

Company Registration No. 08803871 (England and Wales)

HEMLINGTON HALL ACADEMY
(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT AND AUDITED ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2015

HEMLINGTON HALL ACADEMY

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HEMLINGTON HALL ACADEMY

REFERENCE AND ADMINISTRATIVE DETAILS

Trustees

Christopher Martin
Joanne Tickle
Victoria Walker
Emma Cook-Smith
Khazana McLaughlin
Catherine Simon
Mr D Elliott (Chair of Governors)
Kay Braithwaite (Vice Chair)
Mrs K Edmenson (Accounting Officer)
Ms D Linacre
Jeanette Lee (Resigned 28 January 2015)
C McManus (Appointed 9 October 2014 and resigned 26 March 2015)
Lyndsey Tonge (Resigned 8 September 2014)
A Roberts (Appointed 17 June 2015)
J Marchant (Appointed 12 February 2015)
C Thompson (Appointed 27 March 2015)

Members

David Elliott
Kay Braithwaite
Jeanette Lee

Senior management team

- Headteacher
- Deputy Headteacher

Karen Edmenson
Sue Lockney
Joanne Knox
Clare McManus
Nicola Padgett

Company registration number

08803871 (England and Wales)

Registered office

Briscoe Way
Hemlington Hall Road
Middlesbrough
TS8 9SJ

Independent auditor

Evolution Business and Tax Advisors LLP
Wynyard Park House
Wynyard Avenue
Wynyard
TS22 5TB

Bankers

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

HEMLINGTON HALL ACADEMY

REFERENCE AND ADMINISTRATIVE DETAILS

Solicitors

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

HEMLINGTON HALL ACADEMY

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2015

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2014 to 31 August 2015. The annual report serves the purposes of both a trustee's report, and a directors' report under company law.

The trust operates an academy for pupils aged 3-11 serving a catchment area in Hemlington, Middlesbrough. It has a pupil capacity of 384 and had a roll of 353 in the school census on 8 October 2015.

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. The trustees of Hemlington Hall Academy are also the directors of the charitable company for the purposes of company law. The charitable company is known as Hemlington Hall Academy.

The academy was incorporated on 5 December 2013, and commenced trading on 1 January 2014.

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

Members' liability

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

Trustees' indemnities

The academy has purchased insurance to protect trustees from claims arising against negligent acts, errors or omissions occurring whilst on academy business.

HEMLINGTON HALL ACADEMY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

Method of recruitment and appointment or election of trustees

The term of office for any Trustee shall be 4 years, save that this time limit shall not apply to the Principal or any post held ex officio. Subject to remaining eligible to be a particular type of Trustees, any Trustee may be re-appointed or re-elected.

There shall be at least three Members of the Academy Trust. The members of the Academy Trust shall comprise:

- the signatories of the Memorandum,
- up to one Parent Governor appointed by ordinary resolution of the Members,
- up to two Community Governors appointed by ordinary resolution of the members,
- up to two persons (not being Governors) appointed by ordinary resolution of the Members,
- the Chair of the Governors, and
- any other person appointed under Article 16

Each of the persons entitled to appoint Members in Article 12 shall have the right from time to time by written notice delivered to the Office to remove any Member appointed by them and to appoint a replacement member to fill a vacancy whether resulting from such removal or otherwise.

If any of the persons entitled to appoint Members in Article 12

- in the case of an individual, die or become legally incapacitated or otherwise incapable by reason of illness or injury of managing and administering their own affairs,
- in the case of a corporate entity, cease to exist and are not replaced by a successor institution,
- becomes insolvent or makes any arrangement or composition with their creditors generally, or
- ceases to be a member,

their right to appoint members under these Articles shall vest in the remaining Members.

Membership will terminate if

- a Member (which is a corporate entity) ceases to exist and is not replaced by a successor institution,
- a Member (which is an individual) dies or become legally incapacitated or otherwise incapable by reason of illness or injury of managing and administering his own affairs,
- a Member become insolvent or makes any arrangement or composition with that Member's creditors, or
- a Member (being a Governor) ceases to be a Governor for any reason.

The Members may agree unanimously in writing to remove any Member(s) who is a signatory to the Memorandum (save that the agreement of a signatory to the Memorandum who is to be removed shall not be required), provided that it is in the interests of the Academy Trust to remove such a Member(s).

The Members may agree by passing a special resolution in writing to appoint such additional Members as they think fit and may agree by passing a special resolution in writing to remove any such additional Members, provided that such appointment or removal is in the interests of the Academy Trust.

Every person nominated to be a Member of the Academy Trust shall either sign a written consent to become a Member or sign the register of Members on becoming a Member.

Any member may resign provided that after such resignation the number of Members is not less than the minimum number specified under Article 12. A Member shall cease to be one immediately on the receipt by the Academy Trust of a notice in writing signed by the person or persons entitled to remove him or her under Articles 13 or 16 provided that no such notice shall take effect when the number of Members is less than the minimum number specified under Article 12 unless it contains or is accompanied by the appointment of a replacement Member.

HEMLINGTON HALL ACADEMY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

Policies and procedures adopted for the induction and training of trustees

The training and induction provided for new Trustees depends on their existing experience. Training for new and for serving trustees is updated as and when required. Where necessary, induction and training is provided on charity, educational, legal and financial matters. All new Trustees are given a tour of the academy and the chance to meet with staff and students. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees. As there are normally only one or two new Trustees a year, induction tend to be done informally and is tailored specifically to the individual.

Organisational structure

During the period from 1 September 2014 to 31 August 2015 the academy continued to operate a unified management structure. The structure consists of two levels: the Board of Trustees and the Senior Leadership Team. The aim of the management structure is to devolve responsibility and to encourage involvement in decision making at all levels.

The Trustees are responsible for setting general policy, adopting an annual development plan and budget, monitoring the academy by the use of budgets and making major decisions about the direction of the academy, capital expenditure and senior staff appointments.

The Senior Leadership Team consists of the Head Teacher, Deputy Head, School Business Manager and Senior Teacher who control the academy at an executive level implementing the policies laid down by the Trustees and reporting back to them. The spending control is devolved to the Head Teacher and the School Business Manager for authorisation of spending within agreed budgets. Any spending above agreed limits must be referred to the Finance Committee and Board of Trustees or the Trust.

Related parties and other connected charities and organisations

Hemlington Hall Academy is part of the Discovery Alliance, an Umbrella Trust established by five neighbouring primary academies and one secondary academy. The Discovery Alliance Umbrella Trust is a company registered in England and Wales. The Discovery Alliance was created to facilitate a closer working relationship between the six schools in order to raise standards, improve the educational experience, promote consistency and improve transition. The Head Teachers of the six schools together with special advisors from the Raising Achievement Board (RAB) meet regularly to further the objectives of the Alliance through collaborative working and sharing best practice. Unlike a Multi Academy Trust, the Umbrella Trust and the six schools therein remain autonomous to ensure the best educational outcomes for each, whilst still being able to promote efficiency, effectiveness and challenge through a rigorous, collaborative approach.

HEMLINGTON HALL ACADEMY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

Objectives and activities

Objects and aims

Ethos & Aims

Our School Motto: Educate. Encourage. Embrace.

Hemlington Hall converted to Academy status on January 1st 2014. Though autonomous in our own right, we work under the umbrella of The Discovery Alliance; a geographically linked cluster of Academies made up of Rose Wood, Easterside, Sunnyside, Viewley Hill and The King's. The Discovery Alliance drives improvement and effectiveness through challenging and rigorous school-to-school support at management level and close liaison with leaders in key areas.

Hemlington Hall is a happy, caring school with high standards for every individual. Our children are given the opportunity to reach their full potential academically socially and emotionally. We want our children to become confident, independent thinkers. Children make progress through high quality lessons developed through the New National Curriculum and enriched through engaging learning contexts. This, alongside support from Parents at home, is proven to be the key to success for learners.

The work of all staff promotes all aspects of safeguarding and inclusion forms an integral part of all of our work in school.

We have high expectations of all of our children and place an emphasis on good standards of behaviour, encouraging children to make informed decisions, accept responsibility for their actions and develop high self-esteem.

All staff recognise the importance of creating a stimulating and attractive learning environment that reflects different styles of learning. This fosters pride within our school community that is valued by all.

Technology is a valuable learning tool and is embedded in Teacher's planning to help to enrich the curriculum in the modern multi-media world in which the children live.

To achieve our aims, we value partnership with parents, carers, the Discovery Alliance, Middlesbrough School Teaching Alliance (MSTA) and the community. We actively work with parents so that our children can achieve their best in these important years of school life.

We are proud to have gained many awards including the EY Quality Mark, Basic Skills Award, Green Flag, Sing Up Gold Award, Active Mark, Northumbria in Bloom, Sainsbury's Sport Bronze, Healthy Schools and the NE Excellence in ICT Award.

The principal objectives and activities of the charitable company are:

- To provide education for students of all abilities between the ages of 3 to 11 with an emphasis on excellent teaching and learning.
- To provide children with a broad and balanced educational programme, with experience of the highest quality and to teach them to acquire and apply skills and knowledge.
- To help the children to develop personal and social skills to increase their moral and spiritual awareness.
- To provide a caring environment which encourages courtesy, responsibility and consideration for the needs of others and the development of sound relationships between school, families and the community.

In accordance with the Articles of Association the charitable company had adopted a "Scheme of Government" approved by the Secretary of State for Education. The Scheme of Government specifies, amongst other things, the basis for admitting students to the academy, catchment area from which the students are drawn, and that the curriculum should comply with the substance of the national curriculum with an emphasis on providing children with a broad and balanced educational programme, with experience of the highest quality and to teach them to acquire and apply skills and knowledge.

HEMLINGTON HALL ACADEMY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

The main objectives of the academy during the period 1 January 2014 to 31 August 2014 are summarised below:

- To continue to strive for high standards of achievement and progress through excellent teaching
- Ensure all pupils make at least expected progress from their starting points, with an increasing percentage making better than expected progress
- Secure agreed contingency fund
- Further develop SMSCD across the indoor and outdoor curriculum for all children including Early Years
- Plan long-term school building improvement for KS2
- Raise the attainment through challenging provision particularly for More able and children in receipt of Pupil Premium
- Maintain sound financial practices.

Objectives, strategies and activities

2015/2016 Priorities for development are specified under the Ofsted and SEF Headings:

Effectiveness of Leadership & Management

- Priority 1: To develop all staff as leaders through effective training in order to maximize capacity across school
- Priority 2: Continue to embed effective partnerships within the Umbrella Trust and other professionals to meet the needs of HHA children and raise standards of HHA children and raise standards
- Priority 3: Extending opportunities to engage Parents to promote learning and develop wider partnerships
- Priority 4: To continue to ensure curriculum challenges learners and raises standards for all children
- Priority 5: To raise awareness and improve the teaching and learning of SMSCD
- Priority 6: To ensure all safeguarding procedures are shared and implemented, improving systems where possible
- Priority 7: To continue to maximize effectiveness of Governors

Personal Development, Behaviour & Welfare

- Priority 1: To effectively support the well-being of learners through targeted programs, interventions and strategies
- Priority 2: To continue to improve Attendance and Punctuality
- Priority 3: To enhance pupil engagement across the to improve understanding and well-being for all children

The Quality of Teaching, Learning & Assessment

- Priority 1 : Teaching promotes sustained progress of children through increasingly outstanding practice
- Priority 2: Children attain well against national year group descriptors
- Priority 3: Assessment procedures are embedded and all staff use them effectively to plan, assess and teach in order to raise standards
- Priority 4: Homework is of a high quality allowing children to be challenged or consolidate learning and deepen understanding

Outcomes for Children & Learners

- Priority 1: To ensure that all groups and individuals meet challenging end of year targets, particularly disadvantaged at KS1 and KS2

Public benefit

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

HEMLINGTON HALL ACADEMY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

Strategic report

Achievements and performance

End of Key Stage Results 2015

Foundation Stage Summary: End of Reception 2015 (excl HNB)

7s Points Writing	7s Points Reading	Average 7s Points Number / SSM	% Achieving Good Level of Development
81%	80%	83%	76%

Y1 Phonics Screening Check: 71% incl HNB / 78 % excl HNB

KS1 Teacher Assessment Results 2015

48 children not including 4 of High Needs Base

MATHS			WRITING			READING		
L2+	L2b+	L3	L2+	L2b+	L3	L2+	L2b+	L3
98%	81%	12%	90%	67%	0%	94%	74%	6%

52 children including High Needs Base

MATHS			WRITING			READING		
L2+	L2b+	L3	L2+	L2b+	L3	L2+	L2b+	L3
90%	75%	12%	83%	62%	0%	89%	69%	6%

KS2 Unvalidated SATS Results 2015

38 children total (1 child dis-applied from Reading test)

MATHS			WRITING		READING		Grammar, Punctuation, Spelling	
L4+	L5	L6	L4+	L5	L4+	L5	L4+	L5
92%	26%	0%	87%	22%	87%	24%	71%	42%

2 LEVELS PROGRESS KS1 to KS2			3 LEVELS PROGRESS KS1 to KS2		
R	W	M	R	W	M
95%	97%	97%	26%	21%	26%

Going concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason 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.

HEMLINGTON HALL ACADEMY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

Financial review

Most of the academy's income is obtained from the Department for Education (DfE) via the Education Funding Agency (EFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The Grants received from the DfE / EFA during the period 1 September 2014 to 31 August 2015 and the associated expenditure are shown as restricted fund in the Statement of Financial Activities.

The Academy also receives grants for fixed assets from DfE/EFA. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2005), such grants are shown in the statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over expected useful life of the assets concerned.

During the period 1 September 2014 to 31 August 2015, total expenditure of £1,840,667 was exceeded by recurrent grant funding from the DfE/EFA together with other incoming resources. The excess of income over expenditure for the period 1 September 2014 to 31 August 2015 (before transfers and actuarial gains, and excluding restricted fixed asset funds) was £289,094.

All of the expenditure shown in the Statement of Financial Activities is in furtherance of the Academy's objectives.

At 31 August 2015 the net book value of fixed assets was £3,429,189 and movements in tangible fixed assets are shown in note 11 to the Financial Statements. The assets were exclusively for providing education and the associated support services to the students of the academy.

The provisions of Financial Reporting Standard No. 17 'Retirement Benefits' (FRS17) have been applied in full, resulting in a balance of £264,000 recognised on the balance sheet.

The Academy held fund balances at 31 August 2015 of £191,905 comprising of £59,514 of unrestricted funds and £132,391 of restricted general funds.

Reserves policy

The Trustees review the reserve levels of the academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees have determined that the appropriate level of free reserves should be equivalent to 6% to 9% of 'total incoming resources less restricted fixed asset income' and ideally 7.5% of this income (equivalent to 4 weeks' expenditure, approximately £100,000). The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. The Academy current level of free reserves total funds less the amount held in fixed assets and restricted funds are in surplus by £191,905 (see note 15).

Investment policy and powers

If the Academy is able to generate better returns than currently provided in the current account, it may undertake other investments. Investments may however only be made in accordance with procedures approved by the GB. It is expected that all investment decisions will be made on a risk-averse basis. All investments, outside of the deposit account, need GB approval.

Investments must be recorded in sufficient detail to identify the investment and to enable the current market value to be calculated, including the date of purchase, the cost and a description of the investment. Additional procedures may be required to ensure that income receivable is actually received.

HEMLINGTON HALL ACADEMY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

Principal risks and uncertainties

The principle risks and uncertainties are centred around changes in the level of funding from the DfE/EFA. In addition the Academy is a member of the Local Government Pension Scheme (LGPS), which results in the recognition of a significant deficit on the academy balance sheet.

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

The Academy has fully implemented the requirements of the Safer Recruitment procedures and all staff have received training in this area in addition to training on Child Protection.

Financial and risk management objectives and policies - The Academy is subject to a number of risks and uncertainties in common with other Academies. The Academy has in place a procedure to identify and mitigate financial risks. These are discussed in the Risk Management section of this report, and in the Governance Statement.

Plans for future periods

2-5 year longer term KS2 classroom and internal architectural improvement: Planning exercise from November 2014 - Working with Local Contractors / Architects to, develop a long term plan to reduce interruptions to teaching by developing separate classrooms, shared working areas and a route through school. The teaching spaces will be improved and existing areas will be remodelled to maximise use and function and in order to prepare for increasing pupil numbers coming through KS1 at present. This work will be broken down into Phases and costed accordingly. A bid will be made to CIF December 2015 (quote deadlines permitting). Governors have agreed to make a commitment to setting aside £120k per year and use some funds in reserve in order to plan for this project with a view to Phase 1 beginning Summer 2015.

As part of the above KS2 Project, we intend to improve efficiency and effectiveness of lighting in particular areas of School by removing existing inefficient and discontinued strip-lighting and replace with more efficient, cost effective and aesthetically improved lighting panels. Work will be phased in accordance with the longer term KS2 Project

Creation of a Food Technology area (which will be phased into longer term building plans) for whole school use within the curriculum and for after school and holiday activities. £10k approximately

Creation of outreach spaces / meeting rooms through remodelling of existing areas (Phased within larger KS2 Project) £5k approximately.

Funds held as custodian trustee on behalf of others

None.

HEMLINGTON HALL ACADEMY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

Auditor

Insofar as the trustee are aware:

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

Hemlington Hall Academy has signed a 2 year agreement with Evolution Business and Tax Advisors LLP as auditors for 2014 and 2015.

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 17.11.15 and signed on its behalf by:



Mr D Elliott

Chair of Governors

HEMLINGTON HALL ACADEMY

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2015

Scope of responsibility

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

The Board of Trustees has delegated the day-to-day responsibility to the Headteacher, as Accounting Officer, for ensuring financial controls conform to 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 Hemlington Hall Academy and the Secretary of State for Education. They are also responsible for reporting to the Boards of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' report and in the Trustees' responsibilities statement. The Board of Trustees formally met on three occasions during the period. Attendance during the year at meetings of the Board of Trustees was as follow:

Trustees	Meetings attended	Out of possible
Christopher Martin	2	3
Joanne Tickle	3	3
Victoria Walker	2	3
Emma Cook-Smith	2	3
Khazana McLaughlin	2	3
Catherine Simon	3	3
Mr D Elliott (Chair of Governors)	3	3
Kay Braithwaite (Vice Chair)	2	3
Mrs K Edmenson (Accounting Officer)	3	3
Ms D Linacre	3	3
Jeanette Lee (Resigned 28 January 2015)	1	1
C McManus (Appointed 9 October 2014 and resigned 26 March 2015)	2	2
Lyndsey Tonge (Resigned 8 September 2014)	0	0
A Roberts (Appointed 17 June 2015)	1	1
J Marchant (Appointed 12 February 2015)	2	2
C Thompson (Appointed 27 March 2015)	1	1

The Trustees conducted a formal self-review process on 9th May 2014 with the local authority Governor Development Service. As a result Trustees evaluated their individual contributions and evaluated the strengths and limitations of the body of Trustees in order to maximise their effectiveness. This process is revisited termly and reviewed annually.

HEMLINGTON HALL ACADEMY

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

The Finance and Staffing Committee is a sub-committee of the main Board of Trustees. Its purpose is to ensure that sound financial practices have been adopted within the constraints of the grants receivable and to agree/discuss financial expenditure over an agreed amount. It also fulfils the role of the Audit Committee on behalf of the Trustees. This year, a new Trustee has been specifically appointed for her financial knowledge and professional background in order to improve the strategic effectiveness of the Board of Trustees at Hemlington Hall Academy.

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
Joanne Tickle	3	4
Victoria Walker	3	4
Emma Cook-Smith	1	4
Mr D Elliott (Chair of Governors)	4	4
Kay Braithwaite (Vice Chair)	4	4
Mrs K Edmenson (Accounting Officer)	3	4
Jeanette Lee (Resigned 28 January 2015)	1	1

Review of value for money

I accept that as Accounting Officer of Hemlington Hall Academy I am responsible and accountable for ensuring that the Academy delivers good value in the use of public resources. I am aware of the guide to academy value for money refers to the educational and wider social outcomes achieved in return for the taxpayers resources received.

I set out below how I have ensured that the Academy's use of its resources has provided good value for money during the academic year.

The Academy is committed to:-

1. Raising student attainment

Hemlington Hall Academy is a larger than average sized school which draws its pupils from a wide area including high social deprivation. The school has a 15-place High Needs Base Class which is accessed by Middlesbrough children aged 4-7 with learning difficulties and/or disabilities.

We have highly effective staff who are committed to raising standards for all children through the New National Curriculum and a range of enrichment opportunities.

2015 end of key stage results demonstrated the highest in several years:

Foundation Stage Summary: End of Reception 2015 (excl HNB)

7s Points Writing	7s Points Reading	Average 7s Points Number / SSM	% Achieving Good Level of Development
81%	80%	83%	76%

HEMLINGTON HALL ACADEMY

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

Y1 Phonics Screening Check: 71% incl HNB / 78 % excl HNB

KS1 Teacher Assessment Results 2015

48 children not including 4 of High Needs Base

MATHS			WRITING			READING		
L2+	L2b+	L3	L2+	L2b+	L3	L2+	L2b+	L3
98%	81%	12%	90%	67%	0%	94%	74%	6%

52 children including High Needs Base

MATHS			WRITING			READING		
L2+	L2b+	L3	L2+	L2b+	L3	L2+	L2b+	L3
90%	75%	12%	83%	62%	0%	89%	69%	6%

KS2 Unvalidated SATS Results 2015

38 children total (1 child dis-applied from Reading test)

MATHS			WRITING		READING		Grammar, Punctuation, Spelling	
L4+	L5	L6	L4+	L5	L4+	L5	L4+	L5
92%	26%	0%	87%	22%	87%	24%	71%	42%

2 LEVELS PROGRESS KS1 to KS2			3 LEVELS PROGRESS KS1 to KS2		
R	W	M	R	W	M
95%	97%	97%	26%	21%	26%

2. Robust governance and oversight of Academy Trust Finances

The Academy benefits from the provision by Mouchel-Kier Business Services of a suitably qualified Responsible Officer (RO). The RO reviews key financial policies, systems and procedures, including the use of tenders and presents reports on compliance to the Finance and Resources Committee.

The Finance and Resources Committee receive termly monitoring reports. The Trustees approve the budget each year and is mindful of the need to balance expenditure against income to ensure the Academy remains a 'going concern'. The board also receive and approve the Annual Accounts and the External Auditors Management Report.

3. Ensuring the operation of the Academy demonstrates good value for money and efficient and effective use of resources

The Academy regularly benchmarks financial performance against other academies to demonstrate that the Academy provides good value for money.

Tender exercises are regularly undertaken to ensure that high value contracts are assessed against the marketplace on a regular basis to ensure that long term contracts (3 to 5 years) remain competitive.

HEMLINGTON HALL ACADEMY

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

The schools work closely with the Discovery Alliance Trust and through this partnership best value has been realised in such areas as insurance.

4. Maximising income generation

The Academy explores every opportunity to generate income through hire of Academy facilities. Income is also generated from small grant applications which help to support the wider curriculum.

5. Reviewing controls and managing risks

The Headteacher, Business Manager and Finance Officer review expenditure within each budget heading monthly, and annually adjustments are agreed based on the effectiveness of strategies introduced in previous years, curriculum offer and any new strategies identified in the Academy Improvement Plan.

There is a commendable segregation of duties within the finance team. Stringent safeguards are in place to ensure that risk is minimised through fraud. Financial risks are considered at each termly Finance and Resources governors meeting. The Academy maximises its resources by its environmental policies. We are currently part of a Solar Schools project and will be installing solar panels to generate our own energy from 2016-17.

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 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 Hemlington Hall Academy for the period 1 September 2014 - 31 August 2015 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks that has been in place for the period 1 September 2014 to 31 August 2015 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

The risk and control framework

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

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

The Board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed Mouchel Business Services as internal auditors.

HEMLINGTON HALL ACADEMY

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

The Internal Auditor's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. After each visit, the Internal Auditor reports to the Board of Trustees' financial responsibilities by means of a report.

The internal auditors have delivered their schedule of work as planned and details of the five areas covered within the 'Internal Audit Programme Final' document include, Leadership & Governance, People Management, Policy & Strategy, Partnership & Resources and Processes. The Appendix A, 'Internal Audit Statement Final' document summarises the findings as follows:

Overall Opinion: Hemlington Hall Academy is operating an acceptable internal control environment, but there are a number of improvements that could increase its consistency and effectiveness.

Background: Hemlington Hall converted to Academy status 1 January 2014 and in accordance with the Academies Financial Handbook 2014 the Academy commissions the work of an internal audit service. This is Kier Business Services (formally Mouchel Business Services).

Internal Audit Programme: To undertake the internal audit 'Appendix A' details areas covered. The final statement summarises areas covered and also includes 'Objects not Achieved.'

Objectives Not Achieved:

-People Management – Self Evaluation of Financial Competencies, Pecuniary Interest, New Governor Induction Pack, Staff Structure Review - information required update for recent Trustees and staff – this was scheduled in for the next school Professional Development day

-Policy & Strategy – Further details of School Improvement Plan to be incorporated into the budget, in order to compare with previous year.

-Partnership & Resources – Since conversion no tender process has taken place.

-Processes – Recommended that as well as at regular termly finance meetings the finance report should be presented to the Headteacher and budget holder on a monthly basis. The financial procedure document should contain more detail regarding procedure for income, expenditure and reconciliation. Passwords for finance system should be changed regularly. There were a couple of minor issues with income outstanding and purchasing procedures, and the necessity to ensure bank reconciliation are signed off by the Headteacher. Issues around payroll included no segregation of duties in the payroll process. Although the Headteacher does check off all amendments or changes. There were some slight variations between budget salary costs in HCSS and actual salaries paid. The update of an asset register was noted and provision to update scheduled.

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 internal auditors;
- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy 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 staffing committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the board of trustees on 17.11.15 and signed on its behalf by:



Mr D Elliott
Chair of Governors



Mrs K Edmenson
Accounting Officer

HEMLINGTON HALL ACADEMY

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE FOR THE YEAR ENDED 31 AUGUST 2015

As Accounting Officer of Hemlington Hall Academy I have considered my responsibility to notify the academy board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

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

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

Approved on and signed by:

K Edmenson
27.11.15

[Signature]

Mrs K Edmenson
Accounting Officer

HEMLINGTON HALL ACADEMY

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

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

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

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

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

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

Approved by order of the board of trustees on 17.11.15 and signed on its behalf by:



Mr D Elliott

Chair of Governors

HEMLINGTON HALL ACADEMY

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF HEMLINGTON HALL ACADEMY

We have audited the accounts of Hemlington Hall Academy for the year ended 31 August 2015 set out on pages 23 to 42. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2014 to 2015 issued by the EFA.

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

Respective responsibilities of trustees and auditors

As explained more fully in the Trustees' Responsibilities Statement set out on page 18, the trustees, who are also the directors of Hemlington Hall Academy for the purposes of company law, are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view.

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

Scope of the audit of the accounts

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the accounts. In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited accounts and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on accounts

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2015 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 in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2014 to 2015 issued by the EFA.

Opinion on other matter prescribed by the Companies Act 2006

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

HEMLINGTON HALL ACADEMY

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF HEMLINGTON HALL ACADEMY

Matters on which we are required to report by exception

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

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



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

Chartered Accountants

Statutory Auditor

Wynyard Park House

Wynyard Avenue

Wynyard

TS22 5TB

Dated: 21/12/15

HEMLINGTON HALL ACADEMY

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

In accordance with the terms of our engagement letter dated 28 August 2015 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Hemlington Hall Academy during the period 1 September 2014 to 31 August 2015 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 Hemlington Hall Academy and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Hemlington Hall Academy and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Hemlington Hall Academy and the EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Hemlington Hall Academy's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Hemlington Hall Academy's funding agreement with the Secretary of State for Education dated 18 December 2013 and the Academies Financial Handbook, extant from 1 September 2014, 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 2014 to 2015. 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 2014 to 31 August 2015 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2014 to 2015 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- completion of self assessment questionnaire by the Accounting Officer;
- discussions with the Accounting Officer and Finance Team;
- review of termly Internal Audit reports;
- review of governing body and committee minutes;
- review of finance and other relevant policies;
- review of payroll, purchases and expenses on a sample basis;
- review of debit and credit card transactions;
- review of all leases in place; and
- consideration of transactions with related parties.

HEMLINGTON HALL ACADEMY

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

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2014 to 31 August 2015 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Reporting Accountant

Evolution Business and Tax Advisors LLP

Dated:7.1.2015....

HEMLINGTON HALL ACADEMY

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2015

		Unrestricted funds £	Restricted funds £	Fixed Asset funds £	Total 2015 £	Total 2014 £
Incoming resources	Notes					
<i>Resources from generated funds</i>						
- Voluntary income	2	-	10,000	282,000	292,000	-
- Inherited on conversion		-	-	-	-	3,146,205
- Activities for generating funds	3	46,591	-	-	46,591	43,126
- Investment income	4	250	-	-	250	112
<i>Resources from charitable activities</i>						
- Funding for educational operations	5	3,250	1,779,726	7,944	1,790,920	1,102,860
Total incoming resources		50,091	1,789,726	289,944	2,129,761	4,292,303
Resources expended						
<i>Costs of generating funds</i>						
- Fundraising trading	6	42,473	-	-	42,473	37,588
<i>Charitable activities</i>						
- Educational operations	7	3,250	1,617,775	159,544	1,780,569	1,065,295
Governance costs	8	-	17,625	-	17,625	52,420
Total resources expended	6	45,723	1,635,400	159,544	1,840,667	1,155,303
Net incoming/(outgoing) resources before transfers		4,368	154,326	130,400	289,094	3,137,000
Gross transfers between funds		(75,709)	(85,708)	161,417	-	-
Net income/(expenditure) for the year		(71,341)	68,618	291,817	289,094	3,137,000
Other recognised gains and losses						
Actuarial gains/(losses) on defined benefit pension scheme	17	-	-	-	-	(69,000)
Net movement in funds		(71,341)	68,618	291,817	289,094	3,068,000
Fund balances at 1 September 2014		130,855	(200,227)	3,137,372	3,068,000	-
Fund balances at 31 August 2015		59,514	(131,609)	3,429,189	3,357,094	3,068,000

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

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


HEMLINGTON HALL ACADEMY

BALANCE SHEET

AS AT 31 AUGUST 2015

	Notes	2015 £	2014 £
Fixed assets			
Tangible assets	11	3,429,189	3,129,592
Current assets			
Debtors	12	96,103	157,329
Cash at bank and in hand		222,128	143,501
		318,231	300,830
Current liabilities			
Creditors: amounts falling due within one year	13	(126,326)	(112,422)
Net current assets		191,905	188,408
Net assets excluding pension liability		3,621,094	3,318,000
Defined benefit pension liability	17	(264,000)	(250,000)
Net assets		3,357,094	3,068,000
Funds of the academy trust:			
Restricted funds	15		
- Fixed asset funds		3,429,189	3,137,372
- General funds		132,391	49,773
- Pension reserve		(264,000)	(250,000)
Total restricted funds		3,297,580	2,937,145
Unrestricted income funds	15	59,514	130,855
Total funds		3,357,094	3,068,000

The accounts were approved by order of the board of trustees and authorised for issue on 17/11/15


 Mr D Elliott
 Chair of Governors

Company Number 08803871

HEMLINGTON HALL ACADEMY

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2015

	Notes	2015 £	2014 £
Net cash inflow/(outflow) from operating activities	18	247,574	41,617
Cash funds transferred on conversion		-	125,205
Returns on investments and servicing of finance			
Investment income	250	112	
Net cash inflow/(outflow) from returns on investments and servicing of finance		250	112
		247,824	166,934
Capital expenditure and financial investments			
Capital grants received	289,944	7,780	
Payments to acquire tangible fixed assets	(459,141)	(31,213)	
Net cash flow from capital activities		(169,197)	(23,433)
Increase/(decrease) in cash	19	78,627	143,501

HEMLINGTON HALL ACADEMY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2015

1 Accounting policies

1.1 Basis of preparation

The accounts have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice: Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

1.2 Going concern

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

1.3 Conversion to an academy trust

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

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

1.4 Incoming resources

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

Grants receivable

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

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund.

Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

Sponsorship income

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

Donations

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

HEMLINGTON HALL ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

1 Accounting policies

(Continued)

Other income

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

Donated services and gifts in kind

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

1.5 Resources expended

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

Costs of generating funds

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

Charitable activities

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

Governance costs

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

All resources expended are inclusive of irrecoverable VAT.

1.6 Tangible fixed assets and depreciation

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

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

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

Land	Not depreciated
Buildings	4% straight line
Computer equipment	50% straight line
Fixtures, fittings and equipment	25% straight line

HEMLINGTON HALL ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

1 Accounting policies

(Continued)

The trust's land and buildings are occupied on a 125 year lease from the local authority. In the view of the trustees, the risks and rewards of occupying the site have been substantially transferred to the trust and therefore the land and buildings have been recognised as a donation on conversion and capitalised within the restricted fixed assets fund. The basis of valuation has been disclosed within the fixed assets note.

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

1.7 Leasing and hire purchase commitments

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

1.8 Taxation

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

1.9 Pensions benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 17, the TPS is a multi-employer scheme and the academy trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions are recognised as they are paid each 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.

HEMLINGTON HALL ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

1 Accounting policies

(Continued)

1.10 Fund accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the academy trust at the discretion of the trustees.

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

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

2 Voluntary income

	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £
Private sponsorship	-	10,000	10,000	-
Capital grants	-	282,000	282,000	-
	<u>-</u>	<u>292,000</u>	<u>292,000</u>	<u>-</u>

3 Activities for generating funds

	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £
Lettings	95	-	95	95
Catering income	24,234	-	24,234	24,086
School trips	8,086	-	8,086	4,740
Other income	14,176	-	14,176	14,205
	<u>46,591</u>	<u>-</u>	<u>46,591</u>	<u>43,126</u>

4 Investment income

	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £
Short term deposits	250	-	250	112
	<u>250</u>	<u>-</u>	<u>250</u>	<u>112</u>

HEMLINGTON HALL ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

5 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £
DfE / EFA grants				
General annual grant (GAG)	-	1,430,706	1,430,706	834,371
Start up grants	-	-	-	25,000
Capital grants	-	7,944	7,944	7,780
Other DfE / EFA grants	-	253,988	253,988	127,181
	-	1,692,638	1,692,638	994,332
Other government grants				
Local authority grants	-	95,032	95,032	106,137
Other funds				
Other incoming resources	3,250	-	3,250	2,391
Total funding	3,250	1,787,670	1,790,920	1,102,860

6 Resources expended

	Staff costs £	Premises & equipment £	Other costs £	Total 2015 £	Total 2014 £
Academy's educational operations					
- Direct costs	1,108,290	-	84,439	1,192,729	771,051
- Allocated support costs	154,550	200,436	232,854	587,840	294,244
	1,262,840	200,436	317,293	1,780,569	1,065,295
Other expenditure					
Costs of activities for generating funds	-	-	42,473	42,473	37,588
Governance costs	-	-	17,625	17,625	52,420
	-	-	60,098	60,098	90,008
Total expenditure	1,262,840	200,436	377,391	1,840,667	1,155,303
Net income/(expenditure) for the year includes:				2015 £	2014 £
Operating leases					
- Plant and machinery				14,040	10,728
Fees payable to auditor					
- Audit				5,000	5,000
- Other services				7,378	7,835

HEMLINGTON HALL ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

6 Resources expended (Continued)

7 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £
Direct costs				
Teaching and educational support staff costs	3,250	1,092,595	1,095,845	724,148
Technology costs	-	3,185	3,185	321
Educational supplies and services	-	65,475	65,475	33,527
Staff development	-	12,445	12,445	5,420
Other direct costs	-	15,779	15,779	7,635
	<u>3,250</u>	<u>1,189,479</u>	<u>1,192,729</u>	<u>771,051</u>
Allocated support costs				
Support staff costs	-	154,550	154,550	86,585
Depreciation	-	159,544	159,544	97,621
Technology costs	-	17,177	17,177	10,448
Recruitment and support	-	5,833	5,833	-
Maintenance of premises and equipment	-	40,892	40,892	22,723
Cleaning	-	33,050	33,050	13,782
Energy costs	-	23,507	23,507	12,454
Rates and water	-	5,876	5,876	4,437
Insurance	-	31,309	31,309	15,641
Security and transport	-	3,347	3,347	1,481
Catering	-	89,472	89,472	13,470
Interest and finance costs	-	(6,000)	(6,000)	(2,000)
Other support costs	-	29,283	29,283	17,602
	<u>-</u>	<u>587,840</u>	<u>587,840</u>	<u>294,244</u>
Total costs	<u>3,250</u>	<u>1,777,319</u>	<u>1,780,569</u>	<u>1,065,295</u>

8 Governance costs

	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £
Legal and professional fees	-	5,247	5,247	39,585
Auditor's remuneration				
- Audit of financial statements	-	5,000	5,000	5,000
- Other audit costs	-	7,378	7,378	7,835
	<u>-</u>	<u>17,625</u>	<u>17,625</u>	<u>52,420</u>

HEMLINGTON HALL ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

9 Staff costs

	2015 £	2014 £
Wages and salaries	972,750	660,665
Social security costs	66,227	41,849
Other pension costs	148,461	92,628
	<u>1,187,438</u>	<u>795,142</u>
Supply teacher costs	62,957	15,591
Staff development and other staff costs	12,445	5,420
	<u>1,262,840</u>	<u>816,153</u>

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

	2015 Number	2014 Number
Teachers	33	33
Administration and support	7	7
Management	2	2
	<u>42</u>	<u>42</u>

The number of employees whose annual remuneration was £60,000 or more was:

	2015 Number	2014 Number
£65,001 - £70,000	<u>1</u>	<u>1</u>

Of the employees above, the number participating in pension schemes and the employers' contributions paid on their behalf were as follows:

		2015	2014
Teachers' Pension Scheme	Numbers	1	1
	£	<u>5,400</u>	<u>5,963</u>

HEMLINGTON HALL ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

10 Trustees' remuneration and expenses

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

The value of trustees' remuneration was as follows:

C Thompson (teacher)

Remuneration £25,001 - £30,000 (2014: £nil)

Employer's pension contributions £1 - £5,000 (2014: £nil)

C MacManus (teacher left 12.04.15)

Remuneration £25,001 - £30,000 (2014: £nil)

Employer's pension contributions £1 - £5,000 (2014: £nil)

C Simon (teaching assistant)

Remuneration £15,001 - £20,000 (2014: £10,001 - £15,000)

Employer's pension contributions £1 - £5,000 (2014: £nil)

K Edmenson (headteacher)

Remuneration £65,001 - £70,000 (2014: £40,001 - £45,000)

Employer's pension contributions £5,001 - £10,000 (2014: £5,001 - £10,000)

The comparative figures relate to an eight month period.

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

Trustees' and officers' insurance

In accordance with normal commercial practice, the academy trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The insurance provides cover up to £250,000 on any one claim and the cost for the year ended 31 August 2015 was £459 (2014: £459).

HEMLINGTON HALL ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

11 Tangible fixed assets

	Buildings	Computer equipment	Fixtures, fittings and equipment	Total
	£	£	£	£
Cost				
At 1 September 2014	3,147,000	77,658	2,555	3,227,213
Additions	454,773	4,368	-	459,141
At 31 August 2015	3,601,773	82,026	2,555	3,686,354
Depreciation				
At 1 September 2014	77,467	20,048	106	97,621
Charge for the year	118,802	40,103	639	159,544
At 31 August 2015	196,269	60,151	745	257,165
Net book value				
At 31 August 2015	3,405,504	21,875	1,810	3,429,189
At 31 August 2014	3,069,533	57,610	2,449	3,129,592

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

12 Debtors	2015 £	2014 £
Trade debtors	768	-
VAT recoverable	20,810	34,547
Prepayments and accrued income	74,525	122,782
	96,103	157,329

13 Creditors: amounts falling due within one year	2015 £	2014 £
Trade creditors	46,824	38,207
Taxes and social security costs	15,829	16,698
Other creditors	16,661	17,725
Accruals	22,667	14,851
Deferred income	24,345	24,941
	126,326	112,422

HEMLINGTON HALL ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

14	Deferred income	2015 £	2014 £
	Deferred income is included within:		
	Creditors due within one year	24,345	24,941
	Total deferred income at 1 September 2014	24,941	-
	Amounts credited to the statement of financial activities	(24,941)	-
	Amounts deferred in the year	24,345	24,941
	Total deferred income at 31 August 2015	24,345	24,941

Deferred income consists of Universal Infants Free School Meals in advance of the 2015/16 academic year.

15	Funds	Balance at 1 September 2014 £	Incoming resources £	Resources expended £	Gains, losses & transfers £	Balance at 31 August 2015 £
	Restricted general funds					
	General Annual Grant	49,773	1,430,706	(1,272,380)	(75,708)	132,391
	Other DfE / EFA grants	-	253,988	(253,988)	-	-
	Other government grants	-	95,032	(95,032)	-	-
	Other restricted funds	-	10,000	-	(10,000)	-
	Funds excluding pensions	49,773	1,789,726	(1,621,400)	(85,708)	132,391
	Pension reserve	(250,000)	-	(14,000)	-	(264,000)
		(200,227)	1,789,726	(1,635,400)	(85,708)	(131,609)
	Restricted fixed asset funds					
	DfE / EFA capital grants	7,780	7,944	(1,466)	-	14,258
	Inherited fixed asset fund	3,102,200	-	(140,700)	-	2,961,500
	Capital expenditure from GAG or other funds	27,392	-	(17,378)	161,417	171,431
	Other capital grants	-	282,000	-	-	282,000
		3,137,372	289,944	(159,544)	161,417	3,429,189
	Total restricted funds	2,937,145	2,079,670	(1,794,944)	75,709	3,297,580
	Unrestricted funds					
	General funds	130,855	50,091	(45,723)	(75,709)	59,514
	Total funds	3,068,000	2,129,761	(1,840,667)	-	3,357,094

HEMLINGTON HALL ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

15 Funds

(Continued)

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

General Annual Grant must be used for the normal running costs of the academy. Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2015.

Other DfE/EFA grants include pupil premium, universal infant free school meals funding and PE grant.

Other government grants include Early Years, outreach, pupil premium from the local authority, universal infant free school meals income and funding for pupils with special educational needs.

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

DfE/EFA capital grants represent Devolved Formula Capital receivable during the period. This has been utilised on building additions.

The Inherited Fixed Asset Fund reflects the fixed assets acquired from Middlesbrough Council on conversion. Depreciation on these assets is charged against this fund.

Capital expenditure has also been funded by GAG. Transfers between these funds are reflected in the gains, losses and transfers column. The academy also received funding from the local authority to cover part of the cost of a building extension during the year.

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

The academy's restricted general and unrestricted funds were £191,905 at 31 August 2015.

16 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Fixed asset funds £	Total funds £
Fund balances at 31 August 2015 are represented by:				
Tangible fixed assets	-	-	3,429,189	3,429,189
Current assets	59,514	258,717	-	318,231
Creditors falling due within one year	-	(126,326)	-	(126,326)
Defined benefit pension liability	-	(264,000)	-	(264,000)
	<u>59,514</u>	<u>(131,609)</u>	<u>3,429,189</u>	<u>3,357,094</u>

HEMLINGTON HALL ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

17 Pensions and similar obligations

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Middlesbrough Borough Council. Both are multi-employer defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and that of the LGPS related to the period ended 31 March 2013.

Contributions amounting to £16,346 (2014: £17,457) were payable to the schemes at 31 August 2015 and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis - these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014.

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%))
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%

During the year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4% from September 2015, which will be payable during the implementation period until the next valuation as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The pension costs paid to the TPS in the period amounted to £84,156 (2014: £58,069).

HEMLINGTON HALL ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

17 Pensions and similar obligations

(Continued)

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 14.6 per cent for employers and 5.5 - 12.5 per cent for employees. The estimated value of employer contributions for the forthcoming year is £43,000 (2014: £39,000).

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

Contributions made	2015 £	2014 £
Employer's contributions	42,000	26,000
Employees' contributions	16,000	10,000
Total contributions	58,000	36,000

Principal actuarial assumptions	2015 %	2014 %
Rate of increase in salaries	3.5	3.6
Rate of increase for pensions in payment	2.0	2.1
Discount rate for scheme liabilities	3.8	3.7
Inflation assumption (CPI)	2.0	2.1

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

	2015 Years	2014 Years
Retiring today		
- Males	23.0	22.9
- Females	25.5	25.4
Retiring in 20 years		
- Males	25.2	25.1
- Females	27.8	27.7

HEMLINGTON HALL ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

17 Pensions and similar obligations

(Continued)

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

	2015 Expected return %	2015 Fair value £	2014 Expected return %	2014 Fair value £
Equities		437,013	7.5	395,722
Government bonds		9,027	2.9	9,158
Corporate bonds		8,496	3.3	21,208
Cash		33,984	1.1	18,798
Property		32,922	6.8	26,028
Other assets		9,558	7.5	11,086
		<u>531,000</u>		<u>482,000</u>
Total market value of assets		531,000		482,000
Present value of scheme liabilities - funded		(795,000)		(732,000)
		<u>(264,000)</u>		<u>(250,000)</u>
Net pension asset / (liability)		(264,000)		(250,000)

The adoption of FRS 102 in the next accounting period removes the requirement to recognise an expected return on assets item in the profit and loss charge. This item will be replaced with a net financing charge which is based on the discount rate assumption. As the expected return on assets is based on the assumption at the start of the accounting period, assumptions for the expected return on assets are not required at 31 August 2015.

Amounts recognised in the statement of financial activities

	2015 £	2014 £
Operating costs/(income)		
Current service cost (net of employee contributions)	62,000	34,000
Past service cost	-	-
	<u>62,000</u>	<u>34,000</u>
Total operating charge	62,000	34,000
Finance costs/(income)		
Expected return on pension scheme assets	(34,000)	(20,000)
Interest on pension liabilities	28,000	18,000
	<u>(6,000)</u>	<u>(2,000)</u>
Net finance costs/(income)	(6,000)	(2,000)
	<u>56,000</u>	<u>32,000</u>
Total charge/(income)	56,000	32,000

HEMLINGTON HALL ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

17 Pensions and similar obligations

(Continued)

Actuarial gains and losses recognised in the statement of financial activities

	2015 £	2014 £
Actuarial (gains)/losses on assets: actual return less expected	42,000	(2,000)
Experience (gains)/losses on liabilities	(42,000)	71,000
(Gains)/losses arising from changes in assumptions	-	-
Total (gains)/losses	-	69,000
Cumulative (gains)/losses to date	69,000	69,000

Movements in the present value of defined benefit obligations

	2015 £	2014 £
Obligations at 1 September 2014	(732,000)	-
Obligations acquired on conversion	-	(599,000)
Current service cost	(62,000)	(34,000)
Interest cost	(28,000)	(18,000)
Contributions by employees	(16,000)	(10,000)
Actuarial gains/(losses)	42,000	(71,000)
Benefits paid	1,000	-
At 31 August 2015	(795,000)	(732,000)

Movements in the fair value of scheme assets

	2015 £	2014 £
Assets at 1 September 2014	482,000	-
Assets acquired on conversion	-	424,000
Expected return on assets	34,000	20,000
Actuarial gains/(losses)	(42,000)	2,000
Contributions by employers	42,000	26,000
Contributions by employees	16,000	10,000
Benefits paid	(1,000)	-
At 31 August 2015	531,000	482,000

HEMLINGTON HALL ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

17 Pensions and similar obligations (Continued)

History of experience gains and losses

	2015 £	2014 £
Present value of defined benefit obligations	(795,000)	(732,000)
Fair value of share of scheme assets	531,000	482,000
Surplus / (deficit)	(264,000)	(250,000)
Experience adjustment on scheme assets	(42,000)	2,000
Experience adjustment on scheme liabilities	42,000	(71,000)

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

	2015 £	2014 £
Net income	289,094	3,137,000
Capital grants and similar income	(289,944)	(7,780)
Net deficit/(surplus) transferred on conversion	-	(3,146,205)
Investment income	(250)	(112)
Defined benefit pension costs less contributions payable	20,000	8,000
Defined benefit pension finance costs/(income)	(6,000)	(2,000)
Depreciation of tangible fixed assets	159,544	97,621
(Increase)/decrease in debtors	61,226	(157,329)
Increase/(decrease) in creditors	13,904	112,422
Net cash inflow/(outflow) from operating activities	247,574	41,617

19 Reconciliation of net cash flow to movement in net funds

	2015 £	2014 £
Increase/(decrease) in cash	78,627	143,501
Net funds at 1 September 2014	143,501	-
Net funds at 31 August 2015	222,128	143,501

20 Analysis of net funds

	At 1 September 2014 £	Cash flows £	Non-cash changes £	At 31 August 2015 £
Cash at bank and in hand	143,501	78,627	-	222,128

HEMLINGTON HALL ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

21 Commitments under operating leases

At 31 August 2015 the academy trust had annual commitments under non-cancellable operating leases as follows:

	2015 £	2014 £
Expiry date:		
- Between two and five years	5,385	5,385
	<u>5,385</u>	<u>5,385</u>

22 Related parties

Owing to the nature of the academy trust's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the academy trust has 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 in the period of account.

23 Members' liability

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