

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 2017

HEMLINGTON HALL ACADEMY

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HEMLINGTON HALL ACADEMY

REFERENCE AND ADMINISTRATIVE DETAILS

Members

- Chair	D Elliot
- Vice Chair	K Braithwaite
- Accounting Officer	K Edmenson
	A Roberts
	P Robertson

Trustees

C Martin (Resigned 21 June 2017)
J Tickle
V Walker
E Cook-Smith
C Simon
D Elliott (Chair)
K A Braithwaite (Vice Chair)
K Edmenson (Accounting Officer)
D Linacre
A Roberts
C Thompson (Resigned 5 April 2017)
C Harkin (Appointed 5 October 2016)
A Hurst (Appointed 5 October 2016)
K Oliver (Appointed 17 May 2017)

Senior management team

- Headteacher	K Edmenson
- Deputy Headteacher	S Lockney
-	J Knox
-	N Padgett
-	J Purvis
-	S Lovatt

Company registration number 08803871 (England and Wales)

Registered office Briscoe Way
Hemlington Hall Road
Middlesbrough
TS8 9SJ

Independent auditor Baldwins Audit Services Limited
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 2017

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2016 to 31 August 2017. 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 345 in the school census on 5 October 2017.

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 2017

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 Headteacher 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 2017

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 2016 to 31 August 2017 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.

Arrangements for setting pay and remuneration of key management personnel

Trustee's at Hemlington Hall Academy are non-paid. The arrangements for setting the pay and remuneration of the academy's key management personnel, in this case the senior leadership team is done following the guidance in the Academy's Pay Policy written by Kier HR and adopted by the Academy's Governing Body. The Pay Policy is intended to ensure that all employees paid from within the Academy budget are fairly and consistently treated in relation to pay and pay related issues. This policy adheres to the requirements of:

- The School Teachers' Pay and Conditions document currently in use;
- Conditions of Service for School Teachers' in England and Wales (Burgundy book, August 2000);
- The National Joint Council for Local Government Services National Agreement of Pay and Conditions of Service (Green Book);
- The School Staffing (England) Regulations 2009; and
- The Education (School Teachers' Appraisal) (England) Regulations 2012

The pay policy is read and carried out in conjunction with the Academy's Improvement Plan, the Academy Appraisal policy and the Teachers' Standards.

The Governing Body has a dedicated Pay Committee to carry out determinations of pay in accordance with this Pay Policy. The Committee has fully delegated powers and has been established in accordance with the appropriate Governance Regulations.

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 2017

Objectives and activities

Objects and aims

Ethos & Aims

Our School Motto: Educate. Encourage. Embrace.

Hemlington Hall converted to Academy status on 1 January 2014. Though autonomous in our own right, we have worked within 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. In March this year, DfE visited our school and advised that we seek to join a Multi Academy Trust in order to strengthen our capacity for school improvement. With considerable improvements having been made from the Ofsted Inspection Nov 2016, Governors conceded to pursue this advise, in order to drive up future standards.

Following two months of consideration, looking at several MAT options, Governors resolved to join the Lingfield Education Trust. The process began in May with a view to Hemlington Hall becoming a voluntarily sponsored Academy within the Trust by 1 September 2017.

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 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, the Lingfield Education Trust, 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 and this year have set up a newly formed PTA.

We are proud to have gained many awards including the EY Quality Mark, Basic Skills Silver Award, Green Flag, Sing Up Gold Award, Active Mark, Sainsbury's Sport Silver, Healthy Schools and The BIG 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.

HEMLINGTON HALL ACADEMY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

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.

Objectives, strategies and activities

2016/2017 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 of KCSiE update, and its impact on teaching and learning
- 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 of children
- Priority 3: To enhance pupil engagement across the to improve understanding and well-being for all children
- Priority 4: To raise awareness of online behaviour and personal safety through the curriculum for all children and safeguarding support for parents

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 expectations
- Priority 3: Staff effectively use assessment to plan and teach high quality lessons, 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 expected standards, particularly more able and disadvantaged at KS1 and KS2
- Priority 2: To rapidly improve children's standards in the Early Years from worsening Baseline entry start points

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 2017

Strategic report

Achievements and performance

End of Key Stage Results 2017

Early Years Summary: End of Reception Mainstream 2017 (excluding HNB)

7s Points Writing – 70%
7s Points Reading – 77%
Average 7s Points Number / SSM - 77%
% Achieving Good Level of Development – 70%

Early Years Summary: End of Reception 2017 (including 3 HNB children)

7s Points Writing – 68%
7s Points Reading – 73%
Average 7s Points Number / SSM – 73%
% Achieving Good Level of Development - 66%

Y1 Phonics Screening Check: 57% including HNB / SEND 72% excl HNB / SEND

Y2 Phonics Screening Re-sits: 45% including HNB / SEND 71% excl HNB / SEND

KS1 Teacher Assessment Results 2017

49 Mainstream children not including 6 HNB / SEND

MATHS	WT 33%	WA 67%	GD 4%
WRITING	WT 37%	WA 63%	GD 8%
READING	WT 24.5%	WA 73.5%	GD 10%
RWM	55%		

55 children including 6 HNB / SEND

MATHS	WT 40%	WA+ 60%	GD 4%
WRITING	WT 43%	WA+ 57%	GD 7%
READING	WT 32%	WA+ 68%	GD 19%
RWM	49%		

KS2 Unvalidated SATS Results 2017

38 children total

MATHS	WT 29%	WA+ 71%	GD 18%
WRITING	WT 6%	WA+ 94%	GD 44%
READING	WT 32%	WA+ 68%	GD 9%
GPS	WT 13%	WA+ 87%	GD 26%
RWM	65%		

Combined R,W,M, = 65% which is above the National Floor Target

Progress Measures: Reading -1.69 (above floor target)

Writing +4.21 (above floor target)

Maths -1.29 (above floor target)

Going concern

The Academy transferred all its assets and liabilities to the Lingfield Education Trust on 1 September 2017. From this date Hemlington Hall Academy will no longer trade.

HEMLINGTON HALL ACADEMY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

Financial review

Most of the academy's income is obtained from the Department for Education (DfE) via the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The Grants received from the DfE / ESFA during the period 1 September 2016 to 31 August 2017 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/ESFA. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2015), 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 2016 to 31 August 2017, total expenditure excluding depreciation of £1,872,307 was off set by recurrent grant funding from the DfE/ESFA together with other incoming resources. The shortfall of income over expenditure for the period 1 September 2016 to 31 August 2017 (before transfers and LGPS movements, and excluding restricted fixed asset funds) was £23,997. This deficit was covered by funds brought forward.

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

At 31 August 2017 the net book value of fixed assets was £3,173,814 and movements in tangible fixed assets are shown in note 12 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 FRS102 in respect of recognising the LGPS deficit have been applied in full, resulting in a balance of £458,000 recognised on the balance sheet.

The Academy held fund balances at 31 August 2017 of £276,779 comprising of £70,994 of unrestricted funds and £205,785 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 are in surplus by £276,779 (see note 16).

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 2017

Principle risks and uncertainties

The principle risks and uncertainties are centred around changes in the level of funding from the DfE/ESFA. 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 started November 2014, and CIF bid for £980k was submitted December 2015 and 2016. Unfortunately, the bids were unsuccessful, so we continue to plan with the Trust, D3 Associates and Architects in order to resubmit the bid next year. The aim is to :

- develop a long term plan to reduce interruptions to teaching by developing separate classrooms,
- create shared working areas and a route through school
- improve teaching spaces and remodel existing areas to maximise use and function and in order to prepare for increasing pupil numbers coming through KS1 at present.
- removing existing inefficient and discontinued strip-lighting and replace with more efficient, cost effective and aesthetically improved lighting panels
- create of a Food Technology area for whole school use within the curriculum and for after school and holiday activities – this may be a 'portacabin' annex on a disused patch of garden space
- create outreach spaces / meeting rooms through remodelling of existing areas
- improve toilet, medical and changing facilities in line with KCSiE recent safeguarding review

This work will be broken down into Phases and costed accordingly. A new bid will be made to CIF December 2017 (quote deadlines permitting). Some Reserves may be used in order to support a small part of this project, and we are hoping to secure some match funding through S.A.F.E. SLA. Governors have been unable to set aside any funds for this project in the current financial year as a result of a reduced budget. However, we hope to secure the bid and offset the amount requested by the increased amount we now have saved.

HEMLINGTON HALL ACADEMY

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

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.

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 6/12/17 and signed on its behalf by:



D Elliott
Chair

HEMLINGTON HALL ACADEMY

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2017

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 seven occasions during the period. Attendance during the year at meetings of the Board of Trustees was as follow:

Trustees	Meetings attended	Out of possible
C Martin (Resigned 21 June 2017)	6	7
J Tickle	6	7
V Walker	7	7
E Cook-Smith	6	7
C Simon	6	7
D Elliott (Chair)	7	7
K A Braithwaite (Vice Chair)	5	7
K Edmenson (Accounting Officer)	6	7
D Linacre	5	7
A Roberts	1	7
C Thompson (Resigned 5 April 2017)	3	4
C Harkin (Appointed 5 October 2016)	7	7
A Hurst (Appointed 5 October 2016)	5	7
K Oliver (Appointed 17 May 2017)	3	3

The Trustees conducted a formal self-review process in the Autumn Term 2016 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 2017

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.

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
J Tickle	2	3
V Walker	3	3
E Cook-Smith	2	3
D Elliott (Chair)	2	3
KA Braithwaite (Vice Chair)	3	3
K Edmenson (Accounting Officer)	3	3
A Roberts	1	3

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 through an inclusive curriculum

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.

The results at the end of each Key Stage this year are to be celebrated, and reflect the hard work and commitment of the staff. Published results for EYFS, Phonics and KS1 include our High Needs Base Children, none of whom this year were able to access the tests, or meet the expected standards in EYFS. The Writing results at the end of KS2 saw us in the Top 10% of schools Nationally, which we are very proud of! It also reflects the focus on outcomes for Middle Prior Attainers and Disadvantaged children by the end of KS2.

We continue to drive up standards of attainment in 2017-18 through robust work within the Lingfield Education Trust, with targets more in line with National averages across all Key Stages. We expect to see a secure and sustained improvement over time.

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.

HEMLINGTON HALL ACADEMY

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

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.

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. Appropriate staff have attended training this year with the Accountant Firm to increase knowledge and understanding in this area. Financial risks are considered at each termly Finance and Resources governors meeting. The Academy maximises its resources by its environmental policies. We raised money throughout 2015-16 and had solar panels installed in August 2016, so we are now generating our own energy and selling any excess back to the National Grid.

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 2016 to 31 August 2017 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 met in July 2017 and recognises 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 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees. Minutes of the meeting on 9.7.17 are available.

HEMLINGTON HALL ACADEMY

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

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.

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 'Appendix A - Hemlington Hall Academy - Internal Audit Programme Final' document include, Leadership & Governance, People Management, Policy & Strategy, Partnership & Resources and Processes. The 'Internal Audit Statement Final' document summarises the findings as follows:

1. 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
2. Objectives Not Achieved:
 - People Management – New Governor Induction Pack, Staff Structure Review.
Plan is produced and linked to budget.
 - 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. Recommended that a guidance for Sage 50 procedure be included
3. Acknowledgements: Assistance greatly acknowledged

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.

HEMLINGTON HALL ACADEMY

GOVERNANCE STATEMENT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

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 6.12.17 and signed on its behalf by:



D Elliott
Chair

K Edmenson
Accounting Officer



HEMLINGTON HALL ACADEMY

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2017

As Accounting Officer of Hemlington Hall Academy I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2016.

I confirm that I and the academy trust board of trustees 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 2016.

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 ESFA.

K Edmenson
Accounting Officer



HEMLINGTON HALL ACADEMY

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2017

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 and Skills 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 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards [FRS102] 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 ESFA/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 6.12.17 and signed on its behalf by:



D Elliott
Chair

HEMLINGTON HALL ACADEMY

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HEMLINGTON HALL ACADEMY

Opinion

We have audited the accounts of Hemlington Hall Academy for the year ended 31 August 2017 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2017 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;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the accounts' section of our report. We are independent of the academy trust in accordance with the ethical requirements that are relevant to our audit of the accounts in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

The academy joined a Multi Academy Trust on 1 September 2017, at which point all assets and liabilities were transferred to the MAT and the academy trust ceased operations. Therefore the trustees have prepared the accounts on a break up basis.

This has been referred to in the accounting policies and a post balance sheet events note is included in the notes to the accounts.

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the accounts is not appropriate; or
- the trustees have not disclosed in the accounts any identified material uncertainties that may cast significant doubt about the academy trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the accounts are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the accounts and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the accounts does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the accounts or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

HEMLINGTON HALL ACADEMY

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HEMLINGTON HALL ACADEMY (CONTINUED)

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the Trustees' Report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the Trustees' Report including the incorporated strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report, including the incorporated strategic report.

We have nothing to report in respect of the following matters in relation to which 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.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, the trustees are responsible for assessing the academy trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these accounts.

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

HEMLINGTON HALL ACADEMY

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HEMLINGTON HALL ACADEMY (CONTINUED)

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. 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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Joanne Regan FCA (Senior Statutory Auditor)
for and on behalf of Baldwins Audit Services Limited

12 December 2017

Chartered Accountants
Statutory Auditor

Wynyard Park House
Wynyard Avenue
Wynyard
TS22 5TB

HEMLINGTON HALL ACADEMY

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

In accordance with the terms of our engagement letter dated 15 September 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, 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 2016 to 31 August 2017 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 ESFA 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 ESFA 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 Hemlington Hall Academy and ESFA, 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 2016, 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 2016 to 2017. 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 2016 to 31 August 2017 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 2016 to 2017 issued by ESFA. 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.

HEMLINGTON HALL ACADEMY

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

The work undertaken to draw to our conclusion includes:

- completion of self assessment questionnaire by Accounting Officer
- discussions with the Accounting Officer and finance team
- review of Internal Assurance report
- review of trustee and committee meeting minutes
- review of finance and other relevant policies
- review of purchases, expenses and expense claims on a sample basis including the application of controls and tendering processes where applicable
- review of gifts and hospitality transactions including the application of controls
- review of payroll transactions on a sample bases including the application of controls
- review of potential special payments to staff
- review of leases and consideration of areas where borrowing may have been incurred
- consideration of transactions with related and connected parties
- review of register of business interests for completeness and compliance with regulations
- enquiries into transactions that may require disclosure under EFA delegated authority rules
- consideration of value for money and appropriateness of transactions

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 2016 to 31 August 2017 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Reporting Accountant
Baldwin's Audit Services Limited

Dated: 12 December 2017

HEMLINGTON HALL ACADEMY

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2017

	Notes	Unrestricted Funds £	Restricted funds: General Fixed asset £ £		Total 2017 £	Total 2016 £
Income and endowments from:						
Donations and capital grants	3	-	-	7,917	7,917	7,881
Charitable activities:						
- Funding for educational operations	4	19,984	1,773,659	-	1,793,643	1,910,216
Other trading activities	5	54,436	-	-	54,436	36,796
Investments	6	231	-	-	231	324
Total income and endowments		74,651	1,773,659	7,917	1,856,227	1,955,217
Expenditure on:						
Raising funds	7	48,448	-	-	48,448	22,442
Charitable activities:						
- Educational operations	8	24,401	1,883,458	139,800	2,047,659	1,980,396
Total expenditure	7	72,849	1,883,458	139,800	2,096,107	2,002,838
Net income/(expenditure)		1,802	(109,799)	(131,883)	(239,880)	(47,621)
Transfers between funds		-	(7,827)	7,827	-	-
Other recognised gains and losses						
Actuarial gains/(losses) on defined benefit pension schemes	18	-	357,000	-	357,000	(439,000)
Net movement in funds		1,802	239,374	(124,056)	117,120	(486,621)
Reconciliation of funds						
Total funds brought forward		69,192	(491,589)	3,292,870	2,870,473	3,357,094
Total funds carried forward		70,994	(252,215)	3,168,814	2,987,593	2,870,473

HEMLINGTON HALL ACADEMY

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2017

Comparative year information Year ended 31 August 2016	Notes	Unrestricted	Restricted funds:		Total
		Funds	General	Fixed asset	2016
		£	£	£	£
Income and endowments from:					
Donations and capital grants	3	-	-	7,881	7,881
Charitable activities:					
- Funding for educational operations	4	39,947	1,870,269	-	1,910,216
Other trading activities	5	36,796	-	-	36,796
Investments	6	324	-	-	324
Total income and endowments		77,067	1,870,269	7,881	1,955,217
Expenditure on:					
Raising funds	7	22,442	-	-	22,442
Charitable activities:					
- Educational operations	8	39,947	1,783,515	156,934	1,980,396
Total expenditure	7	62,389	1,783,515	156,934	2,002,838
Net income/(expenditure)		14,678	86,754	(149,053)	(47,621)
Transfers between funds		(5,000)	(7,734)	12,734	-
Other recognised gains and losses					
Actuarial losses on defined benefit pension schemes	18	-	(439,000)	-	(439,000)
Net movement in funds		9,678	(359,980)	(136,319)	(486,621)
Reconciliation of funds					
Total funds brought forward		59,514	(131,609)	3,429,189	3,357,094
Total funds carried forward		69,192	(491,589)	3,292,870	2,870,473

HEMLINGTON HALL ACADEMY

BALANCE SHEET

AS AT 31 AUGUST 2017

	Notes	2017		2016	
		£	£	£	£
Fixed assets					
Tangible assets	12		3,173,814		3,297,870
Current assets					
Debtors	13	114,827		94,106	
Cash at bank and in hand		265,326		365,800	
		<u>380,153</u>		<u>459,906</u>	
Current liabilities					
Creditors: amounts falling due within one year	14	(108,374)		(156,303)	
Net current assets			<u>271,779</u>		<u>303,603</u>
Net assets excluding pension liability			<u>3,445,593</u>		<u>3,601,473</u>
Defined benefit pension liability	18		(458,000)		(731,000)
Net assets			<u>2,987,593</u>		<u>2,870,473</u>
Funds of the academy trust:					
Restricted funds	16				
- Fixed asset funds			3,168,814		3,292,870
- Restricted income funds			205,785		239,411
- Pension reserve			(458,000)		(731,000)
Total restricted funds			<u>2,916,599</u>		<u>2,801,281</u>
Unrestricted income funds	16		<u>70,994</u>		<u>69,192</u>
Total funds			<u>2,987,593</u>		<u>2,870,473</u>

The accounts set out on pages 24 to 46 were approved by the board of trustees and authorised for issue on 6.12.17 and are signed on its behalf by:



D Elliott
Chair

Company Number 08803871

HEMLINGTON HALL ACADEMY

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2017

	Notes	2017 £	£	2016 £	£
Cash flows from operating activities					
Net cash provided by (used in) operating activities	19		(92,878)		161,082
Cash flows from investing activities					
Dividends, interest and rents from investments		231		324	
Capital grants from DfE and ESFA		7,917		7,881	
Payments to acquire tangible fixed assets		(15,744)		(25,615)	
			(7,596)		(17,410)
Change in cash and cash equivalents in the reporting period			(100,474)		143,672
Cash and cash equivalents at 1 September 2016			365,800		222,128
Cash and cash equivalents at 31 August 2017			<u>265,326</u>		<u>365,800</u>

HEMLINGTON HALL ACADEMY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting policies

Hemlington Hall Academy is a charitable company. The address of its principal place of business is given on page 1 and the nature of its operations are set out in the trustees' report.

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgements and key sources of estimation uncertainty, is set out below.

1.1 Basis of preparation

The accounts of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Hemlington Hall Academy meets the definition of a public benefit entity under FRS 102.

1.2 Going concern

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

The academy joined a Multi Academy Trust on 1 September 2017 and all assets and liabilities of the academy were transferred to the MAT at that date. Therefore from 1 September 2017 this academy will no longer operate and the funding agreement will terminate. The accounts have been prepared on a break up basis taking into account the recoverable value of its assets and liabilities.

1.3 Income

All incoming resources are recognised when the academy trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

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 meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the statement of financial activities in the period for which it is receivable, and any abatement in respect of the period is deducted from income and recognised as a liability.

Capital grants are recognised in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grants are reflected in the balance sheet in the restricted fixed asset fund. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

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 are no performance-related conditions), where the receipt is probable and it can be measured reliably.

HEMLINGTON HALL ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting policies

(Continued)

Donations

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

Other income

Other income, including the hire of facilities and trip income, is recognised in the period it is receivable and to the extent the academy trust has provided the goods or services.

Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

Donated fixed assets

Donated fixed assets are measured at fair value unless it is impractical to measure this reliably, in which case the cost of the item to the donor is used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

This includes all expenditure incurred by the academy trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Charitable activities

These are costs incurred on the academy trust's educational operations, including support costs and costs relating to the governance of the academy trust apportioned to charitable activities.

Governance costs

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

HEMLINGTON HALL ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting policies

(Continued)

1.5 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 and buildings	4% straight line
Computer equipment	50% straight line
Fixtures, fittings and equipment	25% straight line

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.

1.6 Liabilities

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods of services it must provide.

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 Financial instruments

The academy trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy trust and their measurement basis are as follows.

Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

Cash at bank is classified as a basic financial instrument and is measured at face value.

HEMLINGTON HALL ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting policies

(Continued)

Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition.

Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.9 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.

1.10 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 quadrennial valuations using a prospective unit credit method. As stated in note 18, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

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 credit 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 the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses. Actuarial gains and losses are recognised immediately in other recognised gains and losses.

1.11 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 funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Education and Skills Funding Agency/Department for Education.

HEMLINGTON HALL ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

2 Critical accounting estimates and areas of judgement

Accounting estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The academy trust makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 18, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

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.

3 Donations and capital grants

	Unrestricted funds	Restricted funds	Total 2017	Total 2016
	£	£	£	£
Capital grants	-	7,917	7,917	7,881
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

HEMLINGTON HALL ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

4 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
DfE / ESFA grants				
General annual grant (GAG)	-	1,419,541	1,419,541	1,493,585
Other DfE / ESFA grants	-	222,917	222,917	235,397
	-	1,642,458	1,642,458	1,728,982
Other government grants				
Local authority grants	-	131,201	131,201	141,287
Other funds				
Catering income	17,210	-	17,210	18,321
Other incoming resources	2,774	-	2,774	21,626
	19,984	-	19,984	39,947
Total funding	19,984	1,773,659	1,793,643	1,910,216

5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
Lettings	265	-	265	185
Catering income	3,408	-	3,408	3,623
School trips	18,381	-	18,381	13,517
Other income	32,382	-	32,382	19,471
	54,436	-	54,436	36,796

6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
Short term deposits	231	-	231	324

HEMLINGTON HALL ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

7 Expenditure

	Staff costs £	Premises & equipment £	Other costs £	Total 2017 £	Total 2016 £
Expenditure on raising funds	265	-	48,183	48,448	22,442
Academy's educational operations					
- Direct costs	1,258,929	-	89,092	1,348,021	1,315,569
- Allocated support costs	230,787	270,462	198,389	699,638	664,827
	<u>1,489,981</u>	<u>270,462</u>	<u>335,664</u>	<u>2,096,107</u>	<u>2,002,838</u>

Net income/(expenditure) for the year includes:

	2017 £	2016 £
Fees payable to auditor for:		
- Audit	5,300	5,000
- Other services	3,247	3,714
Operating lease rentals	5,385	5,385
Depreciation of tangible fixed assets	139,800	156,934
Net interest on defined benefit pension liability	14,000	9,000

8 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
Direct costs - educational operations	7,513	1,340,508	1,348,021	1,315,569
Support costs - educational operations	16,888	682,750	699,638	664,827
	<u>24,401</u>	<u>2,023,258</u>	<u>2,047,659</u>	<u>1,980,396</u>

Analysis of support costs

	2017 £	2016 £
Support staff costs	230,787	178,004
Depreciation and amortisation	139,800	156,934
Technology costs	11,679	14,679
Premises costs	100,137	89,789
Other support costs	182,668	187,886
Governance costs	34,567	37,535
	<u>699,638</u>	<u>664,827</u>

HEMLINGTON HALL ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

9 Staff costs

	2017 £	2016 £
Wages and salaries	1,106,669	1,048,909
Social security costs	96,061	79,770
Operating costs of defined benefit pension schemes	226,583	173,734
Staff costs	1,429,313	1,302,413
Supply staff costs	47,975	63,311
Staff development and other staff costs	12,693	21,984
Total staff expenditure	1,489,981	1,387,708

Staff numbers

The average number of persons employed by the academy trust during the year was as follows:

	2017 Number	2016 Number
Teachers	40	41
Administration and support	9	11
Management	2	2
	51	54

Higher paid staff

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2017 Number	2016 Number
£60,001 - £70,000	1	1

Non statutory/non-contractual staff severance payments

Included in staff restructuring costs there is a non-statutory/non-contractual severance payment totalling £4,000.

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions but excluding employers' national insurance contributions) received by key management personnel for their services to the academy trust was £337,662 (2016: £278,707).

HEMLINGTON HALL ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

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) - resigned 5 April 2017

Remuneration	£15,001 - £20,000 (2016: £25,001 - £30,000)
Employer's pension contributions	£1 - £5,000 (2016: £1 - £5,000)

C Simon (teaching assistant)

Remuneration	£15,001 - £20,000 (2016: £15,001 - £20,000)
Employer's pension contributions	£1 - £5,000 (2016: £1 - £5,000)

K Edmenson (headteacher)

Remuneration	£65,001 - £70,000 (2016: £65,001 - £70,000)
Employer's pension contributions	£10,001 - £15,000 (2016: £10,001 - £15,000)

K Oliver (teacher) - appointed 17 May 2017

Remuneration	£10,001 - £15,000 (2015: not a trustee)
Employer's pension contributions	£0,001 - £5,000 (2015: not a trustee)

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

11 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 2017 was £62 (2016: £534).

HEMLINGTON HALL ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

12 Tangible fixed assets

	Land and buildings	Computer equipment	Fixtures, fittings and equipment	Total
	£	£	£	£
Cost				
At 1 September 2016	3,624,994	84,420	2,555	3,711,969
Additions	7,800	3,197	4,747	15,744
At 31 August 2017	3,632,794	87,617	7,302	3,727,713
Depreciation				
At 1 September 2016	331,206	81,509	1,384	414,099
Charge for the year	135,502	2,784	1,514	139,800
At 31 August 2017	466,708	84,293	2,898	553,899
Net book value				
At 31 August 2017	3,166,086	3,324	4,404	3,173,814
At 31 August 2016	3,293,788	2,911	1,171	3,297,870

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

13 Debtors	2017 £	2016 £
Trade debtors	19	1,125
VAT recoverable	36,385	21,338
Other debtors	11,000	-
Prepayments and accrued income	67,423	71,643
	114,827	94,106

14 Creditors: amounts falling due within one year	2017 £	2016 £
Trade creditors	16,365	33,572
Other taxation and social security	23,555	24,577
Other creditors	19,536	20,127
Accruals and deferred income	48,918	78,027
	108,374	156,303

HEMLINGTON HALL ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

15	Deferred income	2017 £	2016 £
	Deferred income is included within:		
	Creditors due within one year	22,541	38,264
	Deferred income at 1 September 2016	38,264	24,345
	Released from previous years	(38,264)	(24,345)
	Amounts deferred in the year	22,541	38,264
	Deferred income at 31 August 2017	22,541	38,264

Deferred income consists of Universal Infants Free School Meals in advance of the 2017/18 academic year and school meals income.

16	Funds	Balance at 1 September 2016 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2017 £
	Restricted general funds					
	General Annual Grant	239,411	1,419,541	(1,445,340)	(7,827)	205,785
	Other DfE / ESFA grants	-	222,917	(222,917)	-	-
	Other government grants	-	131,201	(131,201)	-	-
	Funds excluding pensions	239,411	1,773,659	(1,799,458)	(7,827)	205,785
	Pension reserve	(731,000)	-	(84,000)	357,000	(458,000)
		(491,589)	1,773,659	(1,883,458)	349,173	(252,215)
	Restricted fixed asset funds					
	Transferred on conversion	2,837,134	-	(116,200)	-	2,720,934
	DfE / ESFA capital grants	21,274	7,917	(2,497)	-	26,694
	Capital expenditure from GAG and unrestricted funds	163,742	-	(9,823)	7,827	161,746
	Other capital grants	270,720	-	(11,280)	-	259,440
		3,292,870	7,917	(139,800)	7,827	3,168,814
	Total restricted funds	2,801,281	1,781,576	(2,023,258)	357,000	2,916,599
	Unrestricted funds					
	General funds	69,192	74,651	(72,849)	-	70,994
	Total funds	2,870,473	1,856,227	(2,096,107)	357,000	2,987,593

HEMLINGTON HALL ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

16 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 2017.

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

Other government grants include Early Years, pupil premium from the local authority 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/ESFA capital grants represent Devolved Formula Capital receivable during the period and has been fully utilised in the year.

The fund transferred on conversion 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.

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 £276,779 at 31 August 2017.

HEMLINGTON HALL ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

16 Funds

(Continued)

Movements in funds - previous year

	Balance at 1 September 2015 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2016 £
Restricted general funds					
General Annual Grant	132,391	1,493,585	(1,378,831)	(7,734)	239,411
Other DfE / ESFA grants	-	235,397	(235,397)	-	-
Other government grants	-	141,287	(141,287)	-	-
	<u>132,391</u>	<u>1,870,269</u>	<u>(1,755,515)</u>	<u>(7,734)</u>	<u>239,411</u>
Funds excluding pensions	132,391	1,870,269	(1,755,515)	(7,734)	239,411
Pension reserve	(264,000)	-	(28,000)	(439,000)	(731,000)
	<u>(131,609)</u>	<u>1,870,269</u>	<u>(1,783,515)</u>	<u>(446,734)</u>	<u>(491,589)</u>
Restricted fixed asset funds					
Transferred on conversion	2,961,500	-	(124,366)	-	2,837,134
DfE / ESFA capital grants	14,258	7,881	(865)	-	21,274
Capital expenditure from GAG and unrestricted funds	171,431	-	(20,423)	12,734	163,742
Other capital grants	282,000	-	(11,280)	-	270,720
	<u>3,429,189</u>	<u>7,881</u>	<u>(156,934)</u>	<u>12,734</u>	<u>3,292,870</u>
Total restricted funds	<u>3,297,580</u>	<u>1,878,150</u>	<u>(1,940,449)</u>	<u>(434,000)</u>	<u>2,801,281</u>
Unrestricted funds					
General funds	<u>59,514</u>	<u>77,067</u>	<u>(62,389)</u>	<u>(5,000)</u>	<u>69,192</u>
Total funds	<u>3,357,094</u>	<u>1,955,217</u>	<u>(2,002,838)</u>	<u>(439,000)</u>	<u>2,870,473</u>

17 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total 2017 £
Fund balances at 31 August 2017 are represented by:				
Tangible fixed assets	-	-	3,173,814	3,173,814
Current assets	71,994	308,159	-	380,153
Creditors falling due within one year	(1,000)	(102,374)	(5,000)	(108,374)
Defined benefit pension liability	-	(458,000)	-	(458,000)
	<u>70,994</u>	<u>(252,215)</u>	<u>3,168,814</u>	<u>2,987,593</u>

HEMLINGTON HALL ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

17 Analysis of net assets between funds

(Continued)

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total 2016 £
Fund balances at 31 August 2016 are represented by:				
Tangible fixed assets	-	-	3,297,870	3,297,870
Current assets	72,456	387,450	-	459,906
Creditors falling due within one year	(3,264)	(148,039)	(5,000)	(156,303)
Defined benefit pension liability	-	(731,000)	-	(731,000)
	<u>69,192</u>	<u>(491,589)</u>	<u>3,292,870</u>	<u>2,870,473</u>

18 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 2016.

Contributions amounting to £19,269 (2016: £19,790) were payable to the schemes at 31 August 2017 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

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.

HEMLINGTON HALL ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

18 Pensions and similar obligations

(Continued)

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)
- 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%

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to the TPS in the period amounted to £103,901 (2016: £104,685).

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

Under the definitions set out in FRS 102, 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% for employers and 5.5 - 12.5% for employees.

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

Total contributions made	2017	2016
	£	£
Employer's contributions	49,000	46,000
Employees' contributions	19,000	18,000
	<hr/>	<hr/>
Total contributions	68,000	64,000
	<hr/>	<hr/>
Principal actuarial assumptions	2017	2016
	%	%
Rate of increases in salaries	3.0	3.4
Rate of increase for pensions in payment	2.0	1.9
Discount rate	2.5	2.0
Inflation assumption (CPI)	2.0	1.9
	<hr/>	<hr/>

HEMLINGTON HALL ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

18 Pensions and similar obligations

(Continued)

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

	2017 Years	2016 Years
Retiring today		
- Males	22.8	23.1
- Females	24.9	25.6
Retiring in 20 years		
- Males	25.0	25.3
- Females	27.2	28.0

Scheme liabilities would have been affected by changes in assumptions as follows:

	2017 £	2016 £
Discount rate + 0.1%	1,258,000	1,376,000
Discount rate - 0.1%	1,323,000	1,440,000
Mortality assumption + 1 year	1,251,000	1,364,000
Mortality assumption - 1 year	1,329,000	1,453,000
CPI rate + 0.1%	1,311,000	1,428,000
CPI rate - 0.1%	1,269,000	1,389,000

The academy trust's share of the assets in the scheme

	2017 Fair value £	2016 Fair value £
Equities	658,112	577,481
Government bonds	-	5,416
Corporate bonds	832	5,416
Cash	106,496	39,266
Property	53,248	49,421
Other assets	13,312	-
Total market value of assets	832,000	677,000
Actual return on scheme assets - gain/(loss)	95,000	90,000

HEMLINGTON HALL ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

18 Pensions and similar obligations	(Continued)	
Amounts recognised in the statement of financial activities	2017	2016
	£	£
Current service cost	119,000	65,000
Interest income	(14,000)	(21,000)
Interest cost	28,000	30,000
	<u>133,000</u>	<u>74,000</u>
Changes in the present value of defined benefit obligations	2017	2016
	£	£
Obligations at 1 September 2016	1,408,000	795,000
Current service cost	119,000	65,000
Interest cost	28,000	30,000
Employee contributions	19,000	18,000
Actuarial (gain)/loss	(276,000)	508,000
Benefits paid	(8,000)	(8,000)
	<u>1,290,000</u>	<u>1,408,000</u>
Changes in the fair value of the academy trust's share of scheme assets	2017	2016
	£	£
Assets at 1 September 2016	677,000	531,000
Interest income	14,000	21,000
Actuarial gain	81,000	69,000
Employer contributions	49,000	46,000
Employee contributions	19,000	18,000
Benefits paid	(8,000)	(8,000)
	<u>832,000</u>	<u>677,000</u>

HEMLINGTON HALL ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

19 Reconciliation of net expenditure to net cash flows from operating activities	2017 £	2016 £
Net expenditure for the reporting period	(239,880)	(47,621)
Adjusted for:		
Capital grants from DfE/ESFA and other capital income	(7,917)	(7,881)
Investment income receivable	(231)	(324)
Defined benefit pension costs less contributions payable	70,000	19,000
Defined benefit pension net finance cost	14,000	9,000
Depreciation of tangible fixed assets	139,800	156,934
(Increase)/decrease in debtors	(20,721)	1,997
(Decrease)/increase in creditors	(47,929)	29,977
Net cash used in operating activities	(92,878)	161,082

20 Commitments under operating leases

At 31 August 2017 the total future minimum lease payments under non-cancellable operating leases were as follows:

	2017 £	2016 £
Amounts due within one year	5,385	5,385
Amounts due in two and five years	5,780	11,164
	<u>11,165</u>	<u>16,549</u>

21 Related party transactions

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.

Thompson's Hardware - a company owned by the father of C Thompson (trustee):

- The trust purchased landscaping materials from Thompson's Hardware totalling £131 (2016: £nil) during the year. At 31 August 2017, the academy owed £nil to the company (2016: £nil).
- The trust made the purchase at arms' length following a competitive tendering exercise in accordance with its financial regulations, which Mr Tomlinson neither participated in, nor influenced.
- In entering into the transaction the trust has complied with the requirements of the ESFA's Academies Financial Handbook.

HEMLINGTON HALL ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

22 Post balance sheet events

Hemlington Hall Academy joined a multi academy trust on 1 September 2017. At this date Hemlington Hall Academy will cease to trade and all assets and liabilities will be transferred to the MAT.

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.