

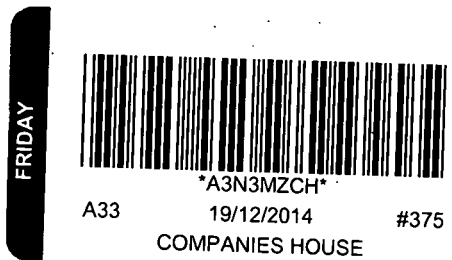
Registration number: 07897108

Huntcliff Academy Trust

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2014



Forrester Boyd
26 South Saint Mary's Gate
Grimsby
N E Lincolnshire
DN31 1LW

Huntcliff Academy Trust

Contents

Reference and Administrative Details	1 to 2
Trustees' Report	3 to 10
Governance Statement	11 to 13
Statement on Regularity, Propriety and Compliance	14
Statement of Trustees' Responsibilities	15
Independent Auditor's Report on the Financial Statements	16 to 17
Independent Reporting Accountant's Report on Regularity	18 to 19
Statement of Financial Activities incorporating Income and Expenditure Account	20 to 21
Balance Sheet	22
Cash Flow Statement	23
Notes to the Financial Statements	24 to 41

Huntcliff Academy Trust

Reference and Administrative Details

Members	S Aldridge, finance and audit committee M J Pettifor, finance and audit committee (resigned 3 September 2014) M J Rands
Governors and Trustees (Directors)	M Dulson Dr P Frankish, Chair of Governors E E Gibbs T O Lewis, finance and audit committee R E Richardson H M F Turney J G Wigmore C Fairhurst, finance and audit committee R Langdon M Page J E Sugden (appointed 8 October 2013) R L Whipps (appointed 9 October 2013) M Carbery (appointed 26 September 2013) A Delsignore (appointed 6 June 2014) E Price (appointed 14 November 2013 and resigned 5 May 2014)
Company Secretary	M S Tomlinson
Senior Management Team	S Bond, Headteacher S Hoey, Deputy Head (resigned 30 April 2014) P Hartley, Deputy Head D Wisher, Assistant Headteacher L Knapton, Business manager
Principal and Registered Office	S A Bond, Redbourne Mere Kirton-in-Lindsey Gainsborough Lincolnshire DN21 4NN
Company Registration Number	07897108
Auditors	Forrester Boyd 26 South Saint Mary's Gate Grimsby N E Lincolnshire DN31 1LW 10 September 2014

Huntcliff Academy Trust

Reference and Administrative Details (continued)

Bankers

Lloyds TSB
106 High Street
Scunthorpe
N Lincolnshire
DN15 6HG

Solicitors

Ward Hadaway
1A Tower Street
Wellington Street
Leeds
LS1 4DL

Huntcliff Academy Trust

Trustees' Report for the Year Ended 31 August 2014

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2014. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

Structure, governance and management

Constitution

The Academy Trust is a company limited by guarantee and is an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust. The company registration number is 07897108.

The Governors act as the trustees for the charitable activities of Huntcliff Academy Trust and are also the directors of the charitable company for the purposes of company law.

Details of the trustees who served throughout the year except as noted 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 company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he/she ceases to be a member.

Trustees' indemnities

The Academy through its Articles has indemnified its Trustees to the fullest extent permissible by law. During the period the Academy also purchased and maintained liability insurance for its Trustees.

Method of recruitment and appointment or election of Trustees

The Members may appoint up to 13 Governors. The Headteacher shall be treated as being an ex officio Governor. Up to 3 Staff Governors may be appointed. A minimum of 2 Parent Governors may be appointed. Elections for Parent Governors allow one ballot paper for each parent to complete irrespective of the number of children they have attending the school. The Governors may appoint up to 3 co-opted Governors.

The term of office for any Governor shall be 4 years, save that this time limit shall not apply to the Headteacher. Subject to remaining eligible to be a particular type of Governor, any Governor may be re-appointed or re-elected.

Policies and procedures adopted for the induction and training of Trustees

The training and induction for Governors is personalised and dependent on their existing experience. The Academy has a service level agreement with the local authority for training for Governors. There are regular training sessions throughout the year set up at the beginning of the termly Governors' meetings and all Governors are invited. All Governors involved in the appointment of staff attend training on safer recruitment and the Governors responsible for the performance management of the Headteacher attend specific training on this before they take up this duty.

In accordance with normal commercial practice the Academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions whilst on Academy business.

Huntcliff Academy Trust

Trustees' Report for the Year Ended 31 August 2014 (continued)

Organisational structure

The Academy Trust consists of three Members and a Governing body who lead on the strategic direction of the school and then there is a senior leadership team who manages the day-to-day running of the school and reports to the Governing body.

The Governors are responsible for setting the general policy, adopting the annual school improvement plan and budget, monitoring the Academy by use of the budgets and making decisions about the strategic direction of the Academy and teaching staff appointments.

The senior leadership group consists of the Headteacher, one Deputy Headteacher and one Assistant Headteacher. This group lead the Academy at an executive level implementing policies laid down by the Governors and reporting back to them. As a group they are responsible for the monitoring of the spending within agreed budgets, designing and implementing the school improvement plan, ensuring that all pupils enjoy and achieve their personal best.

Finance committee - to have delegated powers to:

Exercise the powers and duties of the Governing Body in respect of the financial administration of the Academy, except for those items delegated to the Headteacher and other staff. Keep under view the effectiveness of the Academy's internal control system established to ensure that the aims, objectives and key performance targets of the organisation are achieved in the most efficient and effective manner.

Appointments committee - to have delegated powers to:

Appoint short term, temporary and support staff, they may also appoint head and deputy head teachers alongside the Governing Body.

Complaints committee - to have delegated powers to:

Hear any complaints with the exception of curriculum issues in line with the school's complaints procedure.

Curriculum and target setting committee - to have delegated powers to:

Set targets and monitor performance against these, to consider all curriculum issues and review teaching, learning and curriculum policies.

Buildings health and safety committee - to have delegated powers to:

Consider issues relating to health and safety including regular monitoring of risk assessments for school visits and to review health and safety manuals and undertake regular inspections of the school premises.

Pupil discipline committee - to have delegated powers to:

Hear all permanent and fixed term exclusions, monitor pupils behaviour and attendance and monitor the progress of vulnerable pupils.

Personnel/staff dismissal committee - to have delegated powers to:

To deal with pay-grading, redeployment and redundancy, disciplinary issues, and consider all personnel issues.

Huntcliff Academy Trust

Trustees' Report for the Year Ended 31 August 2014 (continued)

Risk management

The Academy has a system of internal control including financial, operational and risk management which is designed to protect the Academy's assets and reputation.

Each year members of the finance sub-committee undertake a comprehensive review of risks to which the Academy may be exposed. They identify systems and procedures, including specific preventable actions which should mitigate any potential impact on the Academy. The internal controls are then implemented.

A risk register is maintained by the Academy which is reviewed annually by the finance sub-committee.

Connected organisations, including related party relationships

Huntcliff Academy Trust is an independent academy. There are no connected organisations.

Objectives and activities

Objects and aims

Huntcliff Academy Trust's principal object is to advance for the public benefit education in the United Kingdom, in particular but without prejudice, establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum. To this end it now runs an academy aspiring towards the highest standards for pupils between the ages of 11-16.

Huntcliff Academy Trust

Trustees' Report for the Year Ended 31 August 2014 (continued)

Objectives, strategies and activities

The overriding object of Huntcliff Academy is to provide first class education to pupils of all abilities in the 11-16 age range. Obviously linked to this purpose is the aim that the Academy contributes to the public good through the provision of educational activities and extra-curricular activities and aims to be of considerable benefit to the local community.

Huntcliff School is a community where we all aspire to be successful to improve on our personal best and to strive for excellence in all that we do.

Our staff, Governors and parents have high expectations of ourselves and our children. We want them to be given the opportunities to succeed and to challenge them to greater heights.

With this in mind, we have dedicated, talented, enthusiastic staff who work together to ensure that the teaching and quality of provision, enriched by our specialist school status, is organised to meet the need of each individual pupil.

We are very proud of our achievements and we are keen to celebrate success at all levels. We place high standards of discipline within the context of care, warmth and good humour. It is important to us that all members of the school community are treated with respect and are allowed to thrive as individuals.

We are committed to providing the highest quality of education for all of our pupils to prepare them for life in the twenty-first century as active, healthy, caring and well-skilled members of the global community.

The main strategies for improvement for academic year 2014/15 are:

- To increase the attained and progress of all pupils in English and mathematics
- To sustain the achievement of all pupils, particularly our Pupil Premium cohort
- To improve pupils' literacy and numeracy skills across the curriculum
- To close the gaps, ensuring that the more vulnerable groups of pupils make similar progress to their peers
- To develop further teaching and learning strategies, introducing a range on learning technologies
- To ensure that our more able pupils achieve their potential

Public benefit

The Academy provides educational services to all children in the local area. The Governors confirm that they have complied with the duty in Section 4 of the Charities Act 2006 to have due regard to the public benefit guidance provided by the Charity Commission. In setting our objectives and planning our activities the governors have given careful consideration to the Charity Commission's general guidance on public benefit.

Huntcliff Academy Trust

Trustees' Report for the Year Ended 31 August 2014 (continued)

Strategic Report

Achievements and performance

Pupils continue to make better than expected progress at the Academy and the results over the last three years reflect this. In 2014 69% (2013: 54%) achieved five or more GCSEs including English and mathematics. This represents a significant increase and it is well above the national figure.

Going concern

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

Principal risks and uncertainties

The Academy has an effective system of internal financial controls. The Members and Governors have reviewed current examples of best practice and have set policies on internal controls which cover the following:

- the type of risks the Academy faces;
- the level of risks which they regard as acceptable;
- the likelihood of the risks materialising;
- the Academy's ability to reduce the incidence and impact on the Academy's operations of risks that do materialise;
- the costs of operating particular controls relative to the benefits obtained.
- clarified the responsibility of the Senior Leadership Team to implement the Governors' policies and to identify and evaluate risks for the Governors' consideration;
- explained to employees that they have responsibility for internal control as part of their accountability for achieving objectives;
- embedded the control system in the Academy's operations so that it becomes part of the culture of the Academy;
- developed systems to respond quickly to evolving risks arising from factors within the Academy and to changes in the external environment; and
- included procedures for reporting failings immediately to appropriate levels of management and the Governors together with details of corrective action being undertaken.

Financial review

The academy continues to operate in the educational environment that the school operated in. As a result, the sources of income are not dissimilar; the expenditure is channelled in the same format.

The main source of funding is the General Annual Grant (GAG) which provides funding for pupils aged 11-16. In addition the Local Authority continues to manage the SEN (Special Educational Needs) funding: the funding for post 16 pupils is administered by the EFA (Education Funding Agency), the EFA also administers the Pupil Premium funding. Smaller ad hoc grants continue to be available, i.e. sports development.

Financial monitoring has ensured the academy continued to operate with a surplus balance in 2013/14.

During the year ended 31st August 2014, total expenditure of £3,697,990 (2013: £4,006,781) was covered by grant funding from the DfE together with incoming resources. The excess of income over expenditure, before the pension deficit, for the year and excluding restricted fixed asset funds was £220,687 (2013: £147,808).

Huntcliff Academy Trust

Trustees' Report for the Year Ended 31 August 2014 (continued)

Strategic Report

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 equivalent to three month's expenditure.

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's current level of free reserves (total funds less the amount held in fixed assets and restricted pension fund) is £357,501.

Steps are being taken to eliminate the pension scheme deficit as contributions have increased since converting to an Academy. It is possible that the deficit can have an effect on the cash flow of the academy, as it may mean the contributions will have to change again in the future.

The Academy held fund balances at 31 August 2014 of £6,205,427 (2013: £6,342,488) comprising £6,687,933 of restricted fixed asset funds, £318,618 of restricted general funds, £38,877 of unrestricted general funds and a pension reserve deficit of £840,000.

Investment policy

The Academy has an Investment Policy which is fully adhered to and all current investments are in short-term interest earning, low risk savings accounts.

The Academy seeks to produce the best financial return with an acceptable level of risk. The investment objective over the short term is to generate a real return above inflation per annum, after expenses. The investment objective over the long term (3 years plus) is to generate a return above inflation plus 4%, after expenses. This should allow the academy to at least maintain the real value of assets.

Plans for future periods

Huntcliff Academy will continue to strive to improve further the educational achievement and attainment of all pupils and to offer an enriched educational experience, preparing pupils for post-16 learning.

The Academy is currently exploring opportunities for offering post-16 learning at the school to support the raising of the participation age.

Huntcliff Academy Trust

Trustees' Report for the Year Ended 31 August 2014 (continued)

Auditor

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees 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.

Huntcliff Academy Trust

Trustees' Report for the Year Ended 31 August 2014 (continued)

Reappointment of auditor

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of Forrester Boyd as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

Trustees' Report, incorporating a Strategic Report, approved by order of the members of the Governing Body on 4 November 2014 and signed on its behalf by:



Dr P Frankish
Governor and trustee

Huntcliff Academy Trust

Governance Statement

Scope of responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that Huntcliff 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 S A Bond, 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 Huntcliff Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' 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:

Trustee	Meetings attended	Out of a possible
S Aldridge	3	3
S A Bond	3	3
M Dulson	3	3
Dr P Frankish	3	3
E E Gibbs	3	3
T O Lewis	3	3
M J Pettifor	3	3
M J Rands	3	3
R E Richardson	2	3
H M F Turney	3	3
J G Wigmore	3	3
M Carbery	3	3
J E Sugden	2	3
R L Whipps	3	3
R Langdon	2	3
M Page	3	3
E Price	1	2

The Finance, General Purposes and Audit Committee is a sub-committee of the main Governing Body. Its purpose is to assist the decision making of the Governing Body by enabling more detailed consideration to be given to the best means of fulfilling the governing body's responsibility to ensure sound management of the Academy's finances and resources, including proper planning, monitoring and probity. Attendance at meetings during the year was as follows:

Huntcliff Academy Trust

Governance Statement (continued)

Trustee	Meetings attended	Out of a possible
S Aldridge	3	4
S A Bond	4	4
Dr P Frankish	4	4
T O Lewis	3	4
M J Pettifor	4	4
M J Rands	1	1
M Carbery	2	3
R L Whipps	2	3

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Huntcliff Academy Trust for the year ended 31 August 2014 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Governing Body has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Governing Body is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year ending 31 August 2014 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 and General Purposes Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The Governing Body has considered the need for a specific internal audit function and has decided:

- The Trustees have appointed Mr E Gibbs as responsible officer (RO)

Huntcliff Academy Trust

Governance Statement (continued)

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

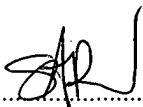
Review of effectiveness

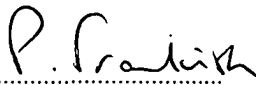
As Accounting Officer, S A Bond has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the internal reviewer ;
- 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.

Approved by order of the members of the Governing Body on 4 November 2014 and signed on its behalf by:


.....
S A Bond
Principal


.....
Dr P Frankish
Governor and trustee

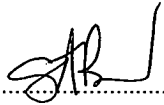
Huntcliff Academy Trust

Statement on Regularity, Propriety and Compliance

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

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

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



.....
S A Bond
Accounting officer
4 November 2014

Huntcliff Academy Trust

Statement of Trustees' Responsibilities

The Trustees (who are the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report (incorporating the Strategic Report) and the financial statements in accordance with the Academies Accounts Direction 2013 to 2014 issued by the Educational 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:

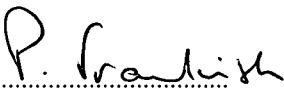
- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed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

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

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

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

Approved by order of the members of the Board on 4 November 2014 and signed on its behalf by:



Dr P Frankish
Governor and trustee

Huntcliff Academy Trust

Independent Auditor's Report on the Financial Statements to the members of Huntcliff Academy Trust

We have audited the financial statements of Huntcliff Academy Trust for the year ended 31 August 2014, which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, Balance Sheet, 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 and the Accounts Direction 2013 to 2014 issued by the Education funding Agency.

This report is made solely to the charitable company's Trustees, 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 charity's Trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of governors and auditors

As explained more fully in the Statement of Trustees' Responsibilities (set out on page 15), the Trustees (who act as Governors and are also the directors of the charitable company 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 charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2014 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency ; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

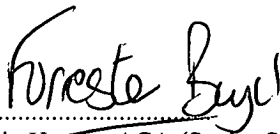
Huntcliff Academy Trust

Independent Auditor's Report on the Financial Statements to the members of Huntcliff Academy Trust (continued)

Matters on which we are required to report by exception

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

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



Kevin Hopper ACA (Senior Statutory Auditor)
For and on behalf of Forrester Boyd, Statutory Auditor

26 South Saint Mary's Gate
Grimsby
N E Lincolnshire
DN31 1LW

Date: 04/11/14

Huntcliff Academy Trust

Independent Reporting Accountant's Assurance Report on Regularity to Huntcliff Academy Trust and the Education Funding Agency

In accordance with the terms of our engagement letter dated 10 September 2014 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013 to 2014, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Huntcliff Academy Trust during the period 1 September 2013 to 31 August 2014 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 the Huntcliff Academy Trust and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we may state to the Huntcliff Academy Trust and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Huntcliff Academy Trust and the EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of the Governing Body's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of the Huntcliff Academy Trust's funding agreement with the Secretary of State for Education dated 23 January 2012 and the Academies Financial Handbook extant from 1 September 2013 (updated October 2013), for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2013 to 2014. 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 year from 1 September 2013 to 31 August 2014 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

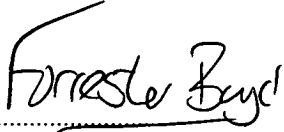
- Evaluating the systems and control environment;
- Assessing the risk of irregularity, impropriety and non-compliance;
- Confirming that the activities of the Academy trust are in keeping with the Academy's framework and the charitable objectives;
- Obtaining representations from the Accounting Officer and Key Management personnel.

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 year from 1 September 2013 to 31 August 2014 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Huntcliff Academy Trust

**Independent Reporting Accountant's Assurance Report on Regularity to Huntcliff
Academy Trust and the Education Funding Agency (continued)**



Kevin Hopper ACA, Reporting Accountant
For and on behalf of Forrester Boyd
26 South Saint Mary's Gate
Grimsby
N E Lincolnshire
DN31 1LW

Date: 04/11/14

Huntcliff Academy Trust

Statement of Financial Activities for the Year Ended 31 August 2014 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2014 £	Total 2013 £
Incoming resources						
<i>Incoming resources from generated funds:</i>						
Activities for generating funds	2	18,590	-	-	18,590	13,147
Investment income	3	2,571	-	-	2,571	1,332
<i>Incoming resources from charitable activities:</i>						
Funding for the Academy's educational operations	4	-	3,574,664	196,841	3,771,505	3,850,138
<i>Other incoming resources</i>						
Other incoming resources	5	25,263	-	-	25,263	23,917
Total incoming resources		46,424	3,574,664	196,841	3,817,929	3,888,534
Resources expended						
<i>Cost of generating funds:</i>						
Cost of generating funds		34,839	-	-	34,839	30,356
<i>Charitable activities:</i>						
Academy's educational operations		3,455	3,337,824	297,589	3,638,868	3,949,321
Governance costs	8	-	24,283	-	24,283	27,104
Total resources expended	6	38,294	3,362,107	297,589	3,697,990	4,006,781
Net incoming/(outgoing) resources before transfers		8,130	212,557	(100,748)	119,939	(118,247)
Net income/(expenditure) for the year		8,130	212,557	(100,748)	119,939	(118,247)
Other recognised gains and losses						
Actuarial gains / (losses) on defined benefit pension schemes	24	-	(257,000)	-	(257,000)	25,000
Net movement in funds/(deficit)		8,130	(44,443)	(100,748)	(137,061)	(93,247)

Huntcliff Academy Trust

Statement of Financial Activities for the Year Ended 31 August 2014 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses) (continued)

Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2014 £	Total 2013 £
Reconciliation of funds					
Funds/(deficit) brought forward at 1 September 2013	<u>30,747</u>	<u>(476,939)</u>	<u>6,788,680</u>	<u>6,342,488</u>	<u>6,435,735</u>
Funds/(deficit) carried forward at 31 August 2014	<u>38,877</u>	<u>(521,382)</u>	<u>6,687,932</u>	<u>6,205,427</u>	<u>6,342,488</u>

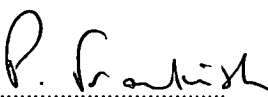
All of the Academy's activities derive from continuing operations during the above two periods.

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

Huntcliff Academy Trust
(Registration number: 07897108)
Balance Sheet as at 31 August 2014

	Note	2014 £	2013 £
Fixed assets			
Tangible assets	12	6,677,027	6,778,036
Current assets			
Debtors	13	205,480	97,510
Cash at bank and in hand		406,543	370,701
		612,023	468,211
Creditors: Amounts falling due within one year	14	(236,342)	(287,915)
Net current assets		375,681	180,296
Total assets less current liabilities		7,052,708	6,958,332
Creditors: Amounts falling due after more than one year	15	(7,281)	(21,844)
Net assets excluding pension liability		7,045,427	6,936,488
Pension scheme liability	24	(840,000)	(594,000)
Net assets including pension liability		6,205,427	6,342,488
Funds of the Academy:			
Restricted funds			
Restricted general fund		318,618	117,061
Restricted fixed asset fund		6,687,932	6,788,680
Restricted pension fund		(840,000)	(594,000)
		6,166,550	6,311,741
Unrestricted funds			
Unrestricted general fund		38,877	30,747
Total funds		6,205,427	6,342,488

The financial statements on pages 20 to 41 were approved by the Trustees, and authorised for issue on 4 November 2014 and signed on their behalf by:


.....
Dr P Frankish
Governor and trustee

Huntcliff Academy Trust

Cash Flow Statement for the Year Ended 31 August 2014

	Note	2014 £	2013 £
Net cash inflow from operating activities	19	231,449	149,472
Returns on investments and servicing of finance	20	2,571	1,332
Capital expenditure and financial investment	21	<u>(198,178)</u>	<u>(48,705)</u>
Increase in cash in the year	22	<u><u>35,842</u></u>	<u><u>102,099</u></u>

Reconciliation of net cash flow to movement in net funds

Increase in cash in the year	35,842	102,099
Net funds at 1 September 2013	<u>370,701</u>	<u>268,602</u>
Net funds at 31 August 2014	<u><u>406,543</u></u>	<u><u>370,701</u></u>

All of the cash flows are derived from continuing operations during the above two periods.

Huntcliff Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2014

1 Accounting policies

Basis of preparation

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

Going concern

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

Incoming resources

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

Grants receivable

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

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

Sponsorship income

Sponsorship income provided to the Academy Trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable, where there is certainty of receipt.

Donations

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

Other income

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

Huntcliff Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2014 (continued)

1 Accounting policies (continued)

Donated services and gifts in kind

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

Resources expended

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

All resources expended are inclusive of irrecoverable VAT.

Cost of generating funds

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

Charitable activities

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

Governance costs

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

Tangible fixed assets

Assets costing £2,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment. Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy Trust's depreciation policy.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset over its expected useful lives, per the table below.

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.

Huntcliff Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2014 (continued)

1 Accounting policies (continued)

Asset class	Depreciation method and rate
Leasehold land	125 years straight line
Leasehold buildings	27.65 years straight line
Fixtures, fittings and equipment	25% and 33% straight line
Motor vehicles	25% straight line

Leased assets

Rentals under operating leases are charged on a straight line basis over the lease term.

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.

Pension benefits

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes, are contracted out of the State Earnings-Related Pension Scheme ('SERPS'), and the assets are held separately from those of the Academy Trust. The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in the notes to the financial statements, the TPS is a multi-employer scheme and the Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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

Huntcliff Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2014 (continued)

1 Accounting policies (continued)

Fund accounting

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

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

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

2 Activities for generating funds

	Unrestricted funds £	Total 2014 £	Total 2013 £
Hire of facilities	10,973	10,973	6,163
Other sales	7,617	7,617	6,984
	<u>18,590</u>	<u>18,590</u>	<u>13,147</u>

3 Investment income

	Unrestricted funds £	Total 2014 £	Total 2013 £
Short term deposits	<u>2,571</u>	<u>2,571</u>	<u>1,332</u>

4 Funding for Academy's educational operations

	Restricted funds £	Restricted fixed asset funds £	Total 2014 £	Total 2013 £
DfE/EFA capital grants				
Devolved capital grant	-	15,003	15,003	38,526
Capital maintenance funding	-	181,838	181,838	-
	<u>-</u>	<u>196,841</u>	<u>196,841</u>	<u>38,526</u>
DfE/EFA revenue grants				
General Annual Grant	3,382,385	-	3,382,385	3,490,228
Pupil premium	126,209	-	126,209	101,689
Other DfE grants	-	-	-	11,100
	<u>3,508,594</u>	<u>-</u>	<u>3,508,594</u>	<u>3,603,017</u>

Huntcliff Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2014 (continued)

4 Funding for Academy's educational operations (continued)

	Restricted funds £	Restricted fixed asset funds £	Total 2014 £	Total 2013 £
Other government grants				
Other government grant	1,564	-	1,564	51,757
Local Authority Statement Funding	64,506	-	64,506	156,838
	<u>66,070</u>	<u>-</u>	<u>66,070</u>	<u>208,595</u>
Total grants	<u>3,574,664</u>	<u>196,841</u>	<u>3,771,505</u>	<u>3,850,138</u>

5 Other incoming resources

	Unrestricted funds £	Total 2014 £	Total 2013 £
Misc Income	20,199	20,199	6,708
Department Income	5,064	5,064	17,209
	<u>25,263</u>	<u>25,263</u>	<u>23,917</u>

6 Resources expended

	Staff costs £	Premises £	Other costs £	Total 2014 £	Total 2013 £
Costs of activities for generating funds	6,282	6,573	21,984	34,839	30,356
Academy's educational operations					
Direct costs	2,291,728	-	209,424	2,501,152	2,789,046
Allocated support costs	315,898	610,680	211,138	1,137,716	1,160,275
	<u>2,607,626</u>	<u>610,680</u>	<u>420,562</u>	<u>3,638,868</u>	<u>3,949,321</u>
Governance costs including allocated support costs	-	-	24,283	24,283	27,104
	<u>2,613,908</u>	<u>617,253</u>	<u>466,829</u>	<u>3,697,990</u>	<u>4,006,781</u>

Huntcliff Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2014 (continued)

6 Resources expended (continued)

Net incoming/outgoing resources for the year include:

	2014 £	2013 £
Fees payable to auditor - audit	6,000	5,600
- Other services	1,000	2,000
Depreciation	299,187	281,774
Operating leases	2,350	3,470

7 Charitable activities

	Total 2014 £	Total 2013 £
Direct costs - educational operations		
Teaching and educational support staff costs	2,291,728	2,482,833
Educational supplies	137,808	216,409
Examination fees	56,762	77,478
Staff development	8,441	10,116
Educational consultancy	6,413	2,210
	<u>2,501,152</u>	<u>2,789,046</u>
Support costs - educational operations		
Support staff costs	341,898	341,036
FRS 17 service cost adjustment	(26,000)	(49,000)
Depreciation	297,589	281,774
Maintenance of premises and equipment	74,256	146,386
Cleaning	71,304	69,056
Rent, rates and utilities	105,566	107,605
Insurance	61,965	63,947
Recruitment and support	2,740	1,510
Security and transport	3,565	4,832
Catering	55,558	61,697
Expected return on scheme assets	(50,000)	(28,000)
Interest on defined benefit pension scheme	65,000	49,000
Other support costs	134,275	110,432
	<u>1,137,716</u>	<u>1,160,275</u>
	<u>3,638,868</u>	<u>3,949,321</u>

Huntcliff Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2014 (continued)

8 Governance costs

	Restricted funds £	Total 2014 £	Total 2012 £
Legal and professional fees	13,200	13,200	17,595
Auditors' remuneration			
Audit of financial statements	6,000	6,000	5,600
Internal review services	1,000	1,000	2,000
Support costs	4,083	4,083	1,909
	<u>24,283</u>	<u>24,283</u>	<u>27,104</u>

9 Staff costs

	2014 £	2013 £
Staff costs during the year were:		
Wages and salaries	2,071,822	2,216,139
Social security costs	143,877	165,262
Pension costs	326,515	336,404
Supply teacher costs	71,694	61,727
	<u>2,613,908</u>	<u>2,779,532</u>

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

	2014 No	2013 No
Charitable Activities		
Teachers	31	36
Administration and support	27	28
Management	5	4
	<u>63</u>	<u>68</u>

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

	2014 No	2013 No
£80,001 - £90,000	<u>1</u>	<u>1</u>

Huntcliff Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2014 (continued)

9 Staff costs (continued)

1 (2013 - 1) of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2014, pension contributions for these staff amounted to £12,300 (2013 - £12,882).

10 Trustees' remuneration and expenses

The Principal and 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 in respect of their role as trustees. The value of trustees' remuneration was as follows:

S A Bond (Headteacher): £85,000 - £90,000 (2013 - £80,000 - £85,000)

M Dulson (staff trustee): £15,000 - £20,000 (2013 - £15,000 - £20,000)

T O Lewis (staff trustee): £35,000 - £40,000 (2013 - £35,000 - £40,000)

H M F Turney (staff trustee): £35,000 - £40,000 (2013 - £30,000 - £35,000)

During the year ended 31 August 2014, travel and expenses totalling £1,030 (2013 - £Nil) were reimbursed to 3 trustees (2013 - 0).

Related party transactions involving the trustees are set out in note 25.

11 Trustees' 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 £5,000,000 on any one claim and the cost for the year ended 31 August 2014 was £2,700 (2013 - £3,360).

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

Huntcliff Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2014 (continued)

12 Tangible fixed assets

	Leasehold land and buildings £	Furniture and equipment £	Motor vehicles £	Total £
Cost				
At 1 September 2013	6,881,808	171,066	17,200	7,070,074
Additions	146,507	51,671	-	198,178
At 31 August 2014	<u>7,028,315</u>	<u>222,737</u>	<u>17,200</u>	<u>7,268,252</u>
Depreciation				
At 1 September 2013	241,116	44,114	6,808	292,038
Charge for the year	241,000	53,887	4,300	299,187
At 31 August 2014	<u>482,116</u>	<u>98,001</u>	<u>11,108</u>	<u>591,225</u>
Net book value				
At 31 August 2014	<u>6,546,199</u>	<u>124,736</u>	<u>6,092</u>	<u>6,677,027</u>
At 31 August 2013	<u>6,640,692</u>	<u>126,952</u>	<u>10,392</u>	<u>6,778,036</u>

13 Debtors

	2014 £	2013 £
Trade debtors	238	2,047
Prepayments	44,071	68,968
Accrued grant and other income	113,528	-
VAT recoverable	47,643	26,495
	<u>205,480</u>	<u>97,510</u>

14 Creditors: amounts falling due within one year

	2014 £	2013 £
Trade creditors	39,179	122,189
Other taxation and social security	43,184	49,102
Other creditors	56,020	63,721
Accruals	97,959	25,685
Deferred income	-	27,218
	<u>236,342</u>	<u>287,915</u>

Huntcliff Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2014 (continued)

14 Creditors: amounts falling due within one year (continued)

	2014 £
Deferred income at 1 September 2013	27,218
Amounts released from previous periods	<u>(27,218)</u>
Deferred income at 31 August 2014	<u><u>-</u></u>

15 Creditors: amounts falling due after one year

	2014 £	2013 £
Long term creditor	<u>7,281</u>	<u>21,844</u>

16 Funds

	Balance at 1 September 2013 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2014 £
Restricted general funds					
General Annual Grant	74,123	3,382,385	(3,156,749)	-	299,759
Pupil Premium Grant	15,300	126,209	(122,650)	-	18,859
SEN & Other LA	<u>27,638</u>	<u>66,070</u>	<u>(93,708)</u>	<u>-</u>	<u>-</u>
	<u>117,061</u>	<u>3,574,664</u>	<u>(3,373,107)</u>	<u>-</u>	<u>318,618</u>
Restricted fixed asset funds					
DfE Capital Grants	55,054	196,841	(20,287)	-	231,608
Donated Assets from Local Authority	6,678,167	-	(251,259)	-	6,426,908
Capital expenditure from GAG	<u>55,459</u>	<u>-</u>	<u>(26,043)</u>	<u>-</u>	<u>29,416</u>
	<u>6,788,680</u>	<u>196,841</u>	<u>(297,589)</u>	<u>-</u>	<u>6,687,932</u>
Restricted pension funds					
Pension Liability	<u>(594,000)</u>	<u>11,000</u>	<u>-</u>	<u>(257,000)</u>	<u>(840,000)</u>
Total restricted funds	6,311,741	3,782,505	(3,670,696)	(257,000)	6,166,550
Unrestricted funds					
Unrestricted general funds	<u>30,747</u>	<u>46,424</u>	<u>(38,294)</u>	<u>-</u>	<u>38,877</u>
Total funds	<u><u>6,342,488</u></u>	<u><u>3,828,929</u></u>	<u><u>(3,708,990)</u></u>	<u><u>(257,000)</u></u>	<u><u>6,205,427</u></u>

Huntcliff Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2014 (continued)

16 Funds (continued)

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

General Annual Grant (GAG) must be used for the normal running costs of the Academy.

Local Authority Statement funding is provided for the provision of services for children with special educational needs and is included in other DfE grant income.

Pupil Premium Grant may be spent for the educational benefit of pupils registered at that school, or for the benefit of pupils registered at other schools; and on community facilities i.e. services whose provision furthers any charitable purpose for the benefit of pupils at the school or their families, or people who live or work in the locality in which the school is situated. The grant does not have to be completely spent by schools in the financial year.

Devolved capital either allocated direct by the DfE or transferred on conversion from the local authority must be spent on capital purposes.

Capital expenditure from GAG income is made up of any fixed assets purchased during the year and the expense is the depreciation relating to these additions.

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 2014

17 Analysis of net assets between funds

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	6,677,027	6,677,027
Current assets	38,877	562,241	10,905	612,023
Current liabilities	-	(236,342)	-	(236,342)
Creditors over 1 year	-	(7,281)	-	(7,281)
Pension scheme liability	-	(840,000)	-	(840,000)
Total net assets	<u>38,877</u>	<u>(521,382)</u>	<u>6,687,932</u>	<u>6,205,427</u>

18 Financial commitments

Operating leases

At 31 August 2014 the Academy had annual commitments under non-cancellable operating leases as follows:

Huntcliff Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2014 (continued)

18 Financial commitments (continued)

Operating leases which expire:

	2014 £	2013 £
Other		
Within one year	-	224
Within two to five years	2,126	5,882
	<u>2,126</u>	<u>6,106</u>

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

	2014 £	2013 £
Net income/(expenditure)	119,939	(118,247)
Depreciation	299,187	281,774
Interest receivable	(2,571)	(1,332)
FRS 17 expected return on scheme assets	(50,000)	(28,000)
FRS 17 interest on defined benefit pension scheme	65,000	49,000
FRS17 service cost adjustment	(26,000)	(49,000)
Increase in debtors	(107,970)	(44,726)
(Decrease)/increase in creditors	(66,136)	60,003
Net cash inflow from operating activities	<u>231,449</u>	<u>149,472</u>

20 Returns on investments and servicing of finance

	2014 £	2013 £
Interest received	2,571	1,332
Net cash inflow from returns on investments and servicing of finance	<u>2,571</u>	<u>1,332</u>

21 Capital expenditure and financial investment

	2014 £	2013 £
Purchase of tangible fixed assets	<u>(198,178)</u>	<u>(48,705)</u>

22 Analysis of changes in net funds

	At 1 September 2013 £	Cash flows £	At 31 August 2014 £
Cash at bank and in hand	<u>370,701</u>	<u>35,842</u>	<u>406,543</u>

Huntcliff Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2014 (continued)

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/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he/she ceases to be a member.

24 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 . 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 related to the period ended 31 March 2004 and of the LGPS 31 March 2013.

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

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.

The Teachers' Pensions Regulations require an annual account to be kept of receipts and expenditure (including the cost of pensions' increases). From 1 April 2001, the account has been credited with a real rate of return, which is equivalent to assuming that the balance in the account is invested in notional investments that produce that real rate of return.

Valuation of the Teachers' Pension Scheme

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

Huntcliff Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2014 (continued)

24 Pension and similar obligations (continued)

The last valuation of the TPS related to the period 1 April 2001 - 31 March 2004. The Government Actuary's report of October 2006 revealed that the total liabilities of the Scheme (pensions in payment and the estimated cost of future benefits) amounted to £166,500 million. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at that valuation date) was £163,240 million. The assumed real rate of return was 3.5% in excess of prices and 2% in excess of earnings. The rate of real earnings growth was assumed to be 1.5%. The assumed gross rate of return was 6.5%. From 1 January 2007, the SCR was assessed at 19.75%, and the supplementary contribution rate was assessed to be 0.75% (to balance assets and liabilities as required by the regulations within 15 years). This resulted in a total contribution rate of 20.5%, which translated into an employee contribution rate of 6.4% and employer contribution rate of 14.1% payable.

The Public Service Pensions Bill provides for future scheme valuations to be conducted in accordance with Treasury directions. The actuarial valuation report in summer 2014 takes effect from September 2015.

Teachers' Pension Scheme Changes

Lord Hutton made recommendations in 2011 about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation with trade unions and other representative bodies. In March 2012 the Department for Education published proposals for the design for a reformed TPS.

The key provisions of the reformed scheme include: a pension based on career average earnings; an accrual rate of 1/57th; and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Pension benefits built up before 1 April 2015 will be fully protected.

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

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

The Department for Education has continued to work closely with trade unions and other representatives bodies to develop the reformatted Teachers' Pension Scheme and regulations giving effect to it came into force on 1 April 2014. Communications are being rolled out and the reformatted scheme will commence on 1 April 2015.

Under the definitions set out in Financial Reporting Standard 17 (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.

Local government pension scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2014 was £173,000 (2013 - £185,000), of which employer's contributions totalled £146,000 (2013 - £158,000) and employees' contributions totalled £27,000 (2013 - £27,000). The agreed contribution rates for future years are 26.50 per cent for employers and 5-7 per cent for employees.

Huntcliff Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2014 (continued)

24 Pension and similar obligations (continued)

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.

Principal actuarial assumptions

	At 31 August 2014 %	At 31 August 2013 %
Rate of increase in salaries	4.00	5.10
Rate of increase for pensions in payment/inflation	2.70	2.80
Discount rate for scheme liabilities	<u>3.70</u>	<u>4.60</u>

Sensitivity analysis

A sensitivity analysis for the principal assumptions used to measure scheme liabilities is set out below:

	+ 0.1% £	0.0% £	- 0.1% £
Adjustment to discount rate			
Present value of total obligation	<u>249,000</u>	<u>-</u>	<u>-</u>
Adjustment to rate of inflation			
Present value of total obligation	<u>135,000</u>	<u>-</u>	<u>135,000</u>
Adjustment to rate of salary growth			
Present value of total obligation	<u>107,000</u>	<u>-</u>	<u>-</u>
Adjustment to mortality age rating assumption			
Present value of total obligation	<u>58,000</u>	<u>-</u>	<u>-</u>

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

	At 31 August 2014	At 31 August 2013
Retiring today		
Males retiring today	21.90	22.90
Females retiring today	24.10	25.70
Retiring in 20 years		
Males retiring in 20 years	24.20	24.90
Females retiring in 20 years	<u>26.70</u>	<u>27.70</u>

Huntcliff Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2014 (continued)

24 Pension and similar obligations (continued)

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

	At 31 August 2014 £	At 31 August 2013 £
Equities	830,000	578,000
Corporate bonds	108,000	75,000
Property	75,000	45,000
Cash	65,000	53,000
Total market value of assets	1,078,000	751,000
Present value of scheme liabilities - funded	(1,918,000)	(1,345,000)
Deficit in the scheme	(840,000)	(594,000)

The expected rates of return were:

	At 31 August 2014 %	At 31 August 2013 %
Equities	6.40	6.70
Corporate bonds	3.20	3.80
Property	4.50	4.70
Cash	3.30	3.60

The expected return on assets is based on the long-term future expected investment return for each asset class at the beginning of the period. The returns on gilts and other bonds are assumed to be the gilt yield and corporate bond yield (with an adjustment to reflect the default risk) respectively at the relevant date. The returns on equities and property are then assumed to be a margin above gilt yields.

The actual return on scheme assets was £91,000 (2013 - £83,000).

Huntcliff Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2014 (continued)

24 Pension and similar obligations (continued)

Amounts recognised in the statement of financial activities

	2014 £	2013 £
Current service cost	115,000	109,000
Total operating charge	115,000	109,000

Analysis of pension finance income/(costs)

	2014 £	2013 £
Expected return on pension scheme assets	50,000	28,000
Interest on pension liabilities	65,000	49,000
Pension finance income	115,000	77,000

The actuarial gains and losses for the current year 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 (£207,000) (2013 - £50,000).

Movements in the present value of defined benefit obligation

	2014 £	2013 £
At 1 September	1,345,000	1,130,000
Current service cost	115,000	109,000
Interest cost	65,000	49,000
Employee contributions	27,000	27,000
Actuarial losses	364,000	30,000
Benefits paid	(3,000)	-
Curtailments and settlements	5,000	-
At 31 August	1,918,000	1,345,000

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

	2014 £	2013 £
At 1 September	751,000	483,000
Expected return on assets	50,000	28,000
Actuarial gains	107,000	55,000
Employer contributions	146,000	158,000
Employee contributions	27,000	27,000
Benefits paid	(3,000)	-
At 31 August	1,078,000	751,000

The estimated value of employer contributions for next period is £125,000 (2013 - £159,000).

History of experience adjustments

Amounts for the current and previous 2 periods are as follows:

Huntcliff Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2014 (continued)

24 Pension and similar obligations (continued)

	2014 £	2013 £	2012 £
Present value of scheme liabilities	(1,918,000)	(1,345,000)	(1,130,000)
Fair value of scheme assets	<u>1,078,000</u>	<u>751,000</u>	<u>483,000</u>
Deficit in the scheme	<u>(840,000)</u>	<u>(594,000)</u>	<u>(647,000)</u>

Comparative figures have not been restated as permitted by FRS 17.

25 Related party transactions

No related party transactions took place during the year.