



REGISTERED NUMBER: 07939747

Registrar's  
Copy

# **Hungerhill Academy Trust**

(A Company Limited by Guarantee)

## **Annual Report and Financial Statements**

**31 August 2013**



**Smailes Goldie**

Chartered Accountants

 **UK200Group**  
independent quality assured professionals

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## **Hungerhill Academy Trust** **(Registered number: 07939747)**

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# Hungerhill Academy Trust

## Reference and Administrative Details

		Appointed
<b>Governors (Trustees)</b>	M Bates <sup>(i)(ii)(iii)(iv)</sup>	07 02 2012
	S Betts <sup>(ii)</sup>	01 03 2012
	T Brown <sup>(i)</sup>	01 03 2012
	N Burne <sup>(i)(ii)(iii)(iv)</sup>	01 03 2012
	J Fletcher <sup>(iv)</sup>	01 03 2012
	R Kiddle <sup>(ii)</sup>	07 02 2012
	T Ladley <sup>(iii)</sup>	01 03 2012
	E Laud <sup>(i)(ii)(iii)(iv)</sup>	07 02 2012
	J McGlone <sup>(ii)(iv)</sup>	01 03 2012
	A Monk <sup>(iv)</sup>	01 03 2012
	C Palmer	01 03 2012
	H Redford-Hernandez <sup>(i)(ii)(iii)(iv)</sup>	01 09 2013
	A Robinson <sup>(iii)(iv)</sup>	01 03 2012
	S Stone <sup>(iii)(iv)</sup>	01 03 2012
	W Sumner	27 09 2012
	M Wraith	29 11 2012
	R Young <sup>(i)(ii)(iv)</sup>	07 02 2012
	G Wakeling <sup>(i)(ii)(iii)(iv)</sup>	resigned 31 08 2013
	C Baxter	term of office ended 23 09 2012

- (i) member of the Finance and Resources committee
- (ii) member of the Teaching, Learning and Performance committee
- (iii) member of the Human Resources committee
- (iv) member of the Student Welfare committee including Educational Visits and School Admissions sub committees

**Accounting Officer:** G Wakeling (resigned 31 08 2013)  
H Redford-Hernandez (appointed 01 09 2013)

**Company Secretary:** S Williams-McGlone (appointed 07 02 2012)

### Senior Leadership Team

Executive Headteacher	H Redford-Hernandez
Associate Headteacher	K Stephenson
Business Manager	S Williams-McGlone
Assistant Headteacher	S Crossley
Assistant Headteacher	P Allman
Assistant Headteacher	L Pond
Assistant Headteacher	J Rivers
Clerk to the Governors	C Keogan

**Company Registration Number:** 07939747 (England and Wales)

### Registered Office

Hungerhill Lane  
Edenthorpe  
Doncaster  
South Yorkshire  
DN3 2JY

### Independent Auditor.

Smailes Goldie  
Regent's Court  
Princess Street  
Hull  
HU2 8BA

### Bankers:

Barclays Bank plc  
Barclays Corporate Banking  
2nd Floor  
1 St Paul's Place  
121 Norfolk Street  
Sheffield  
S1 2JW

### Solicitors.

Wrigleys Solicitors LLP  
19 Cookridge Street  
Leeds  
LS2 3AG

# **Hungerhill Academy Trust (Registered number: 07939747)**

## **Governors' Report**

*31 August 2013*

The governors present their annual report together with the financial statements and auditors' reports of the charitable company for the year ended 31 August 2013

### **Structure, Governance and Management**

#### **Constitution**

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

The governors act as the trustees for the charitable activities of Hungerhill Academy Trust and are also the directors of the charitable company for the purposes of company law. The charitable company is known as Hungerhill Academy Trust operating as Hungerhill School.

Details of the governors who served throughout the period are included in the Reference and Administrative Details on page 1. In addition K A Flanagan was appointed on 26 September 2013 and C Palmer resigned his position as governor with immediate effect.

#### **Members' liability**

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

#### **Governors' Indemnities**

In accordance with normal commercial practice the Academy Trust has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £1,000,000 on any one claim and the cost for the year ended 31 August 2013 was £659 (2012 £329).

#### **Principal activities**

The principal activity of the Charitable Company is the operation of Hungerhill School to provide a broad and balanced education for pupils of different abilities between the ages of 11 and 16 who mainly live in the area in which the school is situated and to prepare them for transition on to further education, training or work. The school has an excellent reputation in the community which has resulted in it being over-subscribed.

#### **Method of recruitment and appointment or elections of governors**

In accordance with the articles of association the governors are appointed as follows

- a The Members may appoint up to 7 parent governors, 3 staff governors and 9 community governors
- b Staff governors are appointed through any process they may determine, including by a suitable election process. The total number of governors (including the Head) who are employees of the Academy Trust shall not exceed one third of the total number of governors.
- c The Head shall be treated for all purposes as being an ex officio governor.
- d The parent governors shall be elected in a secret ballot by parents of registered pupils at the academy. Where a vacancy for a parent governor is to be filled by election, the governing body takes such steps as are reasonably practical to secure that every person who is known to them to be a parent of a registered pupil is informed of the vacancy and that he is entitled to stand as a candidate, and vote at the election, and be given an opportunity to do so. If it is not practical to fill the vacancy by a parent of a registered pupil at the Academy, the members may appoint a person who is the parent of a child of compulsory school age.

# **Hungerhill Academy Trust (Registered number: 07939747)**

## **Governors' Report**

*31 August 2013*

### **Policies and procedures adopted for the induction and training of governors**

All governors, on appointment receive a 'Governor's Year Plan' which outlines the role of a governor, the structure of the governing body, the composition and remit of each committee, a calendar of meetings, the structure of the senior leadership team and on line links to further training. Each new governor then meets with the Chair and Headteacher, is given a tour of the school and an outline of the work of the governing body. A skills audit is undertaken and the governor is asked to consider the committees to which s/he is able to make a contribution. In addition induction training is offered by the Local Authority and each new governor is strongly advised to attend.

Training for existing governors is provided on a 'bespoke' basis. Each meeting of the full board is preceded by a training session on a topic identified by the governors themselves. For example, topics covered during 2012-13 include the new Ofsted framework, the school development plan, teaching and learning and careers information guidance. In addition annual training is provided on value added analysis of a school's examination results. Governors have also attended child protection training and other staff training activities. The Local Authority also provides Governor Forums - termly update sessions which are well attended by the governors of the school.

### **Organisational structure**

The governors are responsible for establishing the strategic direction, setting general policy, approving and adopting a three year and annual development plan, setting and monitoring the budget, approving capital expenditure and staff appointments above a defined level.

The Senior Leadership Team (SLT) consists of the Executive Headteacher, two Associate Headteachers, the Business Manager, four Assistant Headteachers and the Clerk to the Governors. This is a temporary structure to be reviewed for September 2013. The SLT meet twice weekly, one meeting to focus upon strategic issues and the other operational issues. Each member of the SLT has direct line management and project management responsibilities, linked to curriculum areas, pupil support areas, administrative and support staff.

The Executive Headteacher and Associate Headteachers meet with the Chair and Vice Chair of Governors weekly.

The Executive Headteacher attends all governor committee meetings and the Business Manager attends all Full Board, all Finance and Resources and other committee meetings as Company Secretary. The Executive Headteacher's PA clerks all governor meetings.

Day-to-day management is delegated to the Executive and Associate Headteachers. All strategic decisions are delegated to the SLT and all staff appointments are ratified by the governors. The Executive Headteacher is the Accounting Officer.

### **Risk management**

The governors have assessed the major risks to which the Academy Trust is exposed and produced a risk register. The risks relate in particular to teaching and learning, provision of facilities, variations to income, financial management, the health and safety of students and employees, and asset management. Systems, operational procedures and internal financial controls have been established and are regularly reviewed and updated in order to minimise risk. Where significant financial risk still remains, they have ensured they have adequate insurance cover. The Academy has an effective system of internal controls and this is explained in more detail in the Governance Statement.

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# **Hungerhill Academy Trust (Registered number: 07939747)**

## **Governors' Report**

*31 August 2013*

### **Connected organisations including related party relationships**

Hungerhill Academy Trust is an Associate Member of the Brighter Futures Learning Partnership Trust which is an educational charitable trust established on 4 February 2010 consisting of Barnby Dun Primary Academy, Canon Popham (Voluntary Aided) Church of England School, Dunsville Primary School, Kirk Sandall Infant School, Kirk Sandall Junior School, the 'BEAK' Sure Start Children's Centre, John Leggott College, Doncaster Rovers Football Club and RDASH Edenthorpe Hall Primary School also joined the Brighter Futures Learning Partnership Trust on 18 March 2013 as an Associate Member

## **Objectives and Activities**

### **Objects and aims**

The objectives of the Academy Trust, as set out in the Articles of Association are

- 1 To advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum ("the Academy")
- 2 Promoting for the benefit of the inhabitants of Edenthorpe and the surrounding area the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of life of the said inhabitants

The core purpose of the Academy Trust is to help young people to cope with the difficult task of growing up in today's society and to prepare themselves for adult life in a rapidly changing world. It is important to the school that all of our students are valued as unique individuals and are given every opportunity to fulfil their potential. Every person has talents and it is the job of the school to help youngsters to discover and nurture these talents.

The pursuit of excellence is important for everyone at the school and it is totally committed to achieving the highest quality in all areas. High expectations lead to high standards, not only in academic performance but in all other areas of school life.

The success of Hungerhill School has been based on students, parents, governors and staff working together in partnership. In summary, it is a learning partnership dedicated to achieving the best education possible.

# **Hungerhill Academy Trust (Registered number: 07939747)**

## **Governors' Report**

*31 August 2013*

### **Objectives, strategies and activities**

The school's aims are

- to develop the potential of all students - their knowledge, skills and understanding - through an appropriate and relevant curriculum incorporating legal requirements,
- to use methods of learning and teaching which meet individual needs, develop feelings of confidence, bring success and maximise students' standards of achievement,
- to foster a caring, well-behaved community where pupils
  - are well behaved and self-disciplined
  - feel they belong and are valued, are happy and emotionally secure, so that they are able to explore their feelings within a positive environment
  - value their own health and wellbeing
  - learn co-operation, tolerance and mutual respect and involve themselves fully in the life of the community
- to strive for quality and excellence in all aspects of school life,
- to provide clean, stimulating and safe surroundings which enhance learning and foster respect for the environment,
- to encourage a positive and active partnership with parents and the wider community

More detailed information on the Academy's main objectives for the year can be found in the development plan, which is divided in to the following key areas

- achievement in the core subjects
- teaching and learning
- learning support
- leadership capacity
- strategic direction

### **Public benefit**

In setting objectives and planning activities the Governing Body has given careful consideration to the Charity Commission's Guidance on exercising its powers and duties. The achievement and performance of the Academy in the period provides clear evidence that it is meeting its obligations as a charity to deliver public benefit.

The admissions policy ensures that members of the surrounding community benefit from Academy activities as children residing in the catchment area are given highest priority, followed by other children at partner Trust schools. Children with statements of special educational needs and those who are in care are always admitted, as required by law.

In addition the facilities of the academy are made available for community and public use outside school hours, at weekends and in school holidays.

# **Hungerhill Academy Trust (Registered number: 07939747)**

## **Governors' Report**

*31 August 2013*

### **Achievements and Performance**

It has been an excellent year for achievement and performance, with almost all targets set by the governors being met. 73% of students achieved 5+A\*-C including English and mathematics (highest 25% of similar schools in the country), 84% achieved C+ in mathematics (highest 5% of schools in the country) and 75% achieved C+ in English (highest 25% in the country). 47% of students achieved at least 3 GCSE grades at A\* or A. The inclusive nature of the school is shown by the fact that only 4 students out of 224 failed to achieve at least 5 GCSE's at A\*-C. Value added measures of pupil progress show the Academy to be one of the highest performing schools in Yorkshire and Humberside, with students who have special educational needs making particularly strong progress.

Attendance also improved this year to above 96.0%, which is a record high and well into the highest 10% of secondary schools in the country.

Almost all students progress into further education or training, with less than 2% each year not going into education, employment or training (NEET).

Grants received from the DfE such as pupil premium have been targeted to have maximum impact on those students intended. As a result the achievement of these specific groups has improved at a faster rate than others in the school.

In October 2012 the Academy was inspected by Ofsted and was awarded 'outstanding' status in all areas. It was the first secondary school in Yorkshire and Humberside to receive this grading using the new Ofsted framework and only the sixth secondary school in the country.

### **Going concern**

After making appropriate enquiries, the governing body has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies.



# **Hungerhill Academy Trust (Registered number: 07939747)**

## **Governors' Report**

*31 August 2013*

### **Key financial performance indicators**

The Academy Trust uses the following key financial performance indicators

- pupil numbers on school roll remain above 1,120,
- employee salary costs to General Annual Grant is below 80%,
- maintaining a level of £850,000, including free reserves, for a major school building project

For the period to 31 August 2013

- the Academy Trust achieved a school roll of 1,135
- the percentage of employee salary costs to General Annual Grant was 78%

At 31 August 2013 the Academy Trust had free reserves of £1,060,813

### **Financial Review**

During the year under review the Academy Trust's incoming resources totalled £6,938,279 of which £373,910 related to restricted fixed assets, £6,513,155 related to restricted general funds and £51,214 related to unrestricted funds

The restricted fixed assets income of £373,910 consisted entirely of capital grants

Most of the Academy Trust's restricted general fund income is obtained from the DfE in the form of recurrent grants, the use of which is restricted to particular purposes

The Academy Trust also generated £51,214 from its non-core activities as detailed in notes 3 and 4

The Academy Trust's resources expended totalled £6,270,966 and of this £6,196,099 was directly expended to support the Academy Trust's key objectives with a further £60,115 being spent on governance costs

The Academy Trust also expended £14,752 on its non-core activities

# **Hungerhill Academy Trust (Registered number: 07939747)**

## **Governors' Report**

*31 August 2013*

### **Financial and risk management objectives and policies**

As noted in the risk management section above the governors have introduced systems and internal financial controls in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover. The Academy has an effective system of internal financial controls and this is explained in more detail in the following statement.

The Members and Governors have reviewed current examples of best practice and have

- set policies on internal controls which cover the following
  - the type of risk 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
- clarified the responsibility of the senior leadership team to implement the governors' policies and to identify and evaluate risks for the governors' consideration,
- explained to employees that they have responsibility for internal control as part of their accountability for achieving objectives,
- embedded the control system in the Academy's operations so that it becomes part of the culture of the Academy,
- developed systems to respond quickly to evolving risks arising from factors within the Academy and to changes in the external environments, and
- included procedures for reporting failing immediately to appropriate levels of management and the governors together with details of corrective action being taken.

# **Hungerhill Academy Trust (Registered number: 07939747)**

## **Governors' Report**

*31 August 2013*

### **Principal risks and uncertainties**

The principal risks and uncertainties affecting the Academy include the following

**Income risk** The Academy Trust is currently over-subscribed with the maximum pupils the school buildings can accommodate. It is important the Academy maintains the current number of pupils to sustain the level of expenditure the Academy Trust is committed to.

**Pension funding risk** The Local Government Pension Scheme is currently £1,747,000 in deficit and changes each year, although the deficit will only crystallise if the school became unable to service its commitments. An actuarial review is due as at March 2013.

**Major disruption/disaster** the Academy has contingency plans which it reviews regularly.

**Legislation** the Academy monitors current and forthcoming legislation regularly. The Academy not only seeks to ensure ongoing compliance but strives to ensure that it incorporates best practice.

**Litigation** the Academy may be subject to litigation from time to time. The outcome of legal action is always uncertain and there is always the risk that it may prove more costly and time consuming than expected. There is a risk that litigation could be instigated in the future which could materially impact the Academy. The Academy endeavours to maintain adequate insurance levels for all appropriate insurable risks.

### **Reserves policy**

The governors review the reserve levels of the Academy Trust annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The educational obligations that the Academy Trust has on a day-to-day basis are funded from its restricted reserves that were provided for this purpose. The governors need to ensure that the Academy Trust has sufficient working capital to cover delays between spending and receipts of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. The governors have determined that the appropriate level of free reserves should be equivalent to one month's expenditure, approximately £500,000. The Academy Trust's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £1,060,813. Taking into account the nature of the Academy Trust's income streams, the governors are of the view that reserves at this level are sufficient to cover its working capital needs.

In addition, the governors have determined that the Academy Trust should build reserves for the purpose of large capital expenditure that cannot be funded from the annual budget. The main priority over the next few years will be for the school to deliver post-16 education on site. Such reserves can be from either unrestricted general funds or restricted funds.

The restricted pension reserve fund shows a deficit of £1,747,000 at 31 August 2013. At the date of transfer the Academy Trust entered into an agreement to reduce the past service deficit over 18 years. The additional annual amount of employer contributions being paid is currently £77,500 and this repayment amount will be reassessed in 2014 with revised payments taking effect from April 2014.

# **Hungerhill Academy Trust (Registered number: 07939747)**

## **Governors' Report**

*31 August 2013*

### **Investment policy**

The Academy Trust regularly reviews the level of funds which are not immediately required as working capital and invests this on the UK money market in a treasury deposit account with a high street institution to maximise interest. The Academy Trust will not invest funds with overseas financial institutions.

### **Plans for Future Periods**

The Academy Trust has plans in the following areas

- to change its age range to 11 - 18 and develop post-16 education on site,
- to work closer with other schools in the Brighter Futures Learning Partnership Trust,
- to develop as a strategic member of the Humber School Alliance,
- to build on its outstanding academy status by improving partnership work with other schools

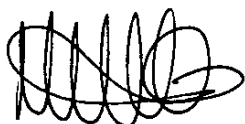
### **Auditors**

Insofar as the governors are aware

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

The auditors, Smailes Goldie, are willing to continue in office and a resolution to reappoint them will be proposed at the annual general meeting

Approved by order of the members of the governing body on 28 November 2013 and signed on its behalf by



**M Bates**  
Chair

# Hungerhill Academy Trust (Registered number: 07939747)

## Governance Statement

31 August 2013

### Scope of Responsibility

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

The governing body has delegated the day-to-day responsibility to the Headteacher, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Hungerhill Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the governing body any material weaknesses or breakdowns in internal control.

### Governance

The information on governance included here supplements that described in the governors' report and in the statement of governors' responsibilities. The governing body has formally met five times during the financial year. Attendance during the year to 31 August 2013 at meetings of the governing body was as follows:

Governor	Meetings attended	Out of a possible
M Bates (Chair)	5	5
S Betts	4	5
T Brown	5	5
N Burne	4	5
J Fletcher (Staff Governor)	3	5
R Kiddle	3	5
T Ladley (Responsible Officer)	2	5
E Laud (Vice Chair)	5	5
J McGlone	5	5
A Monk	4	5
C Palmer	3	5
A Robinson	4	5
S Stone (Staff Governor)	3	5
W Sumner (Staff Governor)	4	5
G Wakeling (Headteacher/Accounting Officer)	5	5
M Wraith	2	3
R Young	5	5

The governing body also met on five occasions to appoint a successor to G Wakeling who retired at the end of August 2013. Helen Redford-Hernandez was appointed as Executive Headteacher with effect from 1 September 2013.

The Finance and Resources Committee is a sub-committee of the main governing body. Its purpose is to monitor the areas of budget management, site and premises, health and safety, staff pay and relevant policies. This committee also undertakes the role of the audit committee. Attendance at meetings in the period was as follows:

Governor	Meetings attended	Out of a possible
M Bates	9	9
E Laud	9	9
T Brown	9	9
N Burne	8	9
R Young	6	7
G Wakeling	9	9

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# **Hungerhill Academy Trust (Registered number: 07939747)**

## **Governance Statement**

*31 August 2013*

### **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 to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Hungerhill Academy Trust for the year ended 31 August 2013 and up to the date of approval of the annual report and financial statements.

### **Capacity to Handle Risk**

The governing body has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The governing body is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year ended to 31 August 2013 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the directors.

### **The Risk and Control Framework**

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the governing body,
- regular reviews by the Finance and Resources Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes,
- setting targets to measure financial and other performance,
- clearly defined purchasing (asset purchase or capital investment) guidelines,
- delegation of authority and segregation of duties,
- identification and management of risks

# **Hungerhill Academy Trust (Registered number: 07939747)**

## **Governance Statement**

*31 August 2013*

The governing body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However the trustees have appointed Teresa Ladley, a trustee, as responsible officer (RO)

The RO's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. On a quarterly basis, the RO reports to the board of trustees on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities

The RO provided reports to the Finance and Resources committee as of 30 November 2012, 28 February 2013 and 31 May 2013. The report to 31 August 2013 will be provided at the next meeting of the committee

No material control issues were highlighted to the board

### **Review of Effectiveness**

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

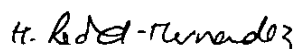
- the work of the responsible officer,
- the work of the external auditors,
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework

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

Approved by order of the members of the governing body on 28 November 2013 and signed on its behalf by



**M Bates**  
Chair



**H Redford-Hernandez**  
Accounting Officer

# **Hungerhill Academy Trust (Registered number: 07939747)**

## **Statement on Regularity, Propriety and Compliance**

*31 August 2013*

As Accounting Officer of Hungerhill Academy Trust I have considered my responsibility to notify the Academy governing body and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Academy and the Secretary of State for Education. 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 governing body 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.

*H. Redford-Hernandez*

**H Redford-Hernandez**  
**Accounting Officer**  
**28 November 2013**



# Hungerhill Academy Trust (Registered number: 07939747)

## Statement of Governors' Responsibilities

31 August 2013

### Responsibilities of the governors

The governors, who act as trustees for the charitable activities of Hungerhill Academy Trust and are also the directors of the charitable company for the purposes of company law, are responsible for preparing the governors' report and the financial statements in accordance with the Annual Accounts 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 governors to prepare financial statements for each financial year. Under company law the governors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that year. In preparing the financial statements the governors are required to

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

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

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

The governors are responsible for the maintenance and integrity of 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 governors 28 November 2013 and signed on its behalf by



**M Bates**  
Chair

# Hungerhill Academy Trust

## Independent Auditors' Report to the Members of Hungerhill Academy Trust

We have audited the financial statements of Hungerhill Academy Trust 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 Annual Accounts Direction 2013 issued by the Education Funding Agency.

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

### Respective responsibilities of governors and auditors

As explained more fully in the Statement of Governors' Responsibilities set out on page 15, the governors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

### Scope of the audit of the financial statements

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

### Opinion on financial statements

In our opinion the financial statements

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

### Opinion on other matters prescribed by the Companies Act 2006

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

# Hungerhill Academy Trust

## Independent Auditors' Report to the Members of Hungerhill Academy Trust (continued)

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

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

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



### **Peter Duffield LLB FCA (Senior Statutory Auditor)**

for and on behalf of Smailes Goldie  
Chartered Accountants  
Statutory Auditor  
Regent's Court  
Princess Street  
Hull  
HU2 8BA

28 November 2013

# **Hungerhill Academy Trust**

## **Independent Reporting Accountants' Assurance Report on Regularity to Hungerhill Academy Trust and the Education Funding Agency**

In accordance with the terms of our engagement letter dated 18 November 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 Hungerhill Academy Trust 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 Hungerhill Academy Trust and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Hungerhill Academy Trust 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 Hungerhill Academy Trust and the EFA, for our work, for this report, or for the conclusion we have formed

### **Respective responsibilities of Hungerhill Academy Trust's Accounting Officer and the reporting accountants**

The Accounting Officer is responsible, under the requirements of Hungerhill Academy Trust's funding agreement with the Secretary of State for Education dated 1 March 2012 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 to our conclusion includes

- Ensuring value for money is sought for all goods/services procured by the Academy, including those procured from related parties of the Academy
- Ensuring that fixed asset additions are made in line with the terms of the funding received and that fixed asset disposals are properly authorised by the DfE
- Ensuring that expenditure incurred through the Academy bank account and credit card is appropriate for the purposes of the Academy and that there has been no personal expenditure from the Academy's funds
- Ensuring pension contributions are paid to the respective schemes in a timely manner
- Ensuring returns required by regulatory or funding authorities are completed on a timely basis

# Hungerhill Academy Trust

## Independent Reporting Accountants' Assurance Report on Regularity to Hungerhill Academy Trust and the Education Funding Agency (continued)

### Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 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



**Smailes Goldie**  
Chartered Accountants  
Regent's Court  
Princess Street  
Hull  
HU2 8BA

28 November 2013

# Hungerhill Academy Trust (Registered number: 07939747)

## Statement of Financial Activities

for the year ended 31 August 2013

					Period from 7 February to 31 August 2012
	Note	Unrestricted funds £	Restricted general funds £	Restricted fixed asset fund £	Year to 31 August 2013 £
<b>Incoming resources</b>					
<i>Incoming resources from generated funds</i>					
Voluntary income	2	-	-	373,910	12,441,134
Activities for generating funds	3	45,464	-	-	27,973
Investment income	4	5,750	-	-	1,546
<i>Incoming resources from charitable activities</i>					
Funding for the Academy's educational operations	5	-	6,513,155	-	3,153,438
<b>Total incoming resources</b>		<b>51,214</b>	<b>6,513,155</b>	<b>373,910</b>	<b>15,624,091</b>
<b>Resources expended</b>					
<i>Cost of generating funds</i>					
Costs of activities for generating funds		14,752	-	-	34,704
Other resources expended - transfer from local authority on conversion		-	-	-	55,221
<i>Costs of Charitable activities</i>					
Academy's educational operations	7	-	5,639,568	556,531	2,955,629
Governance costs	8	-	60,115	-	57,982
<b>Total resources expended</b>		<b>14,752</b>	<b>5,699,683</b>	<b>556,531</b>	<b>3,103,536</b>
<b>Net incoming resources before transfers</b>		<b>36,462</b>	<b>813,472</b>	<b>(182,621)</b>	<b>12,520,555</b>
Gross transfers between funds	16	-	(311,558)	311,558	-
<b>Net income for the year</b>		<b>36,462</b>	<b>501,914</b>	<b>128,937</b>	<b>12,520,555</b>
<b>Other recognised gains and losses</b>					
Actuarial gains/(losses) on defined benefit pension schemes	16,26	-	62,000	-	(149,000)
<b>Net movement in funds</b>		<b>36,462</b>	<b>563,914</b>	<b>128,937</b>	<b>12,371,555</b>
<b>Reconciliation of funds</b>					
Funds brought forward at 1 September 2012		1,024,351	(1,454,313)	12,801,517	-
<b>Funds carried forward at 31 August 2013</b>		<b>1,060,813</b>	<b>(890,399)</b>	<b>12,930,454</b>	<b>12,371,555</b>

All recognised gains or losses are included in the statement of financial activities

All of the Academy Trust's activities derive from continuing operations in the current financial year and acquisitions in the preceding financial period

# Hungerhill Academy Trust (Registered number: 07939747)

## Income and Expenditure Account

for the year ended 31 August 2013

		Year to 31 August 2013 £	Period from 7 February to 31 August 2012 £
<b>Income</b>	<b>Note</b>		
General Annual Grant (GAG)	5	5,667,524	2,844,690
DfE/EFA capital grants	2	373,910	9,584
Other DfE/EFA grants	5	266,975	72,901
Other government grants	5	105,236	107,256
Other grants and income	5	473,420	128,591
Donated land and buildings	2	-	12,431,550
Other income	3,4	51,214	29,519
<b>Total income</b>		<b>6,938,279</b>	<b>15,624,091</b>
<b>Expenditure</b>			
Staff costs	9	4,421,103	2,195,681
Non-pay expenditure			
Premises		300,863	145,109
Supplies and services		992,469	435,494
Depreciation	12	556,531	272,031
Transfer from local authority on conversion		-	55,221
<b>Total expenditure</b>		<b>6,270,966</b>	<b>3,103,536</b>
<b>Excess of income over expenditure</b>		<b>667,313</b>	<b>12,520,555</b>

## Statement of Total Recognised Gains and Losses

		Year to 31 August 2013 £	Period from 7 February to 31 August 2012 £
Excess of income over expenditure		667,313	12,520,555
Actuarial gains/(losses) on defined benefit pension schemes	16,26	62,000	(149,000)
<b>Total recognised gains and losses for the year</b>		<b>729,313</b>	<b>12,371,555</b>
<b>Net transfer to funds</b>			
Restricted fixed asset fund		128,937	12,801,517
Restricted general fund		559,914	296,687
Restricted pension fund		4,000	(1,751,000)
Unrestricted funds		36,462	1,024,351
		<b>729,313</b>	<b>12,371,555</b>

The income and expenditure account and statement of total recognised gains and losses are derived from the statement of financial activities on page 20 which, together with the notes to the financial statements on pages 24 to 43, provides full information on the movements during the period on all of the academy's funds

All of the Academy Trust's activities derive from continuing operations in the current financial year and acquisitions in the preceding financial period

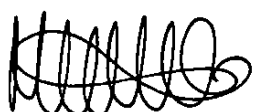
# Hungerhill Academy Trust (Registered number: 07939747)

## Balance Sheet

31 August 2013

	Note	2013 £	2012 £
<b>Fixed assets</b>			
Tangible assets	12	<u>12,700,089</u>	<u>12,801,517</u>
<b>Current assets</b>			
Stock	13	28,484	33,218
Debtors	14	304,255	410,598
Cash at bank and in hand		<u>2,490,147</u>	<u>1,402,313</u>
		<b>2,822,886</b>	<b>1,846,129</b>
<b>Liabilities</b>			
Creditors Amounts falling due within one year	15	<u>(675,107)</u>	<u>(525,091)</u>
<b>Net current assets</b>		<u><b>2,147,779</b></u>	<u><b>1,321,038</b></u>
<b>Total assets less current liabilities (excluding pension liability)</b>		<u><b>14,847,868</b></u>	<u><b>14,122,555</b></u>
<b>Pension scheme liability</b>	26	<u><b>(1,747,000)</b></u>	<u><b>(1,751,000)</b></u>
<b>Net assets including pension liability</b>		<u><u><b>13,100,868</b></u></u>	<u><u><b>12,371,555</b></u></u>
<b>Funds of the academy</b>			
<b>Restricted funds</b>			
Fixed asset fund	16	12,930,454	12,801,517
General fund	16	856,601	296,687
Pension reserve	16	<u>(1,747,000)</u>	<u>(1,751,000)</u>
<b>Total restricted funds</b>		<u><b>12,040,055</b></u>	<u><b>11,347,204</b></u>
<b>Unrestricted income funds</b>			
General fund	16	<u>1,060,813</u>	<u>1,024,351</u>
<b>Total funds</b>		<u><u><b>13,100,868</b></u></u>	<u><u><b>12,371,555</b></u></u>

The financial statements on pages 20 to 43 were approved by the governors, and authorised for issue, on 28 November 2013 and are signed on their behalf by



**M Bates**  
Chair



# Hungerhill Academy Trust (Registered number: 07939747)

## Cash Flow Statement

for the year ended 31 August 2013

		Year to 31 August 2013 £	Period from 7 February to 31 August 2012 £
	Note		
<b>Net cash inflow from operating activities</b>	20	<b>1,152,872</b>	547,764
Returns on investments and servicing of finance	21	5,750	1,546
Capital expenditure	22	(70,788)	(136,171)
Cash transferred on conversion to an Academy Trust		-	989,174
<b>Increase in cash in the period</b>	23	<b>1,087,834</b>	1,402,313
<b>Reconciliation of net cash flow to movement in net funds</b>			
Net funds at 1 September 2012		1,402,313	-
<b>Net funds at 31 August 2013</b>		<b>2,490,147</b>	1,402,313

All of the cash flows are derived from continuing operations in the current financial year and acquisitions in the preceding financial period

# Hungerhill Academy Trust (Registered number: 07939747)

## 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.

#### Going concern

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

#### Incoming Resources

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

- **Grants receivable**

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

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

- **Donations**

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

- **Investment income**

Interest receivable is included within the statement of financial activities on a receivable basis.

- **Other income**

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

- **Donated services and gifts in kind**

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

# Hungerhill Academy Trust (Registered number: 07939747)

## Notes to the Financial Statements

for the year ended 31 August 2013

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

#### Resources Expended

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

- **Cost of generating funds**

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

- **Charitable activities**

These are costs incurred on the Academy Trust's educational operations.

- **Governance costs**

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

All resources expended are inclusive of irrecoverable VAT.

#### Tangible fixed assets

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

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

Depreciation is provided on all tangible fixed assets other than freehold land, on a straight line basis on the cost or open market valuation of the assets, to write them down to their estimated residual values over their expected useful lives. The principal annual rates used for items acquired at cost are:

Freehold buildings	2%
Furniture and equipment	10%
Computer equipment	33%
Other computer equipment	10%

Assets acquired on conversion are being depreciated on a straight line basis over their remaining useful economic lives.

Depreciation is charged from the date of acquisition to the date of disposal.

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.

# Hungerhill Academy Trust (Registered number: 07939747)

## Notes to the Financial Statements

for the year ended 31 August 2013

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

#### **Leased assets**

Rentals applicable to operating leases are charged to the statement of financial activities on a straight line basis over the lease term

#### **Stock**

Unsold uniform stock and consumable items are valued at the lower of cost or net realisable value

#### **Taxation**

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

#### **Pensions benefits**

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 26, the TPS is a multi-employer scheme and the Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year

The LGPS is a funded scheme and the assets are held separately from those of the Academy Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the statement of financial activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses

#### **Fund Accounting**

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the Academy Trust at the discretion of the governors

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

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

# Hungerhill Academy Trust (Registered number: 07939747)

## Notes to the Financial Statements

for the year ended 31 August 2013

### 2. Voluntary income

	Unrestricted funds £	Restricted funds £	Year to 31 August 2013 £	Period from 7 February to 31 August 2012 £
Capital grants	-	373,910	373,910	9,584
Donated land and buildings	-	-	-	12,431,550
	<u>-</u>	<u>373,910</u>	<u>373,910</u>	<u>12,441,134</u>

### 3 Activities for generating funds

	Unrestricted funds £	Restricted funds £	Year to 31 August 2013 £	Period from 7 February to 31 August 2012 £
Uniform sales	24,306	-	24,306	21,848
Hire of facilities	15,487	-	15,487	4,202
Other income	5,671	-	5,671	1,923
	<u>45,464</u>	<u>-</u>	<u>45,464</u>	<u>27,973</u>

### 4 Investment income

	Unrestricted funds £	Restricted funds £	Year to 31 August 2013 £	Period from 7 February to 31 August 2012 £
Short term deposits	<u>5,750</u>	<u>-</u>	<u>5,750</u>	<u>1,546</u>

# Hungerhill Academy Trust (Registered number: 07939747)

## Notes to the Financial Statements

for the year ended 31 August 2013

### 5 Funding for the academy's educational operations

	Unrestricted funds £	Restricted funds £	Year to 31 August 2013 £	Period from 7 February to 31 August 2012 £
<b>DfE/EFA revenue grants</b>				
General Annual Grant (GAG)	-	5,667,524	<b>5,667,524</b>	2,844,690
Other DfE/EFA grants	-	266,975	<b>266,975</b>	72,901
	-	5,934,499	<b>5,934,499</b>	2,917,591
<b>Other government grants</b>				
Local authority grants	-	105,236	<b>105,236</b>	67,256
Specific educational projects	-	-	-	40,000
	-	105,236	<b>105,236</b>	107,256
<b>Other grants and income</b>	-	473,420	<b>473,420</b>	128,591
	-	6,513,155	<b>6,513,155</b>	3,153,438

### 6 Resources expended

	Staff costs £	Non-Pay Expenditure Premises £	Other costs £	Year to 31 August 2013 £	Period from 7 February to 31 August 2012 £
Costs of activities for generating funds	-	-	14,752	<b>14,752</b>	34,704
Academy's educational operations					
Direct costs	3,722,504	260,781	668,993	<b>4,652,278</b>	2,236,244
Allocated support costs	657,946	382,198	503,677	<b>1,543,821</b>	719,385
	4,380,450	642,979	1,187,422	<b>6,210,851</b>	2,990,333
Governance costs including allocated support costs	40,653	-	19,462	<b>60,115</b>	57,982
	4,421,103	642,979	1,206,884	<b>6,270,966</b>	3,048,315

# Hungerhill Academy Trust (Registered number: 07939747)

## Notes to the Financial Statements

for the year ended 31 August 2013

### 6. Resources expended (continued)

	Year to 31 August 2013	Period from 7 February to 31 August 2012
<b>Net incoming resources for the year includes:</b>		
Operating lease charges	4,508	2,529
Fees payable to auditor		
- audit	5,000	4,750
- other services	300	300
- other services (prior year)	8,575	-
(Profit)/loss on disposal of fixed assets	(10,405)	30

### 7 Charitable activities - academy's educational operations

	Unrestricted funds £	Restricted funds £	Year to 31 August 2013 £	Period from 7 February to 31 August 2012 £
<b>Direct costs</b>				
Teaching and educational support staff costs	-	3,722,504	3,722,504	1,866,483
Depreciation	-	417,866	417,866	205,820
Educational supplies	-	390,239	390,239	125,723
Examination fees	-	96,915	96,915	23,533
Staff development	-	24,754	24,754	14,685
	-	4,652,278	4,652,278	2,236,244
<b>Allocated support costs</b>				
Support staff costs	-	657,946	657,946	288,717
Depreciation	-	138,665	138,665	66,211
Recruitment and support	-	23,837	23,837	8,869
Maintenance of premises and equipment	-	268,733	268,733	165,371
Cleaning	-	4,450	4,450	2,516
Rent and rates	-	21,274	21,274	10,232
Insurance	-	84,479	84,479	37,966
Security and transport	-	3,999	3,999	1,817
Catering	-	282,100	282,100	100,212
Other support costs	-	58,338	58,338	37,474
	-	1,543,821	1,543,821	719,385
	-	6,196,099	6,196,099	2,955,629

# Hungerhill Academy Trust (Registered number: 07939747)

## Notes to the Financial Statements

for the year ended 31 August 2013

### 8 Governance costs

	Unrestricted Funds £	Restricted Funds £	Year to 31 August 2013 £	Period from 7 February to 31 August 2012 £
Legal and professional fees	-	14,462	14,462	12,751
Auditor's remuneration	-	5,000	5,000	4,750
- Audit of financial statements	-	40,653	40,653	40,481
Support staff costs	-	60,115	60,115	57,982
	-			
	-	60,115	60,115	57,982

### 9. Staff costs

Staff costs during the period were

	Year to 31 August 2013 £	Period from 7 February to 31 August 2012 £
Wages and salaries	3,558,074	1,776,303
Social security costs	243,337	123,049
Pension costs	609,792	296,329
	4,411,203	2,195,681
Supply teacher costs	18,773	10,491
Compensation payments	9,900	-
	4,439,876	2,206,172

The average number of persons (including senior management team) employed by the Academy Trust during the year ended 31 August 2013 expressed as full time equivalents was as follows

Charitable activities	2013 No.	2012 No.
Teachers	75	75
Administration and support	52	51
	127	126

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

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

Each of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2013, pension contributions for these staff amounted to £26,678 (2012 £10,823)



# Hungerhill Academy Trust (Registered number: 07939747)

## Notes to the Financial Statements

for the year ended 31 August 2013

### 10. Related party transactions - governors' remuneration and expenses

The Headteacher and other staff governors only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff and not in respect of their services as governors. Other governors did not receive any payments from the Academy Trust in respect of their role as governors. The value of governors' remuneration was as follows:

G Wakeling (Headteacher)	£60,000 - £65,000 (2012 £45,000 - £50,000)
J Fletcher (Staff Governor)	£45,000 - £50,000 (2012 £20,000 - £25,000)
S Stone (Staff Governor)	£15,000 - £20,000 (2012 £5,000 - £10,000)
W Sumner (Staff Governor)	£40,000 - £45,000

During the year ended 31 August 2013 and the period ended 31 August 2012 no travel and subsistence expenses were reimbursed to governors.

During the year there were no other related party transactions involving the governors (see note 27).

### 11. Governors' and officers' insurance

In accordance with normal commercial practice the Academy Trust has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £1,000,000 on any one claim and the cost for the year ended 31 August 2013 was £659 (2012 £329).

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

### 12. Tangible fixed assets

	Freehold land and buildings £	Furniture and equipment £	Computer equipment £	Other computer equipment £	Total £
<b>Cost:</b>					
At 1 September 2012	12,412,266	246,902	292,007	122,373	13,073,548
Additions	58,956	168,641	158,112	70,310	456,019
Disposals	-	-	(2,170)	-	(2,170)
At 31 August 2013	12,471,222	415,543	447,949	192,683	13,527,397
<b>Depreciation</b>					
At 1 September 2012	171,060	18,322	76,272	6,377	272,031
Charged in period	342,116	43,354	150,338	20,723	556,531
Disposals	-	-	(1,254)	-	(1,254)
At 31 August 2013	513,176	61,676	225,356	27,100	827,308
<b>Net book values</b>					
At 31 August 2013	11,958,046	353,867	222,593	165,583	12,700,089
At 31 August 2012	12,241,206	228,580	215,735	115,996	12,801,517

# Hungerhill Academy Trust (Registered number: 07939747)

## Notes to the Financial Statements

for the year ended 31 August 2013

13. Stock	2013 £	2012 £
Clothing	9,135	11,558
Consumables	19,349	21,660
	<u>28,484</u>	<u>33,218</u>

14. Debtors	2013 £	2012 £
Trade debtors	66,426	112,847
Other debtors	78,177	175,248
Prepayments	159,652	122,503
	<u>304,255</u>	<u>410,598</u>

15. Creditors: amounts falling due within one year	2013 £	2012 £
Trade creditors	155,734	152,184
PAYE & NIC creditor	72,540	78,650
Other creditors	69,386	66,969
Accruals and deferred income	377,447	227,288
	<u>675,107</u>	<u>525,091</u>

Deferred income	2013 £
Deferred income at 1 September 2012	198,977
Resources deferred in the year	162,394
Amounts released from previous period	(133,217)
Deferred income at 31 August 2013	<u>228,154</u>

Deferred income comprises monies relating to the 2013-2014 academic year. Amounts carried forward relate to

	£
Insurance grant	45,244
School trips 2013/14	168,914
Capital grants	13,516
Music tuition fees	480
	<u>228,154</u>

# Hungerhill Academy Trust (Registered number: 07939747)

## Notes to the Financial Statements

for the year ended 31 August 2013

### 16 Funds

	Balance at 1 September 2012 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2013 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	256,687	5,667,524	(4,756,052)	(311,558)	<b>856,601</b>
Other DfE/EFA grants	-	266,975	(266,975)	-	-
Other government grants	40,000	105,236	(145,236)	-	-
Other grants and income	-	473,420	(473,420)	-	-
Pension reserve	(1,751,000)	-	(58,000)	62,000	<b>(1,747,000)</b>
	<u>(1,454,313)</u>	<u>6,513,155</u>	<u>(5,699,683)</u>	<u>(249,558)</u>	<u><b>(890,399)</b></u>
<b>Restricted fixed asset fund</b>					
DfE/EFA capital grants	-	373,910	-	(143,545)	<b>230,365</b>
Capital expenditure from GAG	132,169	-	(144,835)	311,558	<b>298,892</b>
Donated land and buildings	12,258,968	-	(345,161)	-	<b>11,913,807</b>
Other fixed assets	410,380	-	(66,535)	143,545	<b>487,390</b>
	<u>12,801,517</u>	<u>373,910</u>	<u>(556,531)</u>	<u>311,558</u>	<u><b>12,930,454</b></u>
<b>Total restricted funds</b>	<u>11,347,204</u>	<u>6,887,065</u>	<u>(6,256,214)</u>	<u>62,000</u>	<u><b>12,040,055</b></u>
<b>Unrestricted funds</b>					
General fund	1,024,351	51,214	(14,752)	-	<b>1,060,813</b>
<b>Total unrestricted funds</b>	<u>1,024,351</u>	<u>51,214</u>	<u>(14,752)</u>	<u>-</u>	<u><b>1,060,813</b></u>
<b>Total funds</b>	<u>12,371,555</u>	<u>6,938,279</u>	<u>(6,270,966)</u>	<u>62,000</u>	<u><b>13,100,868</b></u>

# Hungerhill Academy Trust (Registered number: 07939747)

## Notes to the Financial Statements

for the year ended 31 August 2013

### 16. Funds (continued)

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

#### General Annual Grant (GAG)

The GAG consists of

- School Budget Share
- LA Central Spend Equivalent Grant (LACSEG)
- Teacher Threshold

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

#### Other DfE/EFA grants, other government grants and other grants and income

The other DfE/EFA grants, other government grants and other grants and income must be used for the specific purposes for which they are given. Such grants and income enable the Academy Trust to fulfil its charitable objects.

#### Restricted fixed asset fund

The restricted fixed asset fund represents fixed assets which are held for specific purposes within the charitable objects of the Academy Trust, together with unspent capital funding carried forward at 31 August 2013

### 17. Analysis of net assets between funds

Fund balances at 31 August 2013 are represented by

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset fund £	Total funds £
Tangible fixed assets	-	-	12,700,089	12,700,089
Current assets	1,069,297	1,523,224	230,365	2,822,886
Current liabilities	(8,484)	(666,623)	-	(675,107)
Pension scheme liability	-	(1,747,000)	-	(1,747,000)
<b>Total net assets</b>	<b>1,060,813</b>	<b>(890,399)</b>	<b>12,930,454</b>	<b>13,100,868</b>

# Hungerhill Academy Trust (Registered number: 07939747)

## Notes to the Financial Statements

for the year ended 31 August 2013

### 18. Capital commitments

	2013 £	2012 £
Contracted for but not provided in the financial statements	<u>35,364</u>	<u>-</u>

Following the year end the Academy Trust committed to additional capital expenditure of £823,690 in respect of a new building project

### 19. Financial commitments

#### Operating leases

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

	2013 £	2012 £
<b>Other</b>		
Expiring within one year	1,842	1,112
Expiring within two to five years	-	2,733
	<u>1,842</u>	<u>3,845</u>

### 20. Reconciliation of net income to net cash inflow from operating activities

	Year to 31 August 2013 £	Period from 7 February to 31 August 2012 £
Net income	667,313	12,520,555
Cash transferred on conversion to an Academy Trust	-	(989,174)
Depreciation (note 12)	556,531	272,031
Capital grants from DfE and other capital income	(373,910)	(12,937,377)
Interest receivable (note 4)	(5,750)	(1,546)
FRS 17 pension costs less contributions payable (note 26)	(11,000)	1,567,000
FRS 17 pension finance costs (note 26)	69,000	35,000
Decrease/(increase) in stocks	4,734	(33,218)
Decrease/(increase) in debtors	106,343	(410,598)
Increase in creditors	150,016	525,091
(Profit)/loss on disposal of fixed assets	(10,405)	30
<b>Net cash inflow from operating activities</b>	<u>1,152,872</u>	<u>547,794</u>

# Hungerhill Academy Trust (Registered number: 07939747)

## Notes to the Financial Statements

for the year ended 31 August 2013

### 21. Returns on investments and servicing of finance

	Year to 31 August 2013 £	Period from 7 February to 31 August 2012 £
Interest received	5,750	1,546
<b>Net cash inflow from returns on investments and servicing of finance</b>	<b>5,750</b>	<b>1,546</b>

### 22. Capital expenditure and financial investment

	Year to 31 August 2013 £	Period from 7 February to 31 August 2012 £
Purchase of tangible fixed assets	(456,022)	(146,185)
Capital grants from DfE/EFA	373,910	9,584
Receipts from sale of tangible fixed assets	11,324	400
<b>Net cash outflow from capital expenditure and financial investment</b>	<b>(70,788)</b>	<b>(136,201)</b>

### 23. Analysis of changes in net funds

	At 1 September 2013 £	Cash flows £	At 31 August 2013 £
Cash at bank and in hand	1,402,313	1,087,834	2,490,147

# **Hungerhill Academy Trust (Registered number: 07939747)**

## **Notes to the Financial Statements**

*for the year ended 31 August 2013*

### **24 Contingent liabilities**

During the period of the funding agreement, in the event of the sale or disposal by other means of an asset for which a Government capital grant was received, the Academy Trust is required to re-invest the proceeds or to repay to the Secretary of State for Education the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State for Education

Upon termination of the funding agreement, whether as a result of the Secretary of State for Education or the Academy Trust serving notice, the Academy Trust shall repay to the Secretary of State for Education sums determined by reference to

- a) the value at that time of the Academy Trust's site and premises and other assets held for the purpose of the Academy Trust, and
- b) the extent to which expenditure incurred in providing those assets was met by payments from the Secretary of State for Education under the funding agreement

### **25 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 debts and liabilities contracted before he/she ceased to be a member

### **26 Pensions and similar obligations**

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

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

Contributions amounting to £69,386 (2012 £66,969) were payable to the schemes at 31 August and are included within creditors

#### ***Teachers' Pension Scheme***

##### **Introduction**

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) 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

# Hungerhill Academy Trust (Registered number: 07939747)

## Notes to the Financial Statements

for the year ended 31 August 2013

### 26. Pensions and similar obligations (continued)

#### *Teachers' Pension Scheme (continued)*

##### **The Teachers' Pension Budgeting and Valuation Account**

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

The Teachers' 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.



# Hungerhill Academy Trust (Registered number: 07939747)

## Notes to the Financial Statements

for the year ended 31 August 2013

### 26. Pensions and similar obligations (continued)

#### *Teachers' Pension Scheme (continued)*

##### **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 1/57<sup>th</sup>, and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Importantly, pension benefits built up before 1 April 2015 will be fully protected.

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

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

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

# Hungerhill Academy Trust (Registered number: 07939747)

## Notes to the Financial Statements

for the year ended 31 August 2013

### 26 Pensions and similar obligations (continued)

#### Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2013 was £247,000 of which employer's contributions totalled £193,000 and employees' contributions totalled £54,000. The agreed contribution rates for future years are 12.8% for employers and between 5.5% and 7.5% for employees.

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

During the year it was agreed that the Academy Trust would make additional annual contributions totalling £77,500 in respect of past service debt. It is anticipated that payments will be made for the next 17 years with a reassessment of the amount in 2014 and revised payments taking effect from April 2014.

Principal actuarial assumptions	At 31 August 2013 %	At 31 August 2012 %
Rate of increase in salaries	4.15	4.05
Rate of increase for pensions in payment/inflation	2.40	2.30
Discount rate for scheme liabilities	4.60	4.50
Inflation assumption (CPI)	2.40	2.30
Commutation of pensions to lump sums	50	50

#### Sensitivity analysis

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

Change in assumptions at 31 August 2013	Approximate % increase/(decrease) to employer liability	Approximate monetary amount (£)
0.1% increase in discount rate	(3.32)	(58,000)
0.1% increase in inflation	3.38	59,000
1 year increase in member life expectancy	2.92	51,000

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	21.8	21.8
Females	24.7	24.6
<i>Retiring in 20 years</i>		
Males	23.7	23.6
Females	26.6	26.5

# Hungerhill Academy Trust (Registered number: 07939747)

## Notes to the Financial Statements

for the year ended 31 August 2013

### 26 Pensions and similar obligations (continued)

#### Local Government Pension Scheme (continued)

The Academy Trust's share of the assets and liabilities in the scheme and the expected rates 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	7.00	680,000	7.00	510,000
Government bonds	3.40	154,000	2.50	113,000
Other bonds	4.40	74,000	3.40	64,000
Property	5.70	106,000	6.00	75,000
Cash	0.50	22,000	0.50	20,000
Other	7.00	82,000	-	-
<b>Total market value of assets</b>		<b>1,118,000</b>		<b>782,000</b>
Present value of scheme liabilities				
- Funded		(2,865,000)		(2,533,000)
<b>Deficit in the scheme</b>		<b>(1,747,000)</b>		<b>(1,751,000)</b>

The expected return on assets is based on the long term future expected investment return for each asset class as at the beginning of the year i.e. as at 1 September 2012 (for the year to 31 August 2013)

The actual return on the scheme assets was £111,000 (2012 £3,000)

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

	Year to 31 August 2013 £	Period from 7 February to 31 August 2012 £
Current service cost (net of employee contributions)	(182,000)	(79,000)
<b>Total operating charge</b>	<b>(182,000)</b>	<b>(79,000)</b>

# Hungerhill Academy Trust (Registered number: 07939747)

## Notes to the Financial Statements

for the year ended 31 August 2013

### 26. Pensions and similar obligations (continued)

#### Local Government Pension Scheme (continued)

##### Analysis of pension finance costs

	Year to 31 August 2013 £	Period from 7 February to 31 August 2012 £
Expected return on pension scheme assets	50,000	20,000
Interest on pension liabilities	(119,000)	(55,000)
<b>Pension finance costs</b>	<b>(69,000)</b>	<b>(35,000)</b>

The actuarial gains and losses for the current period are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS 17 is a £87,000 loss (2012 £149,000 loss)

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

	2013 £	2012 £
<b>At 1 September</b>	<b>2,533,000</b>	-
Inherited present value of obligations	-	2,241,000
Current service cost	182,000	79,000
Interest cost	119,000	55,000
Employee contributions	54,000	26,000
Actuarial (gain)/loss	-	132,000
Benefits paid	(23,000)	-
<b>At 31 August</b>	<b>2,865,000</b>	<b>2,533,000</b>

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

	2013 £	2012 £
<b>At 1 September</b>	<b>782,000</b>	-
Inherited fair value of assets	-	660,000
Expected return on assets	50,000	20,000
Actuarial gain/(loss)	62,000	(17,000)
Employer contributions	193,000	93,000
Employee contributions	54,000	26,000
Benefits paid	(23,000)	-
<b>At 31 August</b>	<b>1,118,000</b>	<b>782,000</b>

The estimated value of employer contributions for the year ended 31 August 2014 is £192,000

# Hungerhill Academy Trust (Registered number: 07939747)

## Notes to the Financial Statements

for the year ended 31 August 2013

### 26. Pensions and similar obligations (continued)

#### *Local Government Pension Scheme (continued)*

The history of experience adjustments since incorporation on 7 February 2012 is as follows

	2013 £	2012 £
<b>Present value of defined benefit obligations</b>	<b>(2,865,000)</b>	<b>(2,533,000)</b>
<b>Fair value of share of scheme assets</b>	<b>1,118,000</b>	<b>782,000</b>
<b>Deficit in the scheme</b>	<b>(1,747,000)</b>	<b>(1,751,000)</b>
<b>Experience adjustments on share of scheme assets</b> Amount (£)	<b>62,000</b>	<b>(17,000)</b>
<b>Experience adjustments on scheme liabilities:</b> Amount (£)	-	-

### 27. Related party transactions

Owing to the nature of the Academy Trust's operations and the composition of the board of directors being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the board of directors may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy Trust's financial regulations and normal procurement procedures.

No related party transactions took place during the year.