

**Company Registration Number
7488870 (England and Wales)**

**Hockerill College Academy Trust Limited
(A Company Limited by Guarantee)**

**Annual Report and Financial Statements
For the Year Ended 31 August 2012**

FRIDAY



A239D08G

A24

01/03/2013

#295

COMPANIES HOUSE

**Hockerill College Academy Trust Limited
Contents**

	Page
Reference and Administrative Details	2
Governors' Report	3 – 10
Governance Statement	11 -13
Statement on Regularity, Propriety and Compliance	14
Statement of Governors Responsibilities	15
Independent Auditor's Report to the Members	16 – 18
Independent Reporting Accountant's Assurance Report on Regularity to the Academy Trust and the Education Funding Agency	19 – 20
Statement of Financial Activities incorporating Income & Expenditure Account	21
Balance sheet	22
Cash Flow Statement	23
Notes to the Financial Statements, incorporating	
Statement of Accounting Policies	24 - 26
Other Notes to the Financial Statements	27 - 43

**Hockerill College Academy Trust Limited
Reference and Administrative Details**

Governors	S R Dennis (Principal & Accounting Officer) * S A Havers (Chair) * C Smith * A S Whiteley R D Boyd S W Beach S C N Somerville * G S Pedersen P Lewis G T Simmons * P J D Scarlett R C Lawson S R M Craston S N T Waring J Leaton Gray * I Maddison C A Pluckrose-Oliver (resigned December 2011) * members of the Finance Committee
Secretary	A J Everett
Senior Management Team	S R Dennis G Roberts C Wright D Spackman A Capener M D Aldridge C Waring K Robertson A Mackenzie (joined January 2012) E Gdula (left December 2011)
Registered Office	Dunmow Road Bishops Stortford Herts CM23 5HX
Company Registration Number	7488870
Auditors	Cook & Partners Limited
Bankers	HSBC Bank Plc
Solicitors	Browne & Jacobson
Surveyors	Lambert Smith Hampton

**Hockerill College Academy Trust Limited
Governors' Report
for the year ended 31 August 2012**

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

Structure, Governance and Management

Incorporation

The Hockerill College Academy Trust Limited was incorporated on 11 January 2011 and took over the operations of the Hockerill Anglo European College from the local authority on the 1 February 2011

Constitution

The Hockerill College Academy Trust Limited is a company Limited by guarantee with no share capital (registration no 7488870), and an exempt charity within the meaning of Schedule 2 of the Charities Act 1993. It is not required to be registered with the Charity Commission but is, however, subject to the Charity Commissioner's regulatory powers which are monitored by the Secretary of State for Education

The Academy's memorandum and articles of association are the primary governing documents of the Academy. Members of the Academy are nominated by (either) the Secretary of State for Education (or) by the main sponsors of the Academy. The articles of association require the members of the Academy to appoint at least 3 Governors to be responsible for the statutory and constitutional affairs of the Academy and its management

Governors

The Governors act as trustees for the charitable activities of Hockerill College Academy Trust Limited and are directors of the charitable company for the purposes of company law

The Governors who were in office at 31 August 2012 and served throughout the period, except where shown, are listed on page 2

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 they are a member, or within one year after they cease to be a member, such amount as may be required, not exceeding £1, for the debts and liabilities contracted before they ceased to be a member

Governors' Indemnities

The Academy Trust has provided insurance cover for all governors acting in their capacity as governors of £3m each (Policy 33562975 – Chartis)

Principal Activities

The principal object and activity of the Charitable Company is the operation of the Hockerill College Academy to provide education for students of different abilities between the ages of 11 and 19 with an emphasis on languages and music

Hockerill College Academy Trust Limited
Governors' Report (Continued)
for the year ended 31 August 2012

Structure, Governance and Management (Continued)

Method of Recruitment and Appointment or Election of Governors

Governors are subject to retirement at the end of their 4 year term but are eligible for re-election

Policies and Procedures Adopted for the Induction and Training of Governors

During the period under review the Governors had 3 meetings. All new Governors are briefed on their responsibilities under charity SORP and the Companies Act and provided training as required. Refresher training for all governors is scheduled for 28 February 2013. The training and induction provided to new Governors depends on their existing experience. Where necessary, induction provides training on charity, educational, legal and financial matters. All new Governors are given a tour of the Academy and the chance to meet staff and students. All Governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Governors. Due to low levels of new Governors in each period, induction is done on an informal basis and is tailored specifically to the individual.

Organisational Structure

The management of the Academy Trust is as set out in the Scheme of Management adopted by the members of the Trust.

This prescribes that the trustees will be responsible for the overall operations and strategic development of the Academy Trust, but that they may delegate responsibilities relating to the operational affairs and development of the Academy Trust to the Senior Leadership Team (SLT). In ensuring that the Academy Trust finances are properly administered and that books of accounts are maintained and duly audited at least once per year, the trustees have also established a separate Finance Committee with appropriate delegated authorities.

The Principal and the Financial Controller work closely on day-to-day matters of financial control and both meet regularly with the Chairman of Finance to debate such matters amongst others. The Trustees have appointed Cook and Partners Limited as internal auditors who report to B McArthur-Muscroft, the Trust's Responsible Officer (RO). The RO's role is fully defined and includes giving advice on financial matters and performing a range of checks on the Academy Trusts financial systems.

The internal auditors have undertaken a number of checks during the year and reported to the RO and the Finance Committee three times in the past year, which culminates in a report to Trustees.

Risk management

The Governors have assessed the major risks to which the Academy Trust is exposed, in particular those relating to teaching, provision of facilities and other operational areas of the Academy Trust, and its finances. The Governors have implemented a number of systems to assess the risks that the college faces, especially in the operational areas (e.g. vetting of new staff and visitors, supervision of school grounds) and internal financial controls in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover. The Academy Trust has an effective system of internal financial controls and this is explained in more detail in 'The Governance Statement' on pages 11 to 13.

**Hockerill College Academy Trust Limited
Governors' Report (Continued)
for the year ended 31 August 2012**

Objectives and Activities

Objects and Aims

The principal object and activity of the Charitable Company is the operation of the Hockerill College Academy which aims to provide education for students of different abilities between the ages of 11 and 19 with an emphasis on languages and music

In accordance with the Articles of Association the Charitable Company has 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 and that the curriculum should comply with the substance of the national curriculum.

Objectives, Strategies and Activities

The main objectives of the Academy during the year ended 31 August 2012 are summarised below

- To ensure that every student enjoys the same high quality education in terms of resources, tuition and care,
- To raise the standard of educational achievement of all students,
- To improve the effectiveness of the Academy Trust by keeping the curriculum and organisational structure under continual review,
- To provide value for money for the funds expended,
- To comply with all appropriate statutory and curriculum requirements,
- To maintain close links with industry, commerce, universities and other educational establishments, and
- To conduct the Academy Trusts business in accordance with the highest standards of integrity, probity and openness

Public benefit

The Governors confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Trust's objectives and aims and in planning future activities. The Governors consider that the Academy's Objectives, aims and activities are demonstrably to the public benefit.

Equal opportunities policy

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

Disabled persons

Ramps and disabled toilets are installed and door widths are adequate to enable wheelchair access to most of the main areas of the Academy. The policy of the Academy Trust is to support recruitment and retention of students and employees with disabilities. The Academy Trust does this by adapting the physical environment, by making support resources available and through training and career development.

**Hockerill College Academy Trust Limited
Governors' Report (Continued)
for the year ended 31 August 2012**

Achievements and Performance

The Academy is in its second year of independent operation, although has been in operation since the 1980's. Last year saw a continued growth in student numbers particularly in to the sixth form with a roll of 845

The college's academic performance continues to be outstanding and sees us highly placed in the league tables at both Key Stage 4 and Key Stage 5. Our GCSE results saw 97% of our students gaining five or more GCSE's at C grade or higher. The percentage of students gaining 5 or more A* - C including English and Math was 88% which was down on the last year but reflected the changes in grade boundaries nationally. However our A*/A grades of 48% was a 4% increase over the previous year and well above national averages. The focus for the coming year is to improve the C/D borderline grades in English and Math's and to continue the emphasis on A*/A grades at GCSE with a target of 62%. Our IB Diploma results were outstanding when compared with national results with an average point score of 36.4, which is well above world averages and above UK independent school averages. There was no significant difference between male/female performances or between day/boarders. This was a significant improvement on last year's results particularly in the number of Level 7 grades awarded. University offers remain healthy with 78% of applicants gaining their first choice of which 54% were to Russell group universities. Consequently recruitment into the sixth was strong with 130 students joining the lower sixth in September. The increased performance in Year 13 was a result of careful tracking and monitoring of student performance with appropriate intervention and support.

Faculty reviews are ongoing with ICT, Math's and English being completed in the last twelve months. This ensures that good practice is identified and shared across the college and that robust quality assurance is in place. This work is supported by the appointment of four lead teachers.

Our target for 2012/13 is to build on this success with college targets of 62% A*/A grades, 96% five A* - C including English and Math at GCSE and an IB Diploma pass rate of 98% with an average point score of 36 points.

We continue to provide extensive out-reach support both to local schools both Primary and Secondary particularly in the teaching of languages. We have also worked closely with the IBO in providing training and CPD for schools interested in introducing the Middle Years programme within the UK context. Our involvement within Rwanda has declined pragmatically as the troubles have increased particularly along the border with the DRC. This year we are not sending students out to work in Rwanda. However our programme in India goes from strength to strength and is proving a popular choice for students. We are offering a new link in Uganda with a charity organization called Amigos, which will see students working on local projects associated with sustainable living. We are also looking to build a link with an all girls IB school in Jordan. Hopefully 2012/13 will see this link established with visits from Jordanian staff to Hockerill.

Boarding numbers have increased due in part to the opening of a sixth boarding house which can accommodate up to 19 girls. Rochester house was refurbished and opened on time and on budget and is fully occupied. This development is the final phase in the expansion of boarding provision at the college, however further minor works are required in each of the houses to ensure that the number of boy/girl places is equitable and sustainable going forward. Much of this work has already been completed in early 2012/13 or is planned. This increase in numbers has seen a small increase in staff working in boarding and several staff flats have been refurbished to make them more family friendly. Overall staff recruitment has been excellent and we have recruited from across the world some outstanding teachers. Opportunities have been taken to refresh the middle leadership in Careers, science and English, which is part of our overall strategy to improve performance in these key areas. We have also appointed an Oxbridge coordinator to support more effectively students with their Oxbridge applications. This year has seen the highest number of offers with 8 students securing an offer.

Hockerill College Academy Trust Limited
Governors' Report (Continued)
for the year ended 31 August 2012

Achievements and Performance (continued)

Considerable ongoing investment has been made in opening the new boarding house, Canterbury Upper and Lower have had new double glazing installed and the main boilers have been replaced. This reflects our current priorities to improve the College infrastructure and reduce our carbon footprint with energy efficient boilers and insulation. Ongoing refurbishment and painting has gone on throughout the year with St Alban's hall and the Math's block being re-painted and a new Careers office being established.

ICT investment has continued and the network in its totality is now in a strong position with some further re-wiring required in the Science faculty area. Greater emphasis is now being placed on the classroom use of ICT to support learning with the appointment of Leads teachers and a Learning Technologist.

Going concern

After making appropriate enquiries, the Governors have a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the 'Statement of Accounting Policies' on pages 24 to 26.

Key Performance Indicators

- 98% IB Diploma pass rate
- 36 point average score
- 60% of all university places to be in a Russell group university
- 80% of the Oxbridge offers to be converted into firm places
- 62% A*/A grades at GCSE
- Increase overall A* to C pass rate in Core subjects
- Reduce WISV in English so that their A*/A grades are in line with College averages
- Sustain our Boarding recruitment into both the sixth form and Year 7
- Take the Sports Hall plans successfully through the planning process and ensure that the finances are able to support this project

Financial Review

Under the Accounts Direction 2011/12 boarding activities and pension reserve are now to be shown as separate restricted funds rather than included within unrestricted funds in line with Accounts Direction 2010/11. In order to comply with the new accounts direction it has been necessary to revise the opening funds. Certain comparatives within the accounts have been restated but no adjustment has been necessary to overall reserves nor the results previously declared for 2011.

Half of the Academy's income comes from the Department for Education (DfE) in the form of recurrent grants, the use of which is restricted to the running costs of the Academy. The grants received from the DfE during the year ended 31 August 2012 and the associated expenditure are shown as General

**Hockerill College Academy Trust Limited
Governors' Report (Continued)
for the year ended 31 August 2012**

Financial Review (continued)

Restricted Funds in the 'Statement of Financial Activities' on page 21

The other half of the Academy's income comes from boarding & premises fees. In accordance with the Accounts Direction 2011/12, such income is now shown in the statement of financial activities as restricted income rather than unrestricted income per Accounts Direction 2010/11

The Academy's fixed assets were valued by Lambert Smith Hampton based on a component cost basis in 2011. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

At 31 August 2012 the net book value of fixed assets was £27,372,000 and movements in tangible fixed assets are shown in note 13 to the financial statements. The assets were used exclusively for providing education and associated support services to the students of the Academy.

Under FRS17 the Academy has an historic deficit on the Essex Local Government Pension Scheme of £1,347,000. This deficit has increased during the year from £1,168,000 but is expected to be repaid over 15 years.

Statement of Financial Activities

The Academy generated £112,000 (2011 £174,000) from hire and interest income which generated a £112,000 surplus (2011 £174,000) before investment in fixed assets.

Boarding Activities generated income of £3,621,000 (2011 £1,915,000) which generated a surplus of £712,000 (2011 £471,000) before investment in fixed assets.

General Annual Grants (GAG) of £4,527,000 (2011 £2,657,000) has generated a deficit of £285,000 (2011 £50,000) that has been offset by a £72,000 surplus (2011 £41,000) on other restricted income.

Overall the restricted fund has a surplus of £203,000 (2011 £292,000) net of Pension Deficit. The restricted fixed asset reserve has been increased by £685,000 net of depreciation charges to £27,372,000 due to investment in improvements to the Academy Trusts property from surpluses made on unrestricted and boarding activities per above.

Balance Sheet

The main elements of the balance sheet are as follows:

Assets

- Debtors of £2,406,000 (2011 £2,518,000) represents boarding income for the Lent & Summer terms not yet received. These monies due are either paid termly or payable by monthly payment plans and therefore not yet due.
- £137,000 (2011 £178,000) of VAT is outstanding.
- Prepayments total £378,000 (2011 £388,000) reflecting
 - School trips that have not yet been completed
 - Costs incurred in advance

Hockerill College Academy Trust Limited
Governors' Report (Continued)
for the year ended 31 August 2012

Statement of Financial Activities (continued)

Liabilities

- Creditors of £295,000 (2011 £158,000) represents costs incurred not yet paid for by the Academy Trust
- Boarding Deposits £379,000 (2011 £349,000) repayable when students leave the College
- Accruals and Deferred Income £4,648,000 (2011 £4,282,000) reflecting
 - School trips that have not yet been completed
 - Donations not yet allocated
 - Boarding fees invoiced in advance of the academic year 2011/12
 - Provision for amounts payable on retentions and capital projects

Cash Flow

- Earlier payment of boarding fees has generated a £671,000 (2011 £285,000) growth in cash balances from those at 1 September 2011

Principal risks and uncertainties

The continuing euro crisis exposes many of the boarding parents to additional currency risk. While the college's own exposure is low, with a provision to cover currency exposures that budgets for a 1.35 exchange rate, there is an increasing possibility of default and reduced intake if the euro fails or falls substantially. There is however healthy demand for places within the UK that should offset much of such a reduction (as fees are significantly lower than equivalent independent schools). While historic bad debt levels have been under 1% the college does budget for a 1.5% provision.

Reserves policy

The Governors review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Governors have determined that the appropriate level of free reserves should be between £200,000 and £250,000. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants/boarding revenues and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. The Academy's current level of free reserves (total funds less the amount held in fixed assets funds, the pension deficit and private income funds) is £212,000 (2011 £248,000) which is within this threshold.

Investment policy

Surplus cash balances are invested in a Bank of Scotland corporate deposit account or an HSBC deposit account both with same day access. Balances at 31 August 2012 £1,894,000 (2011 £1,879,000).

Plans for Future Periods

The governors have taken the decision to design and seek planning permission for a new Sports Hall. This is to address the facility shortfall as identified in our Spatial intelligence survey last summer. The final decision on this project will be taken once planning permission is granted. To raise the required funding, estimated to be 3 million, will take at least a further 18 months. However the financial projections look healthy and this should be achievable.

Statement of disclosure of information to auditors

We, the Governors of the Academy who held office as company directors at the date of approval of these Financial Statements each confirm, so far as we are aware, that


- there is no relevant audit information of which the Academy's auditors are unaware, and
- we have taken all the steps that we ought to have taken as Governors in order to make ourselves aware of any relevant audit information and to establish that the Academy's auditors are aware of that information

Hockerill College Academy Trust Limited
Governors' Report (Continued)
for the year ended 31 August 2012

Auditors

The auditors, Cook & Partners Limited, have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting

This report was approved by the Governing Body on 14th January 2013 and signed on its behalf by


S A Havers
Chair

**Hockerill College Academy Trust Limited
Governance Statement
for the year ended 31 August 2012**

Scope of Responsibility

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

The Governing Body has delegated the day-to-day responsibility to the Principal Mr S Dennis, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Hockerill Academy Trust and the Secretary of State for Education. The accounting officer is also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the governors' Report and in the Statement of governors' responsibilities. The governing body has formally met 3 times during the year. Attendance during the year at meetings of the governing body was as follows.

Governor	Meetings Attended	Out of a Possible
S R Dennis (Principal & Accounting Officer)	3	3
S A Havers (Chair of Governors)	3	3
C Smith	1	3
A S Whiteley	3	3
R D Boyd	3	3
S W Beach	3	3
S C N Somerville	2	3
G S Pedersen	3	3
P Lewis	3	3
G T Simmons	3	3
P J D Scarlett	3	3
R C Lawson	3	3
S R M Craston	3	3
S N T Waring	2	3
J Leaton Gray	3	3
I Maddison (appointed)	2	3
C A Pluckrose-Oliver (resigned)	1	1

During the period C A Pluckrose Oliver resigned as chair and governor. S A Havers was appointed in her place as chair. There have been no major challenges other than ensuring that the Academy Trust continues to achieve the highest educational and operating standards possible.

Hockerill College Academy Trust Limited Governance Statement (Continued) for the year ended 31 August 2012

Governance (Continued)

The Finance Committee is a sub-committee of the main governing body. Its purpose is to approve the budget, monitor expenditure and income and to consider all new financial transactions. Attendance at meetings during the year was as follows:

Governor	Meetings Attended	Out of a Possible
S R Dennis (Principal & Accounting Officer)	5	5
S A Havers (Chair of Governors)	3	5
C Smith	5	5
S C N Somerville	4	5
G T Simmons	5	5
J Leaton Gray	4	4

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives, it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place throughout the year ended 31 August 2012 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Governing Body has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Governing Body is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that have been in place for the year ended 31 August 2012 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Body.

The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Governing Body,
- regular reviews by the Finance 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.

Hockerill College Academy Trust Limited
Governance Statement (Continued)
for the year ended 31 August 2012

The Risk and Control Framework (Continued)

The Governors have considered the need for a specific internal audit function and have commissioned Cook and Partners Limited to provide internal audit support to the Responsible Officer (RO), B McArthur-Muscroft. The RO's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. On a termly basis, the RO reports to the governing body on the operation of the systems of control and on the discharge of the governing body's financial responsibilities.

These arrangements can provide only reasonable and not absolute assurance that assets are safeguarded, transactions are authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected within a timely period.

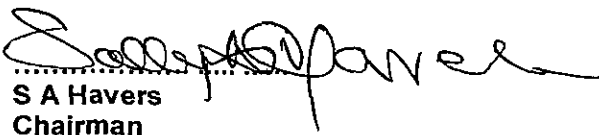
Review of Effectiveness


As Accounting Officer, Mr S Dennis (Principal) has responsibility for reviewing the effectiveness of the system of internal control. During the period in question the review has been informed by

- the work of the Responsible Officer
- the work of the external auditor,
- the financial management and governance self-assessment process,
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

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

This statement was approved by the Governing Body on 14th January 2013 and signed on its behalf by -


S A Havers
Chairman

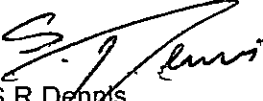

S D Dennis
Accounting Officer

**Hockerill College Academy Trust Limited
Statement on Regularity, Propriety and Compliance
for the year ended 31 August 2012**

As accounting officer of Hockerill College Academy Trust Limited I have considered my responsibility to notify the academy trust governing body and the Education Funding Agency (EFA) of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

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

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


S R Dennis
Accounting Officer

Hockerill College Academy Trust Limited
Statement of Governors Responsibilities
for the year ended 31 August 2012

The governors (who act as trustees for charitable activities and are also directors of Hockerill College Academy Trust for the purposes of company law) are responsible for preparing the Governors' Report and the financial statements in accordance with applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Annual Accounts Direction 2011/12 issued by the Education Funding Agency

Company law requires the governors to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the academy and of the incoming resources and application of resources, including the income and expenditure, of the academy for the year. In preparing these financial statements, the governors are required to

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

The governors are responsible for keeping adequate accounting records that are sufficient to show and explain the academy's transactions and disclose with reasonable accuracy at any time the financial position of the academy 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 academy and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

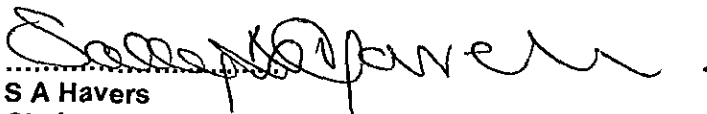
The governors are responsible for ensuring that in its conduct and operation the academy applies financial and other controls which conform to the requirements both of propriety and good financial management. They are also responsible for ensuring that grants received from the Young People's Learning Agency, Education Funding Agency and Department for Education have been applied for the purposes intended.

In so far as the governors are aware

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

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

This statement was approved by the Governing Body on 14th January 2013 and signed on its behalf by


S A Havers
Chairman

Hockerill College Academy Trust Limited
Independent Auditors Report
To the Members of Hockerill College Academy Trust Limited

We have audited the financial statements of Hockerill College Academy Trust Limited for the year ended 31 August 2012 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Annual Accounts Direction 2011/12 issued by the Education Funding Agency.

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

Respective responsibilities of governors and auditor

As explained more fully in the Statement of Governors' Responsibilities, set out on page 15, the Governors (who are also the directors of the academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements

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

**Hockerill College Academy Trust Limited
Independent Auditors Report (Continued)
To the members of Hockerill College Academy Trust Limited**

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

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



**M Cook (Senior Statutory Auditor)
For and on behalf of Cook and Partners Limited
The Chantry
Bishops Stortford
Herts**

**Hockerill College Academy Trust Limited
Independent Reporting Accountant's Assurance Report on Regularity
To the Governing Body of Hockerill College Academy Trust Limited**

In accordance with the terms of our engagement letter dated 26 October 2012 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2011/12, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Hockerill College Academy Trust Limited during the period 1 September 2011 to 31 August 2012 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them

This report is made solely to Hockerill College Academy Trust Limited and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the governing body and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the governing body and the EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of the accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Hockerill College Academy Trust Limited's funding agreement with the Secretary of State for Education dated 1 February 2011 and the Academies Financial Handbook as published by DfES in 2006, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2011/12. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2011 to 31 August 2012 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 2011/12 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

**Hockerill College Academy Trust Limited
Independent Reporting Accountant's Assurance Report on Regularity
(Continued)
To the Governing Body of Hockerill College Academy Trust Limited**

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 2011 to 31 August 2012 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them



**Cook and Partners Limited
The Chantry
Bishops Stortford
Herts**

Hockerill College Academy Trust Limited
Statement of Financial Activities
(Including Income and Expenditure Account and Statement of Total
Recognised Gains and Losses)
for the year ended 31 August 2012

	Note	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	2012 £000	2011 £000
Incoming resources						
<i>Incoming resources from generated funds</i>						
Voluntary Income – Inherited Assets	3	-	-	-	-	25,917
Voluntary Income – Private Donations		-	53	-	53	34
Investment and similar income	4	16	-	-	16	9
<i>Incoming resources from charitable activities</i>						
Funding for the academy's educational operations	5	-	4,598	38	4,636	2,791
Other income	6	96	724	-	820	564
Provision of boarding activities	29	-	3,621	-	3,621	1,915
Total incoming resources		112	8,996	38	9,146	31,230
Resources expended						
<i>Cost of generating funds</i>						
Costs of generating voluntary income		-	-	-	-	3
<i>Charitable activities</i>						
Academy's educational operations		-	5,541	265	5,806	3,456
Provision of boarding activities	29	-	2,909	122	3,031	1,444
Other grants and donations		-	26	-	26	-
<i>Governance costs</i>		-	14	-	14	23
Total resources expended	7	-	8,490	387	8,877	4,926
Net incoming / (outgoing) resources before transfers		112	506	(349)	269	26,304
Gross transfers between funds	17	(32)	(615)	647	-	-
Net Income/(expenditure) for the year		80	(109)	298	269	26,304
Other recognised gains and losses						
Actuarial (losses) gains on defined benefit pension schemes	17,28	-	(159)	-	(159)	3
Net Movement in Funds	17	80	(268)	298	110	26,307
Reconciliation of funds						
Total funds brought forward at 1 September 2011	17	109	(876)	27,074	26,307	-
Net movement in funds and funds carried forward at 31 August 2012	17	189	(1,144)	27,372	26,417	26,307

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

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

Hockerill College Academy Trust Limited
Balance Sheet at 31 August 2011

	Note	2012 £000	2011 £000
Fixed assets			
Tangible assets	13	<u>27,372</u>	<u>27,074</u>
Current assets			
Debtors	15	2,921	3,084
Cash at bank and in hand		<u>3,339</u>	<u>2,668</u>
		6,260	5,752
Current liabilities			
Creditors Amounts falling due within one year	16	<u>(5,868)</u>	<u>(5,351)</u>
Net current assets		<u>392</u>	<u>401</u>
Net assets excluding pension liability		<u>27,764</u>	<u>27,475</u>
Pension scheme liability	28	<u>(1,347)</u>	<u>(1,168)</u>
Net assets including pension liability		<u>26,417</u>	<u>26,307</u>
Funds			
Restricted funds			
Restricted fixed asset fund	17	27,372	27,074
Restricted general fund	17	203	292
Pension reserve	28	<u>(1,347)</u>	<u>(1,168)</u>
		26,228	26,198
Unrestricted income funds			
General fund	17	<u>189</u>	<u>109</u>
Total unrestricted funds		<u>189</u>	<u>109</u>
Total Funds	17	<u>26,417</u>	<u>26,307</u>

The financial statements on pages 20 to 43 were approved by the governors, and authorised for issue on 14th January 2013 and are signed on their behalf by


S A Havers
Chairman/Governor

**Hockerill College Academy Trust Limited
Cash Flow Statement
for the year ended 31 August 2012**

	Note	2012 £000	2011 £000
Operating activities			
Net cash inflow from operating activities	21	1,302	821
Returns on investments and servicing of finance	23	16	9
Capital Expenditure	24	(647)	(545)
Increase in cash in the period	25	<u>671</u>	<u>285</u>
Reconciliation of net cash flow to movement in net funds			
Net funds at 1 September 2011	25	2,668	-
Inherited cash funds	22	-	2,383
Net funds at 31 August 2012	25	<u>3,339</u>	<u>2,668</u>

**Hockerill College Academy Trust Limited
Notes to the Financial Statements
for the year ended 31 August 2012**

1 Principal Accounting Policies

Basis of Preparation

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice Accounting and Reporting by Charities' (SORP 2005), the Annual Academies Accounts Direction 2011/12 issued by the Education Funding Agency and the Companies Act 2006

Under the Accounts Direction 2011/12 boarding activities and pension reserve are now to be shown as separate restricted funds rather than included within unrestricted funds in line with Accounts Direction 2010/11. In order to comply with the new accounts direction it has been necessary to revise the opening funds. Certain comparatives within the accounts have been restated but no adjustment has been necessary to overall reserves nor the results previously declared for 2011.

A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

Going concern

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

The Governors consider that the Academy Trust can continue as a going concern and the financial statements have been prepared on this basis.

Incoming resources

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

- **Grants receivable**

Grants are included in the statement of financial activities on a receivable basis. The balance of income received for specific purposes but not matched to relevant expenditure during the period is shown in the relevant funds on the balance sheet.

Where income is received in advance of entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

- **Donations**

Donations are included in the statement of financial activities on a cash received basis or on an accruals basis where they are assured with virtual certainty and are receivable at the balance sheet date.

- **Other income**

Other income, including the hire of facilities, is recognised in the period to which the service relates. Fees receivable in advance are deferred and included in creditors as deferred income.

Hockerill College Academy Trust Limited
Notes to the Financial Statements (Continued)
for the year ended 31 August 2012

1 Principal Accounting Policies (Continued)

Incoming resources (continued)

- **Donated services and gifts in kind**

The value of donated services and gifts in kind provided to the Academy Trust is recognised in the statement of financial activities as incoming resources and resources expended at their estimated value to the academy in the period in which they are receivable, and where the benefit is both quantifiable and material

Upon becoming an Academy Trust the charitable company received donated assets from the local authority relating to property and other funds. The property has been included at valuation at the date of receipt and other funds at historic cost. The receipt of these assets has passed through The Statement of Financial Activities

- **Interest receivable**

Interest receivable is included within The Statement of Financial Activities on a receipts basis

Resources Expended

All expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs relating to that category. Where costs cannot be directly attributed to particular headings or funds they have been allocated on a basis consistent with the use of the resource for the cost category or fund concerned

Allocation basis's that have been used where applicable are as follows

Estimated time spent on activities
Floor Area
Pupil Numbers

- **Charitable activities**

These are costs incurred on the Academy Trusts educational operations

- **Governance costs**

Governance costs include the costs attributable to the academy's compliance with constitutional and statutory requirements, including audit, strategic management and Governors' meetings and reimbursed expenses

All resources expended are inclusive of irrecoverable VAT

Hockerill College Academy Trust Limited
Notes to the Financial Statements (Continued)
for the year ended 31 August 2012

1 Principal Accounting Policies (Continued)

Tangible fixed assets

Tangible fixed assets costing £1,000 or more acquired since the Academy Trust was established are capitalised as tangible assets and are carried at cost, net of depreciation and any amount 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 fund in the Statement of financial Activities so as to reduce the fund over the expected useful economic life of the related asset on a basis consistent with the Academy Trusts depreciation policy.

Depreciation

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.

Freehold buildings	Expected Useful Life 36 years from 1 February 2011
--------------------	---

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

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

Leased assets

Rentals under operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the Statement of Financial Activities on a straight line basis over the lease term.

Stocks

Uniform & catering supplies are not owned by the college. Stationery stocks are not deemed material.

Taxation

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore 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.

**Hockerill College Academy Trust Limited
Notes to the Financial Statements (Continued)
for the year ended 31 August 2012**

1 Principal Accounting Policies (Continued)

Pensions

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

- **Teachers' Pension Scheme ('TPS')**

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 27, the TPS is a multi employer scheme and the Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid in each period.

- **Local Government Pension Scheme**

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

Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the funder where the asset is held for a specific purpose.

Restricted general funds comprise all other restricted funds received and include grants from the Education Funding Agency and other agencies plus other income, including boarding income, which may be used for the main charitable activities and running costs of the Academy Trust.

Hockerill College Academy Trust Limited
Notes to the Financial Statements (Continued)
for the year ended 31 August 2012

	2012 £000	2011 £000
2 GENERAL ANNUAL GRANT (GAG)		
GAG brought forward from previous year	(50)	-
GAG allocation for current period	4,527	2,657
Total GAG available to spend	<u>4,477</u>	<u>2,657</u>
Recurrent expenditure from GAG	(4,812)	(2,707)
Fixed assets purchased from GAG	-	-
GAG carried forward to next period	<u>(335)</u>	<u>(50)</u>
Maximum permitted GAG carry forward at end Of current period (12% of allocation for current period)	<u>(543)</u>	<u>(319)</u>
GAG to surrender to DfE	<u>(878)</u>	<u>(369)</u>
(12% rule breached if result is positive)	No Breach	No Breach
b. Use of GAG Brought Forward from Previous Period for Recurrent Purposes		
(Of the amount carried forward each period, a maximum of 2% of GAG can be used for recurrent purposes. Any balance, up to a maximum of 12%, can only be used for capital purposes)		
Recurrent expenditure from GAG in current period	(4,812)	(2,707)
GAG allocation for current period	4,527	2,657
GAG allocation for previous period x 2%	53	-
GAG b/fwd from previous period in excess of 2%, used on recurrent expenditure in current period	<u>(232)</u>	<u>(50)</u>
(2% rule breached if result is positive)	No Breach	No Breach

Hockerill College Academy Trust Limited
Notes to the Financial Statements (Continued)
for the year ended 31 August 2012

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	2012 £000	2011 £000
3 VOLUNTARY INCOME					
Inherited property	-	-	-	-	26,697
Inherited funds	-	-	-	-	354
Inherited pension deficit	-	-	-	-	(1,134)
	-	-	-	-	25,917

Inherited property represents property transferred on conversion to an academy from of a grant maintained school

Inherited funds represent net assets and liabilities transferred on conversion to an academy from of a grant maintained school

Inherited pension deficit represents the net deficit on the LGPS pension scheme transferred on conversion to an academy from a grant maintained school

4 INVESTMENT AND SIMILAR INCOME

Bank Interest Received	16	-	-	16	9
	16	-	-	16	9

5 FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

EFA capital grants

- Devolved Formula Capital allocations

-	-	23	23	41
-	-	23	23	41

YPLA revenue grants

- General Annual Grant (GAG)
- Start Up Grant Part a

-	4,527	-	4,527	2,657
-	-	-	-	25
-	4,527	-	4,527	2,682

Other grants

- Local Authority grants
- Special educational projects
- Other private capital grants

-	-	-	-	40
-	71	-	71	28
-	-	15	15	-
-	71	15	86	68

Total

-	4,551	38	4,589	2,791
---	--------------	-----------	--------------	--------------

Incoming/outgoing resources for the period include

- Fees payable to auditor - Audit
- Fees payable to auditor - Other Services

6	10
4	-

Hockerill College Academy Trust Limited
Notes to the Financial Statements (Continued)
for the year ended 31 August 2012

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	2012 £000	2011 £000
6 OTHER INCOMING RESOURCES					
Income from facilities and services	96	-	-	96	164
School trip and related income	-	375	-	375	213
Music School	-	157	-	157	71
School meals	-	119	-	119	64
Sale of uniforms	-	18	-	18	16
Departmental income	-	27	-	27	14
Miscellaneous items	-	28	-	28	22
Total	96	724	-	820	564

7 RESOURCES EXPENDED

	Payroll Staff Costs £000	Non Payroll Premises £000	Other Costs £000	Total 2012 £000	Total 2011 £000
Cost of generating voluntary income	-	-	-	-	3
Academy's educational operations					
• Direct costs	3,926	387	518	4,831	2,698
• Allocated support costs	1,362	827	1,817	4,006	2,202
(See Note 8)	5,288	1,214	2,335	8,837	4,900
Other grants and donations	-	-	26	26	-
	-	-	26	26	-
Governance costs including allocated support costs	-	-	14	14	23
(See Note 9)	-	-	14	14	23
Resources expended by type	5,288	1,214	2,375	8,877	4,926

Hockerill College Academy Trust Limited
Notes to the Financial Statements (Continued)
for the year ended 31 August 2012

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	2012 £000	2011 £000
8 CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS					
Direct costs					
Teaching and educational support staff costs	-	3,926	-	3,926	2,206
Educational supplies	-	277	-	277	138
Examination fees	-	112	-	112	97
Other student related costs	-	48	-	48	21
Bad debts	-	37	-	37	27
Commissions	-	27	-	27	3
Other costs	-	68	-	68	28
Depreciation	-	-	336	336	178
	-	4,495	336	4,831	2,698
Allocated support costs					
Support staff costs	-	1,362	-	1,362	777
School trip and related expenditure	-	375	-	375	213
Music School	-	143	-	143	66
Sale of uniforms	-	4	-	4	9
Catering costs	-	881	-	881	440
Maintenance of premises and equipment	-	430	-	430	256
Furniture costs	-	55	-	55	46
Other premises costs	-	342	-	342	143
Technology costs	-	92	-	92	61
Transport	-	18	-	18	13
Other support costs	-	137	-	137	95
Contingency costs	-	104	-	104	49
Bank interest and charges	-	12	-	12	7
Depreciation	-	-	51	51	27
	-	3,955	51	4,006	2,202
Total	-	8,450	387	8,837	4,900
9 GOVERNANCE COSTS					
Legal and professional fees	-	3	-	3	12
Auditors' remuneration (including benefits in kind)	-		-		
• Audit fee	-	6	-	6	10
• Other services	-	4	-	4	-
Governors' training	-	1	-	1	1
	-	14	-	14	23

Hockerill College Academy Trust Limited
Notes to the Financial Statements (Continued)
for the year ended 31 August 2012

	2012 £000	2011 £000
10 STAFF COSTS		
Wages and salaries	4,390	2,448
Social security costs	314	176
Pension costs	556	332
	<hr/> 5,260	<hr/> 2,956
Other wage costs	28	27
Total staff costs	<hr/> 5,288	<hr/> 2,983

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

	2012 No.	2011 No.
Charitable activities		
Teachers	69	68
Administration and support	88	76
Management	9	9
	<hr/> 166	<hr/> 153

Two of the above employees earned more than £60,000 per annum (including taxable benefits but excluding employers' pension contributions) during the year ended 31 August 2012. The total emoluments of these employees were in the following ranges

£60,001 - £70,000	2	1
£90,001 - £100,000	-	1
£100,001 - £110,000	<hr/> 1	<hr/> -

All of the above employees earning more than £60,000 per annum participated in the Teachers' Pension Scheme. During the year ended 31 August 2012, pension contributions for these staff amounted to £32,000 (2011 7 months £13,000)

Hockerill College Academy Trust Limited
Notes to the Financial Statements (Continued)
for the year ended 31 August 2012

11 GOVERNORS' REMUNERATION AND EXPENSES

Governors' remuneration

The principal and other senior staff Governors, only receive remuneration in respect of services they provide undertaking the roles of principal and staff and do not receive any remuneration in respect of their services as Governors

Other Governors did not receive any payments nor expenses from the Academy in respect of their roles as Governors

The value of the principal's remuneration was £115,315 (2011 7 months £66,120) (including pension contributions)

The value of staff Governor's remuneration was £92,832 (2011 7 months £57,764) (including pension contributions)

12 GOVERNORS' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £3m on any one claim and the cost for the year ended 31 August 2012 was £1,075

13 TANGIBLE FIXED ASSETS

	Freehold land £000	Freehold Buildings £000	Property Improvements £000	Assets under Construction £000	Total £000
Cost					
At 1 September 2011	13,858	12,839	-	582	27,279
Additions	-	-	486	199	685
Transfers	-	-	582	(582)	-
At 31 August 2012	13,858	12,839	1,068	199	27,964
Depreciation					
At 1 September 2011	-	205	-	-	205
Charged in period	-	357	30	-	387
At 31 August 2012	-	562	30	-	592
Net book values					
At 31 August 2012	13,858	12,277	1,038	199	27,372
At 31 August 2011	13,858	12,634	-	582	27,074

Hockerill College Academy Trust Limited
Notes to the Financial Statements (Continued)
for the year ended 31 August 2012

14 INVESTMENTS

The academy owns 100% of the issued ordinary shares of Hockerill Enterprises, a company incorporated in England (registration number 3027362) Hockerill Enterprises has been Dormant throughout the year ended 31 August 2012

15 DEBTORS

	2012 £000	2011 £000
Trade debtors	2,406	2,518
Prepayments and accrued income	378	388
VAT refundable	137	178
	<u>2,921</u>	<u>3,084</u>

16 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

Trade creditors	295	158
Sundry creditors	894	911
Deferred income	4,275	3,785
Accruals	404	497
	<u>5,868</u>	<u>5,351</u>

Deferred Income

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds	2012 £000	2011 £000
Deferred Income at 1 September 2011	3,740	45	-	3,785	-
Inherited deferred income	-	-	-	-	2,008
Income deferred in the period	4,078	23	-	4,101	3,642
Income released in period	(3,597)	(14)	-	(3,611)	(1,865)
Deferred Income at 31 August 2012	<u>4,221</u>	<u>54</u>	<u>-</u>	<u>4,275</u>	<u>3,785</u>

Hockerill College Academy Trust Limited
Notes to the Financial Statements (Continued)
for the year ended 31 August 2012

16 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR (Continued)

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds	2012 £000	2011 £000
Deferred income is made up as follows					
Deferred boarding income	-	4,078	-	4,078	3,597
Deferred legacy	140	-	-	140	140
Unexpended grant	-	11	-	11	9
Uniform income	-	43	-	43	36
Other	3	-	-	3	3
	143	4,132	-	4,275	3,785

17 FUNDS

	Balance at 1 September 2011 £000	Incoming Resources £000	Resources Expended £000	Gains, Losses, and Transfers £000	Balance at 31 August 2012 £000
Restricted general funds					
• General Annual Grant (GAG)	(50)	4,527	(4,812)	-	(335)
• Inherited assets	232	-	-	-	232
• Other grants	-	71	(71)	-	-
• Other Income	41	724	(652)	-	113
• Boarding activities	(84)	3,621	(2,909)	(615)	13
• Private income funds	153	53	(26)	-	180
• Pension reserve	(1,168)	-	(20)	(159)	(1,347)
	(876)	8,996	(8,490)	(774)	(1,144)
Restricted fixed asset funds					
• EFA capital grants	-	23	-	(23)	-
• Other grant	-	15	-	(15)	-
• Inherited assets	26,492	-	(357)	-	26,135
• Capital expenditure from restricted funds	582	-	(30)	685	1,237
	27,074	38	(387)	647	27,372
Unrestricted funds					
• Other income	109	112	-	(32)	189
	109	112	-	-	189
Total Funds	26,307	9,146	(8,877)	(159)	26,417

Hockerill College Academy Trust Limited
Notes to the Financial Statements (Continued)
for the year ended 31 August 2012

17 FUNDS (Continued)

Restricted General Funds

These represent funds generated by the Academy Trust either from grants received, general and boarding operations or voluntary income, which can only be used for normal running costs of the academy or for charitable purposes at the discretion of the Governors

Included within Restricted General Funds is the General Annual Grant which must be used for the normal running costs of the academy. The academy is allowed to carry forward up to 12% of the current (GAG). Of the carried forward amount, up to 2% of GAG can be used for general purposes at the discretion of the academy, but any balance over 2% must be used for capital purposes

Restricted Fixed Asset Funds

Represents assets inherited on conversion to an Academy and other surplus unrestricted funds which have been used to finance the capital costs of the Academy less accumulated depreciation

Unrestricted Funds

Represents funds generated by the academy from other operations which can be used for any purpose at the discretion of the Governors

18 ANALYSIS OF NET ASSETS BETWEEN FUNDS

Fund balances at 31 August 2012 are represented by

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds	Total 2011 £000
Tangible fixed assets	-	-	27,372	27,372
Current assets	189	6,010	30	6,229
Current liabilities	-	(5,807)	(30)	(5,837)
Pension reserve	-	(1,347)	-	(1,347)
	189	(1,144)	27,372	26,417

19 CAPITAL COMMITMENTS

	2012 £000	2011 £000
Contracted for, but not provided in the financial statements	126	96

The capital commitment in 2012 represents building costs on the Rochester Project capitalised in the coming year

The capital commitment in 2011 represented building costs on the Roding Project capitalised in the current year

Hockerill College Academy Trust Limited
Notes to the Financial Statements (Continued)
for the year ended 31 August 2012

20 CONTINGENT LIABILITIES

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

Upon termination of the Funding Agreement, whether as a result of the Secretary of State or the academy serving notice, the academy shall repay to the Secretary of State sums determined by reference to

- (a) the value at that time of the academy's site and premises and other assets held for the purpose of the academy and
- (b) the extent to which expenditure incurred in providing those assets was met by payments by the Secretary of State under the Funding Agreement

21 RECONCILIATION OF NET INCOME TO NET CASH INFLOW FROM ACTIVITIES

	2012 £000	2011 £000
Net Income	269	26,304
Inherited funds (note 24)	-	(25,917)
Depreciation (note 15)	387	205
Capital grants received	(38)	(37)
Interest receivable (note 4)	(16)	(9)
FRS 17 current service cost (note 30)	125	69
FRS 17 contributions paid (note 30)	(159)	(68)
FRS 17 pension finance cost (note 30)	54	36
Decrease/(Increase) in debtors	207	(1,805)
Increase in creditors	473	2,043
Net cash inflow from operating activities	1,302	821

22 CASH ACQUIRED FROM INHERITED ASSETS

Funds inherited on the conversion to an academy are as follows

	At 1 February 2011
Fixed assets	(26,697)
Debtors	(1,279)
Creditors	3,308
Pension deficit	1,134
Inherited funds	25,917
Cash inherited	2,383

Hockerill College Academy Trust Limited
Notes to the Financial Statements (Continued)
for the year ended 31 August 2012

23 RETURNS ON INVESTMENTS AND SERVICING OF FINANCE

	2012 £000	2011 £000
Interest receivable	16	9
Net cash inflow from returns on investment and servicing of finance	16	9

24 CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT

	2012 £000	2011 £000
Purchase of tangible fixed assets	(685)	(582)
Capital grants received	38	37
Net cash inflow from returns on investment and servicing of finance	(647)	(545)

25 ANALYSIS OF CHANGE IN NET FUNDS

	At 1 September 2011	Cash Flows £000	At 31 August 2012
Cash in hand and at bank	2,668	671	3,339

26 MEMBERS' LIABILITY

Each member of the academy undertakes to contribute to the assets of the academy in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £1 for the debts and liabilities contracted before he/she ceases to be a member

27 RELATED PARTIES

The Governors are not aware of any transactions between the academy and related parties which require disclosure in accordance with FRS8 'Related Party Disclosures'

**Hockerill College Academy Trust Limited
Notes to the Financial Statements (Continued)
for the year ended 31 August 2012**

28 PENSION AND SIMILAR OBLIGATIONS

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

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

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

The Teachers' Pension Scheme

The TPS is an unfunded defined benefit scheme Contributions on a "pay-as-you-go" basis are credited to the Exchequer under arrangements governed by the Superannuation Act 1972 A notional asset value is ascribed to the scheme for the purpose of determining contribution rates

The pensions cost is normally assessed no less than every four years in accordance with the advice of the Government Actuary The assumptions and other data that have the most significant effect on the determination of the contribution levels are as follows The Teachers' Pension Scheme ("TPS") is a statutory, contributory, defined benefit scheme The regulations under which the TPS operates are the Teachers' Pensions Regulations 2010

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

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

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

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

**Hockerill College Academy Trust Limited
Notes to the Financial Statements (Continued)
for the year ended 31 August 2012**

28 PENSION AND SIMILAR OBLIGATIONS (Continued)

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

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

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

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

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

Local Government Pension Scheme (LGPS)

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2012 was £206,000, of which employer's contributions totalled £159,000 and employees' contributions totalled £47,000. The agreed contribution rates for future years remain at 12.3 per cent for employers and are variable for employees.

The scheme is in deficit and the entity has entered into an agreement with the trustees to make additional contributions in addition to normal funding levels amounting to £64,800 per annum for the next 2 years.

Hockerill College Academy Trust Limited
Notes to the Financial Statements (Continued)
for the year ended 31 August 2012

28 PENSION AND SIMILAR OBLIGATIONS (continued)

Principal Actuarial Assumptions

	At 31 August 2012	At 31 August 2011
Rate of increase in salaries	3.7%	4.2%
Rate of increase in payment/inflation	1.9%	2.7%
Discount rate for scheme liabilities	3.9%	5.3%
Inflation assumption (CPI)	1.9%	2.7%
Commutation of pensions lump sums	50%	50%

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

	At 31 August 2012	At 31 August 2011
<i>Retiring today</i>		
Males	22.7	22.6
Females	25.3	25.2
<i>Retiring in 20 years</i>		
Males	24.1	24.0
Females	26.8	26.8

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

	Expected rate of return at 31 August 2012	Fair Value at 31 August 2012	Expected rate of return at 31 August 2011	Fair Value at 31 August 2011
Equities	5.9%	161	7.0%	(3)
Gilts	2.8%	14	3.7%	-
Other Bonds	3.9%	21	4.8%	-
Property	4.9%	31	6.0%	-
Cash	0.5%	9	0.5%	-
Total market value of assets		236		(3)
Present value of scheme liabilities		(1,583)		(1,165)
Deficit in the scheme		(1,347)		(1,168)

Hockerill College Academy Trust Limited
Notes to the Financial Statements (Continued)
for the year ended 31 August 2012

28 PENSION AND SIMILAR OBLIGATIONS (continued)

Amounts recognised in the statement of financial activities

	2012 £000	2011 £000
Current service cost (note 21)	<u>125</u>	<u>69</u>
Analysis of pension finance costs		
Expected return on pension scheme assets	10	(2)
Interest on pension liabilities	(64)	(34)
Pension finance costs (note 21)	<u>(54)</u>	<u>(36)</u>

The actuarial gains and losses for the current period are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS 17 is a loss of £156,000 (2011 £3,000 gain)

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

	2012 £000	2011 £000
At 1 September 2011	1,165	-
Current service cost	125	69
Interest cost	64	34
Employee contributions	47	43
Actuarial losses	275	-
Benefits paid	(93)	-
Inherited liabilities (Note 3)	-	1,019
At 31 August 2012	<u>1,583</u>	<u>1,165</u>

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

At 1 September 2011	(3)	-
Expected return on assets	10	(2)
Employer contributions (note 21)	159	68
Employee contributions	47	43
Benefits paid	(93)	(93)
Inherited liabilities (Note 3)	-	(115)
Actuarial gain	116	3
At 31 August 2012	<u>236</u>	<u>(3)</u>

The estimated value of employer contributions for the year ended 31 August 2013 is £157,000

Hockerill College Academy Trust Limited
Notes to the Financial Statements (Continued)
for the year ended 31 August 2012

28 PENSION AND SIMILAR OBLIGATIONS (continued)

The history of experience adjustments is as follows:

	2012	2011
	£000	£000
Present value of defined benefit obligations	(1,583)	(1,165)
Fair value of share of scheme assets	236	(3)
Deficit in Scheme	(1,347)	(1,168)
Experience adjustments on share of scheme assets		
Amount £000	116	3
Experience adjustments on share of scheme liabilities		
Amount £000	-	-

Hockerill College Academy Trust Limited
Notes to the Financial Statements (Continued)
for the year ended 31 August 2012

29

ACADEMY BOARDING TRADING ACCOUNT

	2012 £000	2011 £000
Income		
Fee Income	3,560	1,887
Other Income	61	28
	3,621	1,915
Direct costs		
Teaching and educational support staff costs	481	296
Other student related costs	11	6
Bad debts	37	27
Commissions	27	3
Other costs	68	28
	624	360
Allocated support costs		
Support staff costs	1,006	491
Catering costs	763	376
Maintenance of premises and equipment	173	48
Furniture costs	31	26
Other premises costs	129	56
Technology costs	55	26
Other support costs	56	40
Contingency costs	72	21
	2,285	1,084
Total Costs	2,909	1,444
Surplus/Deficit on Boarding Activities	712	471
Transfer to Restricted Fixed Asset Fund	(615)	(555)
Surplus/(Deficit) after Transfers	97	(84)
Surplus/(Deficit) at 1 September 2011	(84)	-
Surplus/(Deficit) at 31 August 2012	13	(84)