



REGISTERED NUMBER: 07939747

Registrar's
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Hungerhill Academy Trust

(A Company Limited by Guarantee)

Annual Report and Financial Statements

31 August 2012

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COMPANIES HOUSE

Smailes Goldie

Chartered Accountants



UK200Group
independent quality assured professionals

Hungerhill Academy Trust (Registered Number: 07939747)

Contents	Page
Reference and Administrative Details	1
Governors' Report	2 - 9
Governance Statement	10 - 12
Statement on Regularity, Propriety and Compliance	13
Statement of Governors' Responsibilities	14
Independent Auditors' Report	15 - 16
Independent Reporting Accountants' Assurance Report	17 - 19
Statement of Financial Activities	19
Income and Expenditure Account	20
Balance Sheet	21
Cash Flow Statement	22
Notes to the Financial Statements, incorporating	
Statement of Accounting Policies	23 - 26
Other Notes to the Financial Statements	27 - 44

Hungerhill Academy Trust

Reference and Administrative Details

		Appointed
Governors (Trustees):	M Bates ^{(i)(ii)(iii)(iv)}	07 02 2012
	C Baxter	01 03 2012
	S Betts ⁽ⁱⁱ⁾	01 03 2012
	T Brown ⁽ⁱ⁾	01 03 2012
	N Burne ^{(i)(ii)(iii)(iv)}	01 03 2012
	J Fletcher ^(iv)	01 03 2012
	R Kiddle ⁽ⁱⁱⁱ⁾	07 02 2012
	T Ladley ⁽ⁱⁱⁱ⁾	01 03 2012
	E Laud ^{(i)(ii)(iii)(iv)}	07 02 2012
	J McGlone ^{(ii)(iv)}	01 03 2012
	A Monk ^(iv)	01 03 2012
	C Palmer	01 03 2012
	A Robinson ^{(ii)(iv)}	01 03 2012
	S Stone ^{(iii)(iv)}	01 03 2012
	G Wakeling ^{(i)(ii)(iii)(iv)}	07 02 2012
	R Young ^{(ii)(iv)}	07 02 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

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

Senior Leadership Team.

Headteacher	G Wakeling
Deputy Headteacher	J Wainman
Deputy Headteacher	K Stephenson
Business Manager	S Williams-McGlone
Assistant Headteacher	S Crossley
Assistant Headteacher	P Allman
AST Teacher	L Pond
Head of Key Stage 4	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 2012

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

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 charitable company was incorporated on 7 February 2012 and entered into a funding agreement with the Secretary of State for Education on 1 March 2012. The operation, assets and liabilities of the predecessor school, Hungerhill School, were transferred to the charitable company under a transfer agreement dated 1 March 2012.

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 W Sumner was appointed on 27 September 2012 and M Wraith was appointed on 29 November 2012. C Baxter's term of appointment ended on 23 September 2012 and she did not seek re-election.

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.

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 2012

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 2011-12 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 Headteacher, two Deputy Headteachers, the Business Manager, two Assistant Headteachers, one AST Teacher, the Head of Key Stage 4 and the Clerk to the Governors. 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 Headteacher and Deputy Headteachers meet with the Chair and Vice Chair of Governors weekly.

The 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 Headteacher's PA clerks all governor meetings.

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

Risk management

The governors have assessed the major risks to which the Academy Trust is exposed. These 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 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.

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 4th 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.

Hungerhill Academy Trust (Registered Number: 07939747)

Governors' Report

31 August 2012

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.

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

Hungerhill Academy Trust (Registered Number: 07939747)

Governors' Report

31 August 2012

More detailed information on the Academy's main objectives for the year can be found in the development plan, which is divided into 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 Commissions 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.

Achievements and Performance

It has been an excellent year for achievement and performance, with almost all targets set by the governors being met. 74% of students achieved 5+A*-C including English and mathematics (highest 25% of similar schools in the country), 82% achieved C+ in mathematics (highest 5% of schools in the country) and 80% achieved C+ in English (highest 15% in the country). 42% 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 3 students out of 250 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 95.7%, 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.

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 2012

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 2012

- the Academy Trust achieved a school roll of 1,131
- the percentage of employee salary costs to General Annual Grant was 77%

At 31 August 2012 the Academy Trust had free reserves of £1,024,351

Financial Review

During the six months under review the Academy Trust's incoming resources totalled £15,624,091 of which £12,441,134 related to restricted fixed assets, £3,153,438 related to restricted general funds and £29,519 related to unrestricted funds

The restricted fixed assets income consisted of land and buildings donated from the Brighter Futures Learning Partnership Trust valued at £12,431,550 and capital grants of £9,584

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 £29,519 from its non-core activities as detailed in note 4

The Academy Trust's resources expended totalled £3,103,536 and of this £2,955,629 was directly expended to support the Academy Trust's key objectives with a further £57,982 being spent on governance costs

On conversion from the predecessor school there was a transfer of net liabilities totalling £55,221 as detailed in note 29

The Academy Trust also expended £34,704 on its non-core activities

On transfer from the predecessor school the Academy Trust inherited a deficit of £1,581,000 in connection with the past service of employees who had pension entitlements with South Yorkshire Pension Fund

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

Hungerhill Academy Trust (Registered Number: 07939747)

Governors' Report

31 August 2012

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

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 £1,751,000 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 in 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

Hungerhill Academy Trust (Registered Number: 07939747)

Governors' Report

31 August 2012

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 £1,024,351. 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 £1,751,000 at 31 August 2012. At the date of transfer the Academy Trust entered into an agreement to reduce the past service deficit over the next 18 years. The additional annual amount of employer contributions being paid is currently £75,800 and this repayment amount will be reassessed in 2013 with revised payments taking effect from April 2014.

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 a capacity to achieve "teaching school status",
- to build on its outstanding academy status by improving partnership work with other schools.

Hungerhill Academy Trust (Registered Number: 07939747)

Governors' Report

31 August 2012

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, Smales 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 29 November 2012 and signed on its behalf by

A handwritten signature in black ink, consisting of a series of loops and a final flourish.

M Bates
Chair

Hungerhill Academy Trust (Registered Number: 07939747)

Governance Statement

31 August 2012

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 three times since the Academy opened on 1 March 2012. Attendance during the period to 31 August 2012 at meetings of the governing body was as follows:

Governor	Meetings attended	Out of a possible
M Bates (Chair)	2	2
C Baxter	2	2
S Betts	2	2
T Brown	2	2
N Burne	2	2
J Fletcher (Staff Governor)	1	2
R Kiddle	2	2
T Ladley (Responsible Officer)	1	2
E Laud (Vice Chair)	2	2
J McGlone	1	2
A Monk	2	2
C Palmer	1	2
A Robinson	2	2
S Stone (Staff Governor)	1	2
G Wakeling (Headteacher/Accounting Officer)	2	2
R Young	2	2

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. Attendance at meetings in the period was as follows:

Governor	Meetings attended	Out of a possible
M Bates	3	3
T Brown	3	3
N Burne	3	3
E Laud	2	3
G Wakeling	3	3

Hungerhill Academy Trust (Registered Number: 07939747)

Governance Statement

31 August 2012

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 period ended 31 August 2012 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The governing body has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The governing body is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period ended 31 August 2012 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.

The governing body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the governors have appointed T Ladley, a governor, 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 governing body on the operation of the systems of control and on the discharge of the governing body's financial responsibilities. As at 31 August 2012, the RO was T Ladley.

Hungerhill Academy Trust (Registered Number: 07939747)

Governance Statement

31 August 2012

Review of Effectiveness

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

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

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Finance and 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 29 November 2012 and signed on its behalf by



M Bates
Chair



G Wakeling
Accounting Officer

Hungerhill Academy Trust (Registered Number: 07939747)

Statement on Regularity, Propriety and Compliance

31 August 2012

As accounting officer of Hungerhill Academy Trust I have considered my responsibility to notify the Academy Trust 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 Trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

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

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



G Wakeling
Accounting Officer
29 November 2012

Hungerhill Academy Trust (Registered Number: 07939747)

Statement of Governors' Responsibilities

31 August 2012

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 Annual Accounts Requirements issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations

Company law requires the 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 period. In preparing these financial statements the governors are required to

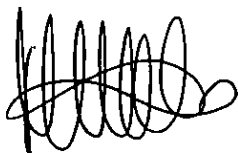
- select suitable accounting policies and then apply them consistently,
- observe the methods and principles in the Charities SORP,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures 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 business

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 governing body on 29 November 2012 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 period ended 31 August 2012, which comprise the statement of financial activities, the income and expenditure account, the statement of total recognised gains and losses, the balance sheet, the cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Annual Accounts Direction 2011/12 issued by the Education Funding Agency.

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

Respective responsibilities of governors and auditors

As explained more fully in the statement of governors' responsibilities set out on page 14, the governors, who are also the directors of the Academy Trust for the purposes of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2012, and of its incoming resources and application of resources, including its income and expenditure, for the period then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Annual Accounts Direction 2011/12 issued by the Education Funding Agency.

Opinion on other matter prescribed by the Companies Act 2006

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

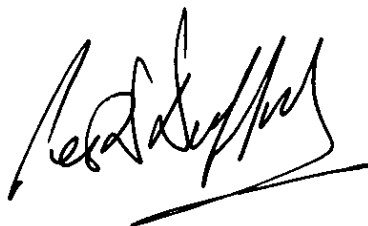
Hungerhill Academy Trust

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 Smales Goldie
Chartered Accountants
Statutory Auditor
Regent's Court
Princess Street
Hull
HU2 8BA

29 November 2012

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 26 November 2012 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2011/12, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Hungerhill Academy Trust during the period 7 February 2012 to 31 August 2012 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them

This report is made solely to 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 as published by DfES in 2006, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2011/12. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 7 February 2012 to 31 August 2012 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2011/12 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter

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

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

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

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 7 February 2012 to 31 August 2012 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

29 November 2012

Hungerhill Academy Trust (Registered Number: 07939747)

Statement of Financial Activities

for the period ended 31 August 2012

	Note	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total 2012 £
Incoming resources					
<i>Incoming resources from generated funds</i>					
Voluntary income	3	-	-	12,441,134	12,441,134
Activities for generating funds	4	27,973	-	-	27,973
Investment income	5	1,546	-	-	1,546
<i>Incoming resources from charitable activities</i>					
Funding for the Academy's educational operations	6	-	3,153,438	-	3,153,438
Total incoming resources		<u>29,519</u>	<u>3,153,438</u>	<u>12,441,134</u>	<u>15,624,091</u>
Resources expended					
<i>Cost of generating funds</i>					
Costs of activities for generating funds		34,704	-	-	34,704
Other resources expended - transfer from local authority on conversion	29	(1,029,536)	1,581,000	(496,243)	55,221
<i>Costs of Charitable activities</i>					
Academy's educational operations	8	-	2,683,598	272,031	2,955,629
Governance costs	9	-	57,982	-	57,982
Total resources expended		<u>(994,832)</u>	<u>4,322,580</u>	<u>(224,212)</u>	<u>3,103,536</u>
Net incoming resources before transfers		<u>1,024,351</u>	<u>(1,169,142)</u>	<u>12,665,346</u>	<u>12,520,555</u>
Gross transfers between funds	17	-	(136,171)	136,171	-
Net income for the period		<u>1,024,351</u>	<u>(1,305,313)</u>	<u>12,801,517</u>	<u>12,520,555</u>
Other recognised gains and losses					
Actuarial losses on defined benefit pension schemes	17,27	-	(149,000)	-	(149,000)
Net movement in funds		<u>1,024,351</u>	<u>(1,454,313)</u>	<u>12,801,517</u>	<u>12,371,555</u>
Reconciliation of funds					
Funds brought forward at 7 February 2012		-	-	-	-
Funds carried forward at 31 August 2012		<u>1,024,351</u>	<u>(1,454,313)</u>	<u>12,801,517</u>	<u>12,371,555</u>

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

All of the Academy Trust's activities derive from acquisitions in the current financial period

Hungerhill Academy Trust (Registered Number: 07939747)

Income and Expenditure Account

for the period ended 31 August 2012

	Note	2012 £
Income		
General Annual Grant (GAG)	2	2,844,690
DfE/YPLA capital grants	3	9,584
Other DfE/YPLA grants	6	72,901
Other government grants	6	235,847
Donated land and buildings	3	12,431,550
Other income	4,5	29,519
Total income		15,624,091
Expenditure		
Staff costs	10	2,195,681
Non-pay expenditure		
Premises		145,109
Supplies and services		435,494
Depreciation	13	272,031
Transfer from local authority on conversion	29	55,221
Total expenditure		3,103,536
Excess of income over expenditure		12,520,555

Statement of Total Recognised Gains and Losses

		2012 £
Excess of income over expenditure		12,520,555
Actuarial losses on defined benefit pension schemes	17,27	(149,000)
Total recognised gains and losses for the period		12,371,555
Net transfer to funds		
Restricted fixed asset fund		12,801,517
Restricted general fund		296,687
Restricted pension fund		(1,751,000)
Unrestricted funds		1,024,351
		12,371,555

The income and expenditure account and statement of total recognised gains and losses are derived from the statement of financial activities on page 19 which, together with the notes to the financial statements on pages 23 to 44, 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 acquisitions in the current financial period

Hungerhill Academy Trust (Registered Number: 07939747)

Balance Sheet

31 August 2012

	Note	2012 £
Fixed assets		
Tangible assets	13	12,801,517
Current assets		
Stock	14	33,218
Debtors	15	410,598
Cash at bank and in hand		1,402,313
		<u>1,846,129</u>
Liabilities		
Creditors Amounts falling due within one year	16	(525,091)
Net current assets		<u>1,321,038</u>
Total assets less current liabilities (excluding pension liability)		<u>14,122,555</u>
Pension scheme liability	27	(1,751,000)
Net assets including pension liability		<u><u>12,371,555</u></u>
Funds of the academy		
Restricted funds		
Fixed asset fund	17	12,801,517
General fund	17	296,687
Pension reserve	17	(1,751,000)
Total restricted funds		<u>11,347,204</u>
Unrestricted income funds		
General fund	17	1,024,351
Total funds		<u><u>12,371,555</u></u>

The financial statements on pages 19 to 44 were approved by the governors, and authorised for issue, on 29 November 2012 and are signed on their behalf by



M Bates
Chair

Hungerhill Academy Trust (Registered Number: 07939747)

Cash Flow Statement

for the period ended 31 August 2012

	Note	2012 £
Net cash inflow from operating activities	21	547,764
Returns on investments and servicing of finance	22	1,546
Capital expenditure	23	(136,171)
Cash transferred on conversion to an Academy Trust	29	989,174
Increase in cash in the period	24	1,402,313
Reconciliation of net cash flow to movement in net funds		
Net funds at 7 February 2012		-
Net funds at 31 August 2012		1,402,313

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

Hungerhill Academy Trust (Registered Number: 07939747)

Notes to the Financial Statements

for the period ended 31 August 2012

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.

- **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.

On 1 March 2012 Hungerhill Academy Trust was gifted the freehold title to the properties from which it operates. The gift was from the Brighter Futures Learning Partnership Trust, which previously held the property as a foundation trust. The property was professionally valued by DVS, the property services arm of the Valuation Office Agency on 20 April 2012 and the existing use value basis used was derived using the market value or depreciated replacement cost as appropriate.

Hungerhill Academy Trust (Registered Number: 07939747)

Notes to the Financial Statements

for the period ended 31 August 2012

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 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 in accordance with the above annual rates.

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

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 period ended 31 August 2012

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, are contracted out of the State Earnings-Related Pension Scheme ('SERPS'), 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 27, the TPS is a multi-employer scheme and the Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year

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

Fund Accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the Academy Trust at the discretion of the 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 period ended 31 August 2012

1. Statement of Accounting Policies (continued)

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 Hungerhill School to an Academy Trust have been valued at their fair 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 fair value is in accordance with the accounting policies set out for Hungerhill Academy Trust. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in resources expended as net expenditure in the statement of financial activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. Further details of the transaction are set out in note 29.

Hungerhill Academy Trust (Registered Number: 07939747)

Notes to the Financial Statements

for the period ended 31 August 2012

2.	General Annual Grant (GAG)			2012
				£
a)	Results and carry forward for the period			
	GAG brought forward from previous year			-
	GAG allocation for current period			2,844,690
	Total GAG available to spend			2,844,690
	Recurrent expenditure from GAG			(2,451,832)
	Fixed assets purchased from GAG			(136,171)
	GAG carried forward to next year			256,687
	Maximum permitted GAG carry forward at end of current period (12% of allocation for current period)			(341,363)
	GAG to surrender to DfE			(84,676)
	(12% rule breached if result is positive)			no breach
b)	Use of GAG brought forward from previous year for recurrent purposes			
	(Of the amount carried forward each year, a maximum of 2% of GAG can be used for recurrent purposes. Any balance, up to a maximum of 12%, can only be used for capital purposes)			
	Recurrent expenditure from GAG in current period			2,451,832
	GAG allocation for current period			(2,844,690)
	GAG allocation for previous year x 2%			-
				(392,858)
	(2% rule breached if result is positive)			no breach
3	Voluntary income	Unrestricted funds	Restricted funds	Total 2012
		£	£	£
	Capital grants	-	9,584	9,584
	Donated land and buildings	-	12,431,550	12,431,550
		-	12,441,134	12,441,134

Hungerhill Academy Trust (Registered Number: 07939747)

Notes to the Financial Statements

for the period ended 31 August 2012

4	Activities for generating funds	Unrestricted funds	Restricted funds	Total 2012
		£	£	£
	Uniform sales	21,848	-	21,848
	Hire of facilities	4,202	-	4,202
	Other income	1,923	-	1,923
		<u>27,973</u>	<u>-</u>	<u>27,973</u>
5	Investment income	Unrestricted funds	Restricted funds	Total 2012
		£	£	£
	Short term deposits	1,546	-	1,546
		<u>1,546</u>	<u>-</u>	<u>1,546</u>
6.	Funding for the academy's educational operations	Unrestricted funds	Restricted funds	Total 2012
		£	£	£
	DfE/EFA revenue grants			
	General Annual Grant (GAG) (note 2)	-	2,844,690	2,844,690
	Other DfE/EFA grants	-	72,901	72,901
		<u>-</u>	<u>2,917,591</u>	<u>2,917,591</u>
	Other government grants			
	Local authority grants	-	67,256	67,256
	Special educational projects	-	168,591	168,591
		<u>-</u>	<u>235,847</u>	<u>235,847</u>
		<u>-</u>	<u>3,153,438</u>	<u>3,153,438</u>

Hungerhill Academy Trust (Registered Number: 07939747)

Notes to the Financial Statements

for the period ended 31 August 2012

7	Resources expended	Staff costs	Non-Pay Expenditure		Total 2012
		£	Premises £	Other costs £	£
	Costs of activities for generating funds	-	-	34,704	34,704
	Academy's educational operations				
	Direct costs	1,866,483	129,425	240,336	2,236,244
	Allocated support costs	288,717	186,744	243,924	719,385
		<u>2,155,200</u>	<u>316,169</u>	<u>518,964</u>	<u>2,990,333</u>
	Governance costs including allocated support costs	40,481	-	17,501	57,982
		<u>2,195,681</u>	<u>316,169</u>	<u>536,465</u>	<u>3,048,315</u>
	Incoming resources for the period include				2012 £
	Operating leases				2,529
	Fees payable to auditor				
	- audit				4,750
	- other services				300
	Loss on disposal of fixed assets				30

Hungerhill Academy Trust (Registered Number: 07939747)

Notes to the Financial Statements

for the period ended 31 August 2012

8 Charitable activities - academy's educational operations

	Unrestricted funds £	Restricted funds £	2012 £
Direct costs			
Teaching and educational support staff costs	-	1,866,483	1,866,483
Depreciation	-	205,820	205,820
Educational supplies	-	125,723	125,723
Examination fees	-	23,533	23,533
Staff development	-	14,685	14,685
	-	2,236,244	2,236,244
Allocated support costs			
Support staff costs	-	288,717	288,717
Depreciation	-	66,211	66,211
Recruitment and support	-	8,869	8,869
Maintenance of premises and equipment	-	165,371	165,371
Cleaning	-	2,516	2,516
Rent and rates	-	10,232	10,232
Insurance	-	37,966	37,966
Security and transport	-	1,817	1,817
Catering	-	100,212	100,212
Other support costs	-	37,474	37,474
	-	719,385	719,385
	-	2,955,629	2,955,629

Hungerhill Academy Trust (Registered Number: 07939747)

Notes to the Financial Statements

for the period ended 31 August 2012

9	Governance costs	Unrestricted Funds £	Restricted Funds £	Total 2012 £
	Legal and professional fees	-	12,751	12,751
	Auditor's remuneration	-	4,750	4,750
	- Audit of financial statements	-	40,481	40,481
	Support staff costs	-	57,982	57,982

10. Staff costs

Staff costs during the period were:	2012 £
Wages and salaries	1,776,303
Social security costs	123,049
Pension costs	296,329
	2,195,681
Supply teacher costs	10,491
	2,206,172

The average number of persons (including senior management team) employed by the Academy Trust during the period ended 31 August 2012 expressed as full time equivalents was as follows

Charitable activities	2012 No
Teachers	75
Administration and support	51
	126

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

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

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

Hungerhill Academy Trust (Registered Number: 07939747)

Notes to the Financial Statements

for the period ended 31 August 2012

11. Governors' remuneration and expenses

Principal and staff governors only receive remuneration in respect of services they provide undertaking the roles of Principal and staff and not in respect of their services as governors. 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:

Principal	£45,520
Staff Governor and trustee	£20,001 - £25,000
Staff Governor and trustee	£5,001 - £10,000

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

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

12. 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 period ended 31 August 2012 was £329.

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

13. Tangible fixed assets

	Freehold land and buildings £	Furniture and equipment £	Computer equipment £	Other computer equipment £	Total 2012 £
Cost					
Transfer on conversion	12,412,266	193,098	231,698	90,731	12,927,793
Additions	-	54,234	60,309	31,642	146,185
Disposals	-	(430)	-	-	(430)
At 31 August 2012	12,412,266	246,902	292,007	122,373	13,073,548
Depreciation:					
Charged in period	171,060	18,322	76,272	6,377	272,031
At 31 August 2012	171,060	18,322	76,272	6,377	272,031
Net book value 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 period ended 31 August 2012

14. Stock	2012 £
Clothing	11,558
Consumables	21,660
	<u>33,218</u>

15 Debtors	2012 £
Trade debtors	112,847
Other debtors	175,248
Prepayments	122,503
	<u>410,598</u>

16. Creditors: amounts falling due within one year	2012 £
Trade creditors	152,184
PAYE & NIC creditor	78,650
Other creditors	66,969
Accruals and deferred income	227,288
	<u>525,091</u>

Deferred income	2012 £
Resources deferred in the period	198,977
Deferred income at 31 August 2012	<u>198,977</u>

Deferred income comprises monies relating to the 2012-2013 academic year Amounts carried forward relate to

	£
School trips	183,060
Capital grants	13,417
Music tuition fees	2,500
	<u>198,977</u>

Hungerhill Academy Trust (Registered Number: 07939747)

Notes to the Financial Statements

for the period ended 31 August 2012

17. Funds

	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2012 £
Restricted general funds				
General Annual Grant (GAG)	2,844,690	(2,451,832)	(136,171)	256,687
Other DfE/EFA grants	72,901	(72,901)	-	-
Other government grants	235,847	(195,847)	-	40,000
Pension reserve	-	(1,602,000)	(149,000)	(1,751,000)
	<u>3,153,438</u>	<u>(4,322,580)</u>	<u>(285,171)</u>	<u>(1,454,313)</u>
 Restricted fixed asset fund				
DfE/EFA capital grants	9,584	-	(9,584)	-
Capital expenditure from GAG	-	(4,002)	136,171	132,169
Donated land and buildings	12,431,550	(172,582)	-	12,258,968
Other fixed assets	-	400,796	9,584	410,380
	<u>12,441,134</u>	<u>224,212</u>	<u>136,171</u>	<u>12,801,517</u>
 Total restricted funds	<u><u>15,594,572</u></u>	<u><u>(4,098,368)</u></u>	<u><u>(149,000)</u></u>	<u><u>11,347,204</u></u>
 Unrestricted funds				
Unrestricted funds	29,519	994,832	-	1,024,351
Total unrestricted funds	<u>29,519</u>	<u>994,832</u>	<u>-</u>	<u>1,024,351</u>
 Total funds	<u><u>15,624,091</u></u>	<u><u>(3,103,536)</u></u>	<u><u>(149,000)</u></u>	<u><u>12,371,555</u></u>

Hungerhill Academy Trust (Registered Number: 07939747)

Notes to the Financial Statements

for the period ended 31 August 2012

17. 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

The GAG must be used to meet the normal running costs of the Academy Trust. The Academy Trust is allowed to carry forward up to 12% of the current GAG. Of the carried forward amount, up to 2% can be used for general purposes at the discretion of the Academy Trust but any balance over 2% must be used for capital purposes.

Other DfE/EFA and other government grants

The other DfE/EFA and other government grants must be used for the specific purpose for which they are given. Such grants are made to 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.

18. Analysis of net assets between funds

Fund balances at 31 August 2012 are represented by

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	12,801,517	12,801,517
Current assets	1,036,268	809,861	-	1,846,129
Current liabilities	(11,917)	(513,174)	-	(525,091)
Pension scheme liability	-	(1,751,000)	-	(1,751,000)
Total net assets	1,024,351	(1,454,313)	12,801,517	12,371,555

Hungerhill Academy Trust (Registered Number: 07939747)

Notes to the Financial Statements

for the period ended 31 August 2012

19. Capital commitments

2012
£

Contracted for but not provided in the financial statements

-

20. Financial commitments

Operating leases

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

Other

2012
£

Expiring within one year

1,112

Expiring within two to five years

2,733

3,845

21. Reconciliation of net income to net cash inflow from operating activities

2012
£

Net income

12,520,555

Cash transferred on conversion to an Academy Trust (note 29)

(989,174)

Depreciation (note 13)

272,031

Capital grants from DfE and other capital income

(12,937,377)

Interest receivable (note 5)

(1,546)

FRS 17 pension cost less contributions payable (note 27)

1,567,000

FRS 17 pension finance costs (note 27)

35,000

Increase in stocks

(33,218)

Increase in debtors

(410,598)

Increase in creditors

525,091

Net cash inflow from operating activities

547,764

Hungerhill Academy Trust (Registered Number: 07939747)

Notes to the Financial Statements

for the period ended 31 August 2012

22. Returns on investments and servicing of finance

	2012 £
Interest received	1,546
Net cash outflow from returns on investments and servicing of finance	<u>1,546</u>

23. Capital expenditure and financial investment

	2012 £
Purchase of tangible fixed assets	(146,185)
Capital grants from DfE/EFA	9,584
Receipts from sale of tangible fixed assets	430
Net cash inflow from capital expenditure and financial investment	<u>(136,171)</u>

24. Analysis of changes in net funds

	At 7 February 2012 £	Cash flows £	At 31 August 2012 £
Cash at bank and in hand	<u>-</u>	<u>1,402,313</u>	<u>1,402,313</u>

Hungerhill Academy Trust (Registered Number: 07939747)

Notes to the Financial Statements

for the period ended 31 August 2012

25 Contingent liabilities

During the period of the funding agreement, in the event of the sale or disposal by other means or any 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

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

- a) the value at that time of the Academy Trust'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 under the funding agreement

26. Members' liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while 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

27. Pensions and similar obligations

The academy's employees belong to two principal pension schemes the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff, and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by 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 £66,969 were payable to the schemes at 31 August and are included within creditors

Teachers' Pension Scheme

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

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

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

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

Hungerhill Academy Trust (Registered Number: 07939747)

Notes to the Financial Statements

for the period ended 31 August 2012

27. Pensions and similar obligations (continued)

Teachers' Pension Scheme (continued)

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

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

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

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

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

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

Hungerhill Academy Trust (Registered Number: 07939747)

Notes to the Financial Statements

for the period ended 31 August 2012

27. 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 period ended 31 August 2012 was £119,000 of which employer's contributions totalled £93,000 and employees' contributions totalled £26,000. The agreed contribution rates for future years are 12.8% for employers and between 5.5% and 7.5% for employees.

During the period it was agreed that the Academy Trust would make additional annual contributions totalling £75,800 in respect of past service debt. It is anticipated that payments will be made for the next 18 years with a reassessment of the amount in 2013 and revised payments taking effect from April 2014.

As described in note 29 the LGPS obligation relates to the employees of the Academy Trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy Trust at the balance sheet date.

Principal actuarial assumptions	At 31 August 2012 %
Rate of increase in salaries	4.05
Rate of increase for pensions in payment/inflation	2.30
Discount rate for scheme liabilities	4.50
Inflation assumption (CPI)	2.30
Commutation of pensions to lump sums	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 2012	Approximate % increase/(decrease) to employer liability	Approximate monetary amount (£)
0.1% increase in discount rate	(2.91)	(51,000)
0.1% increase in inflation	2.97	52,000
1 year increase in member life expectancy	2.57	45,000

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 2012
<i>Retiring today</i>	
Males	21.8
Females	24.6
<i>Retiring in 20 years</i>	
Males	23.6
Females	26.5

Hungerhill Academy Trust (Registered Number: 07939747)

Notes to the Financial Statements

for the period ended 31 August 2012

27. 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 2012 %	Fair value at 31 August 2012 £
Equities	7.00	510,000
Government bonds	2.50	113,000
Other bonds	3.40	64,000
Property	6.00	75,000
Cash	0.50	20,000
Total market value of assets		782,000
Present value of scheme liabilities		
- Funded		(2,533,000)
Deficit in the scheme		(1,751,000)

The expected return on assets is based on the long term future expected investment return for each asset class as at the date of inheritance i.e. as at 7 February 2012 (for the period to 31 August 2012)

The actual return on the scheme assets was £3,000

Amounts recognised in the statement of financial activities

	2012 £
Current service cost (net of employee contributions)	79,000
Total operating charge	79,000

Analysis of pension finance costs

	2012 £
Expected return on pension scheme assets	20,000
Interest on pension liabilities	(55,000)
Pension finance costs	(35,000)

Hungerhill Academy Trust (Registered Number: 07939747)

Notes to the Financial Statements

for the period ended 31 August 2012

27. Pensions and similar obligations (continued)

Local Government Pension Scheme (continued)

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 £149,000 loss.

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

	2012 £
At 7 February 2012	-
Inherited present value of obligations	2,241,000
Current service cost	79,000
Interest cost	55,000
Employee contributions	26,000
Actuarial (gain)/loss	132,000
	<hr/>
At 31 August	2,533,000
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Movements in the fair value of academy's share of scheme assets.

	2012 £
At 7 February 2012	-
Inherited fair value of assets	660,000
Expected return on assets	20,000
Actuarial gain/(loss)	(17,000)
Employer contributions	93,000
Employee contributions	26,000
	<hr/>
At 31 August	782,000
	<hr/>

The estimated value of employer contributions for the year ended 31 August 2013 is £186,000

Hungerhill Academy Trust (Registered Number: 07939747)

Notes to the Financial Statements

for the period ended 31 August 2012

27. Pensions and similar obligations (continued)

Local Government Pension Scheme (continued)

The charitable company was incorporated on 7 February 2012 and therefore does not have a history of experience adjustments. The experience adjustments for this first period are as follows:

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

28. 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.

Hungerhill Academy Trust is an Associate Member of the Brighter Futures Learning Partnership Trust which is an educational charitable trust established on 4th February 2010 consisting of Barnby Dun Primary School, 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.

During the period the Brighter Futures Learning Partnership Trust donated land and buildings valued at £12,431,550 to Hungerhill Academy Trust. The land and buildings have been capitalised, and the donation recognised within voluntary income in the statement of financial activities.

29. Conversion to an Academy Trust

On 7 February 2012 Hungerhill School converted to Academy Trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Hungerhill Academy Trust from the Doncaster Metropolitan Borough Council local authority for £nil consideration.

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

Hungerhill Academy Trust (Registered Number: 07939747)

Notes to the Financial Statements

for the period ended 31 August 2012

29. Conversion to an Academy Trust (continued)

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

	Unrestricted funds £	Restricted general funds £	Restricted fixed assets funds £	Total £
Tangible fixed assets				
Other tangible fixed assets	-	-	496,243	496,243
Budget surplus on LA funds	884,865	-	-	884,865
Budget surplus on other school funds	104,309	-	-	104,309
LGPS pension deficit	-	(1,581,000)	-	(1,581,000)
Other identified assets and liabilities	40,362	-	-	40,362
Net liabilities	1,029,536	(1,581,000)	496,243	(55,221)

The above net liabilities include £989,174 that was transferred as cash

The LGPS pension deficit relates to the employees of the Academy Trust, who were the employees transferred as part of the conversion from the maintained school. The deficit in respect of employees who transferred on conversion represents their cumulative service at the predecessor school.