper records are maintained and financial information used within the Academy or for publication is reliable, and
- the Academy complies with relevant laws and regulations

The Governing Body has delegated the day-to-day responsibility of running the Academy 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 Hall Mead School and the Secretary of State for Education. The Headteacher is also responsible for reporting to the Governing Body any material weakness 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.

Governing Body meetings

The Governing Body meets regularly and has established a number of committees to which the Governing Body has delegated certain responsibilities under formal terms of reference. The Governing Body meetings and its committees are attended by representatives of the Senior Leadership Team.

The Governing Body meets at least six times per year and most of its committees meet no less than three times per year. The meetings held during the year and the current individual members of each are detailed below.

	Governing Body	Curriculum Learning and Teaching Committee	Finance and Audit Committee	Premises, Health & Safety Committee	Governor Effectiveness Committee	Pay Policy Committee	Pupils & Personnel	Headteachers Performance
John McKernan (Chair)	x		x	x		x	x	x
David Forster (Vice chair up to 15/10/13)	x	x		x		x		x
Glen Adams	x		x					
Colin Arthey (resigned 15/11/12)	x							
Caroline Brennan	x						x	
James Brooks (appointed 15/10/13)	x							
Jemma Dockrill	x		x					
Steve Downham	x	x	x					
Margaret Drew	x			x				
Andy Emanuel (resigned 04/11/13)	x		x			x		
Malcolm Evans (Vice chair wef 15/10/13)	x		x				x	
Emma Field	x							
Victoria Hallett	x	x			x			
David Harries	x	x	x		x		x	
Scott Lister	x				x	x	x	
Simon London	x	x	x	x		x	x	
Stephen Roome (resigned 18/3/13)	x							
Sarah Simon	x							
Keith Stewart	x							
Karen Townsend	x	x			x			
Jonathan Walshe (appointed 20/12/12)	x			x				

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Governance Statement

For the year ended 31 August 2013

The full Governing Body has formally met 7 times during the year. Attendance during the year at meetings of the Governing body was as follows:

<u>Governor</u>	<u>Meetings attended</u>	<u>Out of a possible</u>
Glen Adams	6	7
Colin Arthey (resigned 15/11/12)	0	1
Caroline Brennan	5	7
James Brooks (appointed 15/10/13)	0	0
Jemma Dockrill	5	7
Steve Downham	6	7
Margaret Drew	6	7
Andy Emanuel (resigned 04/11/13)	5	7
Malcolm Evans (Vice chair wef 15/10/13)	7	7
Emma Field	3	7
David Forster (Vice Chair up to 15/10/13)	7	7
Victoria Hallett	6	7
David Harries	7	7
Scott Lister	6	7
Simon London	7	7
John McKernan (Chair)	6	7
Stephen Roome (resigned 18/3/13)	3	4
Sarah Simon	5	7
Keith Stewart	7	7
Karen Townsend	5	7
Jonathan Walshe (appointed 20/12/12)	4	4

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives, it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks of 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 the Academy for the year ended 31 August 2013 and up to the date of the approval of this annual report and financial statements.

Capacity to Handle Risk

The Governing Body 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 Governing Body 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 year ending 31 August 2013 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Body.

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Governance Statement

For the year ended 31 August 2013

The Risk and Control Framework

The Academy's systems of internal financial control are 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 they include

- budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed by the Governing Body,
- regular reviews by the Finance and Audit Committee of reports which indicate financial performance against 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 and identification and management of risks

In addition the Governors have put in place procedures and internal controls around the management of risk, covering

- the type of risks the Academy faces,
- the level of risks which they regard as acceptable,
- the likelihood of the risks materialising,
- the Academy's ability to reduce the incidence and impact on the Academy's operations of risks that do materialise,
- the costs of operating particular controls relative to the benefits obtained,
- the responsibility of the Senior Leadership Team to implement the Governors' policies and to identify and evaluate risks for the Governors' consideration,
- the responsibility of employees with regard to internal control as part of their accountability for achieving objectives,
- the embedding of control systems in the Academy's operations so that they become part of the culture of the Academy,
- the development of systems to respond quickly to evolving risks arising from factors within the Academy and to changes in the external environment, and
- procedures for reporting failings of risk management strategies immediately to appropriate levels of management to Governors together with details of corrective action being undertaken

The Governors have considered the need for a specific internal audit function and the revised guidance issued by the EFA during the year indicating that it was no longer necessary to have a Responsible Officer (RO). The Governors had previously appointed an RO, but in light of the amended guidance have decided to incorporate the functions and responsibilities of overseeing the effectiveness of internal controls with the Finance and Audit Committee's terms of reference. To aid this process the Governors have also decided to appoint an internal auditor to perform a range of checks of the Academy's systems as the Governors will from time to time specify. The appointment process is currently being undertaken. The internal auditor will report regularly to the Finance and Audit Committee of the Governing Body outlining the results of these checks and where appropriate making recommendations for improvement. In the year under review, no material control issues have been uncovered as a consequence of the work the RO undertook.

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.

HALL MEAD SCHOOL

(A Company Limited by Guarantee)

Governance Statement

For the year ended 31 August 2013

Review of Effectiveness

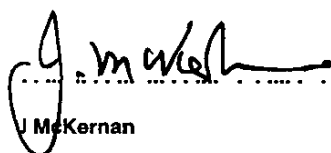
As Accounting Officer the Headteacher has responsibility for reviewing the effectiveness of the systems of internal control. During the year the review has been informed by

- the work of the Responsible Officer,
- the work of the External Auditor,
- the financial management and governance self-assessment process, and
- the work of the Senior Leadership Team who have responsibility for the development and maintenance of the control framework

The Accounting Officer found nothing to indicate any material failures or weaknesses from the work undertaken in the year on the effectiveness of systems of internal control

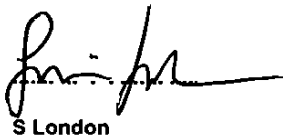
The Accounting Officer has been advised of the implications of the result of their review of the system of internal control, by the Finance and Audit Committee, and a plan to address weaknesses and ensure continuous improvement of the system is in place

Approved by order of the members of the board of Trustees on 12th December 2013 and signed on its behalf by



J McKernan

Chair of Trustees



S London

Accounting Officer

**HALL MEAD SCHOOL
(A Company Limited by Guarantee)**

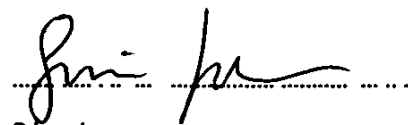
Statement on Regularity, Propriety and Compliance

For the year ended 31 August 2013

As accounting officer of Hall Mead School I have considered my responsibility to notify the Academy 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 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 board of Trustees are able to identify any material irregular or improper use of funds by the Academy, or material non-compliance with the terms and conditions of funding under the Academy's funding agreement and the Academies Financial Handbook.

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



S London

Accounting Officer

HALL MEAD SCHOOL (A Company Limited by Guarantee)

Statement of Trustees' Responsibilities

For the year ended 31 August 2013

The Trustees (who act as Governors of Hall Mead School and are also the Directors of the Charitable Company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Annual Accounts Direction 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 financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charitable Company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to

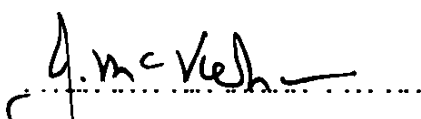
- select suitable accounting policies and then apply them consistently,
- observe the methods and principles in the Charities SORP,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material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

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

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

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

Approved by order of the members of the board of Trustees on 12th December 2013 and signed on its behalf by


J McKernan
Chair of Trustees

HALL MEAD SCHOOL

(A Company Limited by Guarantee)

Independent Auditor's Report to the members of Hall Mead School

For the year ended 31 August 2013

We have audited the financial statements of Hall Mead School for the year ended 31 August 2013 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2013 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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy and its Members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees (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 Trustees, and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Trustees' 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 2013, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Academies Accounts Direction 2013 issued by the Education Funding Agency.

Opinion on other matter prescribed by the Companies Act 2006

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

HALL MEAD SCHOOL
(A Company Limited by Guarantee)


Independent Auditor's Report to the members of Hall Mead School

For the year ended 31 August 2013

Matters on which we are required to report by exception

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

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



James Gare ACA DChA (Senior Statutory Auditor)
For and on behalf of
MHA MacIntyre Hudson
Chartered Accountants & Statutory Auditors

Boundary House
4 County Place
Chelmsford
Essex
CM2 0RE

20/12/13

HALL MEAD SCHOOL (A Company Limited by Guarantee)

Independent Reporting Accountant's Assurance Report on Regularity to Hall Mead School and the Education Funding Agency

For the year ended 31 August 2013

In accordance with the terms of our engagement letter dated 20 September 2013 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Hall Mead School during the period 1 September 2012 to 31 August 2013 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 Hall Mead School and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Hall Mead 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 Hall Mead School and the EFA for our work for this report or for the conclusion we have formed

Respective responsibilities of Hall Mead School's Accounting Officer and the Reporting Accountant

The Accounting Officer is responsible, under the requirements of Hall Mead School's funding agreement with the Secretary of State for Education dated 1 August 2011 and the Academies Financial Handbook, extant from 1 September 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 2013. 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 1 September 2012 to 31 August 2013 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2013 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.

The work undertaken to draw our conclusions includes

- reviewing the minutes of the meetings of the Governing Body and other evidence made available to us, relevant to our consideration of regularity
- a review of the objectives and activities of the Academy, with reference to the income streams and other information available to us as auditors of the Academy
- testing of a sample of payroll payments to staff
- testing of a sample of payments to suppliers and other third parties
- testing of a sample of grants received and other income streams
- evaluating the internal control procedures and reporting lines, and testing as appropriate

**HALL MEAD SCHOOL
(A Company Limited by Guarantee)**

Independent Reporting Accountant's Assurance Report on Regularity to Hall Mead School and the Education Funding Agency

For the year ended 31 August 2013

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 1 September 2012 to 31 August 2013 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them

MHA MacIntyre Hudson

MHA MacIntyre Hudson
Chartered Accountants & Statutory Auditors

Boundary House
4 County Place
Chelmsford
Essex
CM2 0RE

23/12/13

HALL MEAD SCHOOL **(A Company Limited by Guarantee)**

Statement of Financial Activities (Incorporating the Income and Expenditure Account and Statement of Total Realised Gains and Losses)

For the year ended 31 August 2013

	Note	Unrestricted Funds 2013 £	Restricted Pension Funds 2013 £	Restricted General Funds 2013 £	Restricted Fixed Asset Funds 2013 £	Total Funds 2013 £	Total Funds Period from 12 Jul 11 to 31 Aug 12 £
INCOMING RESOURCES							
Incoming resources from generated funds							
Voluntary income	2	29,232	-	-	-	29,232	29,996
Transfer from local authority on conversion	31	-	-	-	-	-	14,767,813
Activities for generating funds	3	54,379	-	-	-	54,379	212,618
Investment income	4	1,778	-	-	-	1,778	1,733
Incoming resources from charitable activities							
Funding for the Academy's educational operations	5	-	-	5,869,062	385,699	6,254,761	6,371,936
Other incoming resources from educational operations	6	17,724	-	208,409	-	226,133	113,948
TOTAL INCOMING RESOURCES		103,113	-	6,077,471	385,699	6,566,283	21,498,044
RESOURCES EXPENDED							
Costs of generating funds							
Transfer from local authority on conversion	31	-	-	-	-	-	759,000
Charitable activities							
Academy's educational operations	8	65,638	53,000	6,193,157	581,712	6,893,507	6,724,560
Governance costs	9	-	-	18,775	-	18,775	56,379
TOTAL RESOURCES EXPENDED		65,638	53,000	6,211,932	581,712	6,912,282	7,539,939
Net incoming / (outgoing) resources before transfers		37,475	(53,000)	(134,461)	(196,013)	(345,999)	13,958,105
Gross transfers between funds	16	-	-	(44,422)	44,422	-	-
Net income / (expenditure) for the year		37,475	(53,000)	(178,883)	(151,591)	(345,999)	13,958,105
OTHER RECOGNISED GAINS AND LOSSES							
Actuarial gains / (losses) on defined benefit pension schemes	16	-	75,000	-	-	75,000	(259,000)
NET MOVEMENT IN FUNDS		37,475	22,000	(178,883)	(151,591)	(270,999)	13,699,105
RECONCILIATION OF FUNDS							
Total funds brought forward at 1 September 2012	16	54,492	(1,025,000)	290,921	14,378,692	13,699,105	-
Total funds carried forward at 31 August 2013		91,967	(1,003,000)	112,038	14,227,101	13,428,106	13,699,105

All of the Academy's activities derive from continuing operations during the above two financial periods

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

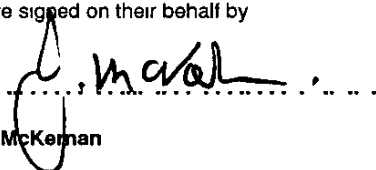
HALL MEAD SCHOOL **(A Company Limited by Guarantee)**

Balance Sheet

As at 31 August 2013

	Notes	£	2013 £	£	2012 £
FIXED ASSETS					
Tangible fixed assets	13		14,162,314		14,313,905
CURRENT ASSETS					
Debtors	14	78,286		43,396	
Cash at bank and in hand		583,285		709,522	
		<u>661,571</u>		<u>752,918</u>	
CURRENT LIABILITIES					
Creditors Amounts falling due within one year	15	(392,779)		(342,718)	
NET CURRENT ASSETS			<u>268,792</u>		<u>410,200</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>14,431,106</u>		<u>14,724,105</u>
Pension scheme liability	25		<u>(1,003,000)</u>		<u>(1,025,000)</u>
NET ASSETS INCLUDING PENSION LIABILITY			<u><u>13,428,106</u></u>		<u><u>13,699,105</u></u>
FUNDS OF THE ACADEMY					
RESTRICTED FUNDS					
Fixed asset fund(s)	16	14,227,101		14,378,692	
General fund(s)	16	112,038		290,921	
Pension reserves	16	(1,003,000)		(1,025,000)	
TOTAL RESTRICTED FUNDS			<u>13,336,139</u>		<u>13,644,613</u>
UNRESTRICTED FUNDS					
General fund(s)	16		<u>91,967</u>		<u>54,492</u>
			<u><u>13,428,106</u></u>		<u><u>13,699,105</u></u>

The financial statements on pages 20 to 37 were approved and authorised for issue by the Trustees on 12th December 2013 and are signed on their behalf by



J McKernan

Chair of Trustees

Company registration number: 07702119

HALL MEAD SCHOOL **(A Company Limited by Guarantee)**

Cash Flow Statement

For the year ended 31 August 2013

	Note	2013 £	2012 £
Net cash inflow / (outflow) from operating activities	20	(469,292)	718,726
Net cash inflow / (outflow) from returns on investment and servicing of finance	21	1,778	1,733
Net cash inflow / (outflow) from capital expenditure and financial investment	22	341,277	(10,937)
Increase / (decrease) in cash for the year		<u>(126,237)</u>	<u>709,522</u>
Reconciliation of net cash flow to movement in net funds			
Net funds at 1 September 2012		709,522	-
Net funds at 31 August 2013		<u>583,285</u>	<u>709,522</u>

All of the cash flows are derived from acquisitions in the current financial period

HALL MEAD SCHOOL

(A Company Limited by Guarantee)

Notes to the Financial Statements

For the year ended 31 August 2013

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.

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 Hall Mead School to the Academy have been valued at their depreciated replacement cost value being a reasonable estimate of the current market value that the Governors would expect to pay in an open market for an equivalent item. Their depreciated market cost value is in accordance with the accounting policies set out for Hall Mead School. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in voluntary income as net income in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

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

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.

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

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 and it is measurable.

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.

HALL MEAD SCHOOL (A Company Limited by Guarantee)

Notes to the Financial Statements

For the year ended 31 August 2013

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 Trustee's meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

Tangible Fixed Assets

Assets costing £250 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'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:

Freehold buildings	50 years
Furniture and equipment	5 years
Computer equipment	3 years
Motor vehicles	10 years

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

Leased Assets

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

Taxation

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

HALL MEAD SCHOOL **(A Company Limited by Guarantee)**

Notes to the Financial Statements

For the year ended 31 August 2013

Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 25, 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 Trustees.

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

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

2 Voluntary Income

	Unrestricted Funds 2013 £	Restricted Pension Funds 2013 £	Restricted General Funds 2013 £	Restricted Fixed Asset Funds 2013 £	Total 2013 £	Total 2012 £
Donations	29,232	-	-	-	29,232	29,996
	29,232	-	-	-	29,232	29,996

HALL MEAD SCHOOL **(A Company Limited by Guarantee)**

Notes to the Financial Statements

For the year ended 31 August 2013

3. Activities for Generating Funds

	Unrestricted Funds 2013 £	Restricted Pension Funds 2013 £	Restricted General Funds 2013 £	Restricted Fixed Asset Funds 2013 £	Total 2013 £	Total 2012 £
Hire of facilities	14,433	-	-	-	14,433	14,053
Other income from activities	39,946	-	-	-	39,946	198,565
	54,379	-	-	-	54,379	212,618

4 Investment Income

	Unrestricted Funds 2013 £	Restricted Pension Funds 2013 £	Restricted General Funds 2013 £	Restricted Fixed Asset Funds 2013 £	Total 2013 £	Total 2012 £
Interest	1,778	-	-	-	1,778	1,733
	1,778	-	-	-	1,778	1,733

5. Funding for Academy's Educational Operations

	Unrestricted Funds 2013 £	Restricted Pension Funds 2013 £	Restricted General Funds 2013 £	Restricted Fixed Asset Funds 2013 £	Total 2013 £	Total 2012 £
DfE / EFA revenue grants						
General Annual Grant (GAG)	-	-	5,511,112	-	5,511,112	5,905,226
Special Educational needs funding	-	-	127,084	-	127,084	-
Pupil Premium funding	-	-	70,886	-	70,886	27,321
Other DfE / EFA revenue grants	-	-	27,900	-	27,900	108,959
	-	-	5,736,982	-	5,736,982	6,066,341
DfE / EFA capital grants						
DfE / EFA capital grants	-	-	-	385,699	385,699	-
	-	-	-	385,699	385,699	-
Other government grants						
Local authority capital grants	-	-	-	-	-	20,301
	-	-	-	-	-	20,301
Other income						
Other grants and payments received	-	-	132,080	-	132,080	285,294
	-	-	132,080	-	132,080	285,294
	-	-	5,869,062	385,699	6,254,761	6,371,936

HALL MEAD SCHOOL **(A Company Limited by Guarantee)**

Notes to the Financial Statements

For the year ended 31 August 2013

6 Other Incoming Resources from Educational Operations

	Unrestricted Funds 2013 £	Restricted Pension Funds 2013 £	Restricted General Funds 2013 £	Restricted Fixed Asset Funds 2013 £	Total 2013 £	Total 2012 £
Contributions towards school trips	-	-	206,609	-	206,609	94,762
Contributions towards clubs and educational activities	17,724	-	-	-	17,724	19,186
Other incoming resources	-	-	1,800	-	1,800	-
	17,724	-	208,409	-	226,133	113,948

7. Resources Expended

	Staff Costs 2013 £	Non Pay Expenditure Premises Costs 2013 £	Other Costs 2013 £	Total 2013 £	Total 2012 £
Academy's educational operations					
Direct costs	4,303,612	-	551,651	4,855,263	4,982,204
Allocated support costs	826,275	921,005	290,964	2,038,244	1,742,356
	5,129,887	921,005	842,615	6,893,507	6,724,560
Governance costs including allocated support costs	-	-	18,775	18,775	56,379
	5,129,887	921,005	861,390	6,912,282	6,780,939

(Incoming) / outgoing resources for the year include

	2013 £	2012 £
Depreciation	196,013	234,243
Fees payable to auditors		
Audit	11,754	8,250

HALL MEAD SCHOOL **(A Company Limited by Guarantee)**

Notes to the Financial Statements

For the year ended 31 August 2013

8 Charitable Activities - Academy's Educational Operations

	Unrestricted Funds 2013 £	Restricted Pension Funds 2013 £	Restricted General Funds 2013 £	Restricted Fixed Asset Funds 2013 £	Total 2013 £	Total 2012 £
Direct costs						
Teaching and educational support staff costs	-	-	4,303,612	-	4,303,612	4,556,100
Educational supplies	34,539	-	164,819	-	199,358	157,553
Educational visits	-	-	206,493	-	206,493	95,226
Examination fees	-	-	71,487	-	71,487	79,287
Staff development and training	-	-	26,924	-	26,924	48,834
Educational consultancy	-	-	6,792	-	6,792	4,050
Travel and subsistence	6,015	-	1,025	-	7,040	8,690
Other direct costs	17,724	-	15,833	-	33,557	32,464
	58,278	-	4,796,985	-	4,855,263	4,982,204
Allocated support costs						
Support staff costs	-	53,000	773,275	-	826,275	794,332
Depreciation	-	-	-	196,013	196,013	234,243
Recruitment and support	-	-	2,567	-	2,567	630
Maintenance of premises and equipment	7,360	-	220,442	385,699	613,501	121,470
Cleaning	-	-	21,318	-	21,318	22,817
Rent and rates	-	-	7,629	-	7,629	-
Energy	-	-	77,612	-	77,612	67,982
Water and sewerage	-	-	9,103	-	9,103	9,232
Security and transport	-	-	3,939	-	3,939	4,024
Catering	-	-	22,609	-	22,609	20,934
Technology costs	-	-	35,578	-	35,578	37,866
Bank interest and charges	-	-	762	-	762	28
Travel and subsistence	-	-	4,342	-	4,342	1,938
Other support costs	-	-	216,996	-	216,996	426,860
	7,360	53,000	1,396,172	581,712	2,038,244	1,742,356
	65,638	53,000	6,193,157	581,712	6,893,507	6,724,560

HALL MEAD SCHOOL **(A Company Limited by Guarantee)**

Notes to the Financial Statements

For the year ended 31 August 2013

9 Governance Costs

	Unrestricted Funds 2013 £	Restricted Pension Funds 2013 £	Restricted General Funds 2013 £	Restricted Fixed Asset Funds 2013 £	Total 2013 £	Total 2012 £
Legal and professional fees	-	-	980	-	980	40,929
Audit	-	-	11,754	-	11,754	8,250
Support costs	-	-	6,041	-	6,041	7,200
	-	-	18,775	-	18,775	56,379

10 Staff Costs

	2013 £	2012 £
Wages and salaries	4,138,913	4,311,197
Social security costs	310,429	323,251
Pension costs	614,951	567,459
	5,064,293	5,201,907
Supply teacher costs	65,594	148,525
	5,129,887	5,350,432

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

	2013 No	2012 No
Charitable Activities		
Teachers	60	62
Administration and support	58	52
Management	7	6
	125	120

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

	2013 No.	2012 No
£60,001 - £70,000	1	1
£70,001 - £80,000	3	3
£90,001 - £100,000	1	1
	5	5

Five of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2013, pension contributions for these staff amounted to £53,000 (2012: £57,000)

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Notes to the Financial Statements

For the year ended 31 August 2013

11. Related Party Transactions - Trustees' Remuneration & Expenses

The Headteacher and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of the 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 in respect of their role as Trustees. **The value of Trustees' remuneration including employers pension contributions was as follows**

	2013 £	2012 £
Mr S London	105,000-110,000	105,000 - 110,000
Victoria Hallett	50,000 - 55,000	45,000 - 50,000
Jemma Dockrill	45,000 - 50,000	40,000 - 45,000
Margaret Drew	15,000 - 20,000	15,000 - 20,000

During the year ended 31 August 2013, £1,684 was reimbursed to Trustees where they had purchased educational supplies on behalf of the school, no travel and subsistence expenses were reimbursed to Trustees (2012 £0)

Other related party transactions involving the Trustees are set out in Note 26

12. Trustees' and Officers' Insurance

In accordance with normal commercial practice the Academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £1,000,000 on any one claim and the cost for the year ended 31 August 2013 was £660 (2012 £759)

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

13 Tangible Fixed Assets

	Freehold Land and Buildings £	Leasehold Land and Buildings £	Furniture and Equipment £	Computer Equipment £	Motor Vehicles £	Total 2013 £
Cost						
At 1 September 2012	14,425,000	-	56,961	38,187	28,000	14,548,148
Additions	-	-	15,157	29,265	-	44,422
At 31 August 2013	14,425,000	-	72,118	67,452	28,000	14,592,570
Depreciation						
At 1 September 2012	170,625	-	38,975	19,285	5,358	234,243
Charged in the year	157,500	-	15,740	17,828	4,945	196,013
At 31 August 2013	328,125	-	54,715	37,113	10,303	430,256
Net book values						
At 31 August 2012	14,254,375	-	17,986	18,902	22,642	14,313,905
At 31 August 2013	14,096,875	-	17,403	30,339	17,697	14,162,314

The freehold property was professionally valued at conversion to Academy status by Hilbery Chaplin

HALL MEAD SCHOOL **(A Company Limited by Guarantee)**

Notes to the Financial Statements

For the year ended 31 August 2013

14. Debtors

	2013 £	2012 £
Amounts due within one year		
Trade debtors	30,518	393
Prepayments and accrued income	41,754	12,089
VAT recoverable	6,014	13,516
Other debtors	-	17,398
	78,286	43,396

15 Creditors Amounts Falling due within one Year

	2013 £	2012 £
Trade creditors	1,565	-
Accruals and deferred income	223,688	177,407
Taxation and social security	167,526	165,311
	392,779	342,718
Deferred income		
Deferred income at 1 September 2012	158,076	-
Resources deferred in the year	125,600	158,076
Amounts released from previous years	(158,076)	-
Deferred income at 31 August 2013	125,600	158,076

At the balance sheet date the Academy was holding funds received in advance of the 2013/14 financial year in respect of rates relief funding and parental contributions to trips and clubs

16 Funds

	Balance at 01 Sep 12 £	Incoming Resources £	Resources Expended £	Transfers £	Other recognised gains and losses £	Balance at 31 Aug 13 £
Restricted general funds						
General Annual Grant (GAG)	-	5,511,112	(5,656,321)	145,209	-	-
Special Educational Needs funding	-	127,084	(127,084)	-	-	-
Pupil Premium funding	-	70,886	(51,573)	-	-	19,313
Other DfE / EFA revenue grants	290,921	27,900	(226,096)	-	-	92,725
Other activities	-	340,489	(340,489)	-	-	-
	290,921	6,077,471	(6,401,563)	145,209	-	112,038
Restricted pension funds						
Pension reserve	(1,025,000)	-	(53,000)	-	75,000	(1,003,000)
	(1,025,000)	-	(53,000)	-	75,000	(1,003,000)
Restricted fixed asset funds						
Fixed Assets Purchased	14,313,905	-	(196,013)	44,422	-	14,162,314
DfE / EFA capital grants	64,787	385,699	(385,699)	-	-	64,787
	14,378,692	385,699	(581,712)	44,422	-	14,227,101
Total restricted funds	13,644,613	6,463,170	(7,036,275)	189,631	75,000	13,336,139
Unrestricted funds						
Unrestricted funds	54,492	103,113	(65,638)	-	-	91,967
Total unrestricted funds	54,492	103,113	(65,638)	-	-	91,967
Total funds	13,699,105	6,566,283	(7,101,913)	189,631	75,000	13,428,106

HALL MEAD SCHOOL (A Company Limited by Guarantee)

Notes to the Financial Statements

For the year ended 31 August 2013

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

Restricted general funds

These grants relate to the Academy's development and operational activities

Restricted pension funds

These funds represent the LGPS obligation to the employees of the Academy

Restricted fixed asset fund

These grants relate to capital funding to carry out works of a capital nature

Unrestricted reserve

These funds relate to unrestricted income to be used to support the Academy's objectives and educational activities

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

17 Analysis of Net Assets between Funds

Fund balances at 31 August 2013 are represented by

	Unrestricted Funds 2013 £	Restricted Pension Funds 2013 £	Restricted General Funds 2013 £	Restricted Fixed Asset Funds 2013 £	Total Funds 2013 £
Fixed assets	-	-	-	14,162,314	14,162,314
Current assets	91,967	-	504,817	64,787	661,571
Current liabilities	-	-	(392,779)	-	(392,779)
Pension scheme liability	-	(1,003,000)	-	-	(1,003,000)
	<u>91,967</u>	<u>(1,003,000)</u>	<u>112,038</u>	<u>14,227,101</u>	<u>13,428,106</u>

18 Capital Commitments

	2013 £	2012 £
Contracted for, but not recognised in the financial statements,		
Tangible fixed assets	191,770	-
	<u>191,770</u>	<u>-</u>

19. Financial Commitments

Operating Leases

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

	2013 £	2012 £
Other		
Expiring in over five years	73,500	73,500
	<u>73,500</u>	<u>73,500</u>

HALL MEAD SCHOOL

(A Company Limited by Guarantee)

Notes to the Financial Statements

For the year ended 31 August 2013

20 Reconciliation of net incoming resources before transfers to net cash inflow from operating activities

	2013 £	2012 £
Net income	(345,999)	13,958,105
Fixed assets transferred on conversion	-	(14,537,211)
Pension liability transferred on conversion	-	759,000
Depreciation	196,013	234,243
Capital grants from DfE and other capital income	(385,699)	-
Interest receivable (Note 4)	(1,778)	(1,733)
FRS 17 pension cost less contributions payable (Note 25)	20,000	(24,000)
FRS 17 pension finance income (Note 25)	33,000	31,000
(Increase) / decrease in debtors	(34,890)	(43,396)
Increase / (decrease) in creditors	50,061	342,718
Net Cash Inflow / (Outflow) from Operating Activities	(469,292)	718,726

21 Returns on Investments and Servicing of Finance

	2013 £	2012 £
Interest receivable (Note 4)	1,778	1,733
Net Cash Inflow / (Outflow) from Returns on Investments and Servicing of Finance	1,778	1,733

22. Capital Expenditure and Financial Investment

	2013 £	2012 £
Purchase of tangible fixed assets	(44,422)	(10,937)
Capital grants from DfE / EFA	385,699	-
Net Cash (Outflow) / Inflow from Capital Expenditure and Financial Investment	341,277	(10,937)

23 Analysis of Changes in Net Funds

	Balance at 01 Sep 12 £	Cash flows £	Balance at 31 Aug 13 £
Cash in hand and at bank	709,522	(126,237)	583,285
	709,522	(126,237)	583,285

24 Members' Liability

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

HALL MEAD SCHOOL

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Notes to the Financial Statements

For the year ended 31 August 2013

25 Pension and similar obligations

The Academy's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff, and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by London Borough of Havering. 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 2004 and of the LGPS 31 March 2010.

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

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme ("TPS") is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations 2010. These regulations apply to teachers in schools that are maintained by local authorities and other educational establishments, including academies, in England and Wales. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and from 1 January 2007 automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

The Teacher's Pension Budgeting and Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a "pay-as-you-go" basis - these contributions along with those made by employers are credited to the Exchequer under arrangements governed by the above Act.

The Teachers' 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, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

Valuation of the Teachers Pension Scheme

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

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

Actuarial scheme valuations are dependent on assumptions about the value of future costs, the design of benefits and many other factors. Many of these assumptions are being considered as part of the work on the reformed TPS, as set out below. Scheme valuations therefore remain suspended. The Public Service Pensions Bill, which is being debated in the House of Commons, provides for future scheme valuations to be conducted in accordance with Treasury directions. The timing for the next valuation has still to be determined, but it is likely to be before the reformed schemes are introduced in 2015.

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Notes to the Financial Statements

For the year ended 31 August 2013

Teachers' Pension Scheme Changes

Lord Hutton published his final report in March 2011 and made recommendations about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation and Ministers engaged in extensive discussions with trade unions and other representative bodies on reform of the TPS. Those discussions concluded on 9 March 2012 and the Department published a Proposed Final Agreement, setting out the design for a reformed TPS to be implemented from 1 April 2015.

The key provisions of the reformed scheme include a pension based on career average earnings, 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. Importantly, pension benefits built up before 1 April 2015 will be fully protected.

In addition, the Proposed Final Agreement includes a Government commitment that those within 10 years of Normal Pension Age on 1 April 2012 will see no change to the age in which they can retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall just outside of the 10 year protection.

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

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

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the period ended 31 August 2013 was £216,703, of which employer's contributions totalled £161,413 and employees' contributions totalled £55,290. The agreed contribution rates for future years are 25.6% for employers and employees' contributions are dependent on the level of their full-time equivalent salary ranging from 5.5% to 12.0%.

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

Principal Actuarial Assumptions

	At 31 August 2013	At 31 August 2012
Rate of increase in salaries	4.60%	4.00%
Discount rate for scheme liabilities	4.60%	4.10%
Expected return on scheme assets	6.00%	4.80%
Inflation assumption (CPI)	2.80%	2.20%

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

	At 31 August 2013	At 31 August 2012
<i>Retiring today</i>		
Males	21.9	21.9
Females	24.6	24.6
<i>Retiring in 20 years</i>		
Males	23.8	23.8
Females	26.5	26.5

HALL MEAD SCHOOL **(A Company Limited by Guarantee)**

Notes to the Financial Statements

For the year ended 31 August 2013

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

	Expected return at 31 August 2013 %	Fair value at 31 August 2013 £	Expected return at 31 August 2012 %	Fair value at 31 August 2012 £
Equities	6.60%	1,174,000	5.50%	758,000
Other bonds	4.00%	337,000	3.40%	314,000
Property	4.70%	80,000	3.70%	70,000
Cash	3.60%	16,000	2.80%	23,000
Total market value of assets		1,607,000		1,165,000
Present value of scheme liabilities				
Funded		(2,610,000)		(2,190,000)
Surplus / (deficit) in the scheme		(1,003,000)		(1,025,000)

The actual return on scheme assets was £442,000 (2012 £295,000)

Amounts recognised in the Statement of Financial Activities

	2013 £	2012 £
Current service cost (net of employee contribution)	209,000	174,000
Total operating charge	209,000	174,000

Analysis of pension finance income / (costs)

Expected return on pension scheme assets	62,000	67,000
Interest on pension liabilities	(95,000)	(98,000)
Pension finance income / (costs)	(33,000)	(31,000)

The actuarial gains and losses for the current year are recognised in the Statement of Financial Activities. The cumulative amount of actuarial gains and losses recognised in the Statement of Financial Activities since the adoption of FRS 17 is a £75,000 loss (2012 £259,000 loss)

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

	2013 £	2012 £
Opening present value of scheme obligations at 1 September 2012	2,190,000	1,629,000
Current service cost	209,000	174,000
Interest cost	95,000	98,000
Actuarial (gain) / loss	61,000	235,000
Employee contributions	55,000	54,000
Closing present value of scheme obligations at 31 August 2013	2,610,000	2,190,000

HALL MEAD SCHOOL

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Notes to the Financial Statements

For the year ended 31 August 2013

Movements in the fair value of academy's share of scheme assets	2013 £	2012 £
Opening fair value of scheme assets at 1 September 2012	1,165,000	870,000
Expected return on scheme assets	62,000	67,000
Actuarial gain / (loss)	136,000	(24,000)
Employer contributions	189,000	198,000
Employee contributions	55,000	54,000
Closing fair value of scheme assets at 31 August 2013	1,607,000	1,165,000

The estimated value of employer contributions for the year ended 31 August 2014 is £194,000

Reconciliation of opening to closing deficit / (surplus)	2013 £	2012 £
Opening balance at 1 September 2012	1,025,000	759,000
Current service cost	209,000	174,000
Employer contributions	(189,000)	(198,000)
Other finance income	33,000	31,000
Actuarial loss/(gain)	(75,000)	259,000
Closing balance at 31 August 2013	1,003,000	1,025,000

The two-year history of experience adjustments is as follows

	2013 £	2012 £
Present value of defined benefit obligations	(2,610,000)	(2,190,000)
Fair value of share of scheme assets	1,607,000	1,165,000
Deficit in the scheme	(1,003,000)	(1,025,000)
	£	£
Experience adjustments on share of scheme assets		
Amount	136,000	(24,000)

26 Related Party Transactions

Owing to the nature of the Academy'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 a Trustee has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy's financial regulations and normal procurement procedures.

The following related party transactions took place in the period of account:

Davenport Services Limited - a company in which S Lister, a Trustee, has an interest. Transactions totalling £248, relating to the purchase of confidential waste disposal services from Davenport Services Limited that took place in the year. There were no amounts outstanding at 31 August 2013.

27 Ultimate controlling party

There is no ultimate controlling party.

28 Company limited by guarantee

The Academy is a company limited by guarantee and does not have share capital.