

REGISTERED COMPANY NUMBER 07949111 (England and Wales)
EXEMPT CHARITY

ANNUAL REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31ST AUGUST 2015

HATTON ACADEMIES TRUST

(A Company Limited by Guarantee)

Smith Hodge & Baxter
Chartered Accountants
& Statutory Auditors
Thorpe House
93 Headlands
KETTERING
Northamptonshire
NN15 6BL

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HATTON ACADEMIES TRUST

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FOR THE YEAR ENDED 31ST AUGUST 2015

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HATTON ACADEMIES TRUST (REGISTERED NUMBER: 07949111)

REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31ST AUGUST 2015

Members	R A Francis Mrs S V Bishop H F MacDonald	
Trustees	R A Francis # Mrs S V Bishop C Hinds H F Macdonald # D Morris # M Ryan Mrs F M Le Pla # Mrs S Knight #	(Chairman and Responsible Officer) (CEO/Executive Principal and Accounting Officer) (CFO/Director of Finance & Operations and Company Secretary) (Resigned 1 July 2015) (Appointed 7 October 2014) (Appointed 1 September 2015)

member of the audit committee

Senior Management Team:

- | | | |
|------------------------------------|----------------|---------------------------|
| • Executive Principal | Mrs S V Bishop | |
| • Director of Finance & Operations | C Hinds | |
| • Senior Vice Principal | T Chambers | |
| • Vice Principal | A Wilson | |
| • Vice Principal | Mrs T Goody | (Resigned 31 August 2015) |
| • Head of Primary Education | M Currell | (Resigned 31 March 2015) |

Company Secretary C Hinds

Principal and Registered office The Pyghtle
Wellingborough
Northamptonshire
NN8 4RP

Company Registration Number 07949111 (England and Wales)

Independent Auditor Smith Hodge & Baxter
Chartered Accountants
& Statutory Auditors
Thorpe House
93 Headlands
Kettering
Northamptonshire
NN15 6BL

Bankers Yorkshire Bank
7 Gold Street
Northampton
NN1 1EN

Solicitors Howes Percival
Oxford House
Northampton
NN1 5PN

Trading Subsidiary Hatton School Limited

TRUSTEES' REPORT
FOR THE YEAR ENDED 31ST AUGUST 2015

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

The Multi-Academy Trust operates two primary academies, Victoria Primary Academy and Oakway Academy, and a secondary academy, Sir Christopher Hatton Academy, in Wellingborough. Its academies have a combined pupil capacity of 2,300 and had a roll of 2122 in the school census of October 2015.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Multi-Academy Trust is a company, limited by guarantee and an exempt charity. The Charitable Company's memorandum and articles of association are the primary governing documents of the Multi-Academy Trust. Some of the trustees for the charitable activities of Hatton Academies Trust are also directors of the Charitable Company for the purposes of company law.

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

Members' liability

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

Trustees' indemnities

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

Principal activities

The Multi-Academy Trust's principal activity, as set out in its articles of association and funding agreement is to advance, for the public benefit, education in the United Kingdom through its carrying on as schools offering a broad curriculum with emphasis on particular specialisms.

Method of recruitment and appointment or election of Trustees

Trustees of the Multi-Academy Trust are nominated by either the Secretary of State for Education, the Local Authority or members of the Charitable Company. Parent governor trustees are elected by parents of registered pupils at the academies. The CEO / Executive Principal is treated as an ex officio trustee. The articles of association require no less than three trustees.

The term of office for any trustee, shall be 4 years except for the CEO / Executive Principal and the Director of Finance and Operations both of whom remain Trustees whilst in post. Trustees are eligible for re-election at the meeting at which they retire.

Policies and procedures adopted for the induction and training of Trustees

During the year under review the trustees held seven trustees meetings. The training and induction provided for new trustees will depend on their existing experience. Where necessary induction will provide training on charity and educational, legal and financial matters. All new trustees will be given a tour of the academies and the chance to meet with staff and students. All trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as trustees. New Trustees receive a formal induction into the Trust tailored specifically to the individual. All new Trustees receive a copy of the Academies Financial Handbook so that they understand their financial responsibilities.

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31ST AUGUST 2015

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Organisational structure

The management structure consists of four levels; the Trustees, the Executive Principal, the Senior Management Team and the Academy Management Teams. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

The trustees are responsible for setting general policy, adopting an annual plan and budget, monitoring the Multi-Academy Trust by the use of budgets and making major decisions about the direction of the Multi-Academy Trust, capital expenditure and appointment of the CEO / Executive Principal and the Director of Finance and Operations. Trustees delegate some duties to Local Academy Committees including the implementation and monitoring of local policy, health and safety and safeguarding, whilst retaining overall accountability. Local Academy committees are notified about financial issues arising as required.

The Senior Managers are the CEO / Executive Principal, the Director of Finance and Operations, the two Primary Academy Heads of School, 2 Secondary Academy Vice Principals and five Secondary Academy Assistant Principals. These managers control the Multi-Academy Trust at a senior level implementing the policies laid down by the trustees and reporting back to them. As a group, the Senior Managers are responsible for the authorisation of spending within agreed budgets and the appointment of staff.

The Departmental Management Team includes the Management Team and the Heads of Department within each Academy. These managers are responsible for the day to day operation of the departments within the Multi-Academy Trust.

Related Parties and Other Connected Charities and Organisations

Hatton Academies Trust owns 100% of the issued ordinary shares of Hatton School Limited, a company incorporated in England and Wales (registration no. 07761700). Further details regarding the subsidiary company are given in note 15 to the financial statements.

OBJECTIVES AND ACTIVITIES

Objectives and aims

The principal object and activity of the Multi-Academy Trust is to provide education for pupils of different abilities between the ages of 4 and 19.

In accordance with the articles of association the Multi-Academy Trust 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, the catchment area from which the students are drawn, and that the curriculum should comply with the substance of the national curriculum with an emphasis on mathematics and computing and its practical applications.

Objectives, strategies and activities

The main objectives of the Multi Academy Trust during the year ended 31st August 2015 are summarised below:

- to ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care;
- to raise the standard of educational achievement of all pupils;
- to improve the effectiveness of the Multi-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 and commerce;
- to conduct the Multi-Academy Trust's business in accordance with the highest standards of integrity, probity and openness and the other 'Nolan Principles'.

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31ST AUGUST 2015

OBJECTIVES AND ACTIVITIES (continued)

Objectives, strategies and activities (continued)

The Multi-Academy Trust's main strategy to carry out the objects is to provide comprehensive education for pupils of different abilities, in a learning environment utilising the best possible teaching facilities and staff. To this end the activities provided include:

- tuition and learning opportunities for all students to attain appropriate academic qualifications;
- training opportunities for all staff, and especially teaching staff;
- secondments and placing of students with industrial and commercial partners;
- a programme of sporting and after school leisure activities for all students;
- a system of enrichment activities and after school clubs to allow students to explore in a practical and project orientated way;
- a careers advice and a guidance programme to help students obtained employment or move on to higher education.

Public benefit

The Trustees have regard to the Charity Commissions guidance on public benefit Section 4 of the Charities Act 2011. The trustees ensure that the Multi-Academy Trust's activities are undertaken in line with the charitable objects and aims.

Equal opportunities policy

The Trustees recognise that equal opportunities are an integral part of good practice within the workplace. The Multi-Academy Trust aims to establish equal opportunity 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

The Trust has an accessibility plan for disabled persons for all of its premises and has in place ramps to access some class rooms and all teaching blocks. Disabled toilets are installed and door widths are adequate to enable wheelchair access to all the main areas of the academies. The policy of the Multi-Academy Trust is to support recruitment and retention of students and employees with disabilities. The Multi-Academy Trust does this by adapting the physical environment to suit the needs of individuals and by making support resources available and through training and career development.

STRATEGIC REPORT

ACHIEVEMENT, PERFORMANCE AND PLANS FOR FUTURE PERIODS

The Trustees are responsible for setting general policy, adopting an annual plan and budget, monitoring the Multi-Academy Trust by the use of budgets and making major decisions about the strategic direction of the Multi-Academy Trust, capital expenditure and appointment of the CEO / Executive Principal and the Director of Finance and Operations.

In 2014/15, the lead sponsor Academy, Sir Christopher Hatton Academy was the only Trust Academy to receive an Ofsted inspection. The Ofsted report published in February 2015 judged the overall effectiveness of Sir Christopher Hatton Academy as Outstanding, in line with the Academy's own self-evaluation.

The grades from the report are summarised as follows:

Overall effectiveness:	Outstanding (grade 1)
Leadership and management	Outstanding (grade 1)
Behaviour and safety of pupils	Outstanding (grade 1)
Quality of teaching	Outstanding (grade 1)
Achievement of pupils	Outstanding (grade 1)
Sixth form provision	Good (grade 2)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31ST AUGUST 2015**KEY PERFORMANCE INDICATORS****A. SIR CHRISTOPHER HATTON ACADEMY**

Key performance indicators achieved by the Academy in 2014/15 were as follows:

Title	Total	%	Notes
Total number of students	199	-	All students including those with no results
Pupils with 5+ A*-A	24	12.06%	Pupils that achieved 5+ grades equivalent to A* to A at GCSE
Pupils with 5+ A*-C	129	64.82%	Pupils that achieved 5+ grades equivalent to A* to C at GCSE
Pupils with 5+ A*-C (Inc Maths & English)	117	58.79%	Pupils that achieved 5+ grades equivalent to A* to C at GCSE inc En & Ma
Pupils with 5+ A*-G	194	97.49%	Pupils that achieved 5+ grades equivalent to A* to G at GCSE
Pupils with 5+ A*-G (Inc Maths & English)	188	94.47%	Pupils that achieved 5+ grades equivalent to A* to G at GCSE inc En & Ma
Pupils with 1+ A*-G	197	98.99%	Pupils that achieved 1+ grades equivalent to A* to G at GCSE
Entries achieving a grade A*-A	289	14.29%	Entries with a standard point score equivalent to grade A* to A at GCSE
Entries achieving a grade A*-C	1,335	65.99%	Entries with a standard point score equivalent to grade A* to C at GCSE
Average Entries per pupil	10.17	-	Average entries per pupil
Progress 8 Entries	189	-	
Progress 8 Score	+0.03	-	
Attainment 8 Score	4.74 grade (C)	-	
Value Added Entries	189	-	
Value Added Score	1,017.11		
English Entries	194	97.49%	
Pupils achieving A* to A in English (% of Pupils)	20	10.05%	Pupils achieving A* to A in English (% of Pupils)
Pupils achieving A* to C in English (% of Pupils)	140	70.35%	Pupils achieving A* to C in English (% of Pupils)
Maths Entries	198	99.5%	Pupils entered for Maths
Pupils achieving A* to A in Maths (% of Pupils)	29	14.57%	Pupils achieving A* to A in Maths (% of Pupils)
Pupils achieving A* to C in Maths (% of Pupils)	143	71.86%	Pupils achieving A* to C in Maths (% of Pupils)
Pupils Entered for English Baccalaureate	48	24.12%	Pupils entered in all subject areas of the Baccalaureate
Pupils Achieving the English Baccalaureate (% of Pupils)	40	20.1%	Pupils achieving A* to C in in all subject areas of the Baccalaureate (% of Pupils)
Pupils Achieving the English Baccalaureate (% of Entries)	40	83.33%	Pupils achieving A* to C in in all subject areas of the Baccalaureate (% of Entries)
English 3 Levels Progress	147	75.77%	Pupils achieving 3 Levels of progress in English
Maths 3 Levels Progress	138	71.50%	Pupils achieving 3 Levels of progress in Maths

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31ST AUGUST 2015

ACHIEVEMENT, PERFORMANCE AND PLANS FOR FUTURE PERIODS (continued)

KEY PERFORMANCE INDICATORS (continued)

B. VICTORIA PRIMARY ACADEMY

From September 2014 the Academy operated with head of school in position, with executive head teacher in place over both primaries in the trust (actually from June 2014). From Easter 2015, the Trust appointed a Principal in role at Victoria after the Executive Headteacher left the Trust. A vice principal was appointed from Easter also.

The staffing structure has been reviewed in 2014/15 with the senior leadership team being restructured, including the addition of a SENCo/Inclusion manager which has increased the academy's leadership capacity and the provision for our children with special educational needs. The Academy's leadership team is now led by a Principal, supported by Vice Principal. Management positions have been introduced with leads for reception, Year1/2, Year 3/4, Y 5/6 and the curriculum.

The academy has appointed to its teaching vacancies with the introduction of 4 NQTs, three of whom successfully completed their induction year.

The quality of teaching in lessons has improved consistently in 2014/15. A large majority of teaching observed in lessons is good or outstanding, this has increased significantly in the last 12 months and continues to be a major focus of school improvement.

Percentage of good and outstanding lessons observed		
	2013/14	2014/15 to April
Progress	59%	71%
Teaching	65%	77%
Behaviour & Attitudes	79%	89%

(based on 48 formal lesson observations 2014/15)

Staff turnover continues to be a feature within the school in its second year as an Academy, including in the area of support staff with vacancies for TA / HLTA posts due to be filled early in 2015/16.

The capacity for pastoral support was increased with the appointment of an experienced pastoral mentor to support pupils and parents across the academy. Parenting classes have been run to support parents with behaviour at home, sleep solutions and healthy lunches.

KS1 data shows a narrowing of the gap between academy performance and the national average performance for 2015 for level 2+ and level 2b+. Phonics screening in Year One increased by 19% from 2014 to 2015 (48% to 67%) narrowing the gap to national significantly. KS2 attainment in reading, writing and mathematics level 4+ combined now shows a 3 year upward trend, narrowing the gap, not only to the national average but also compared with other sponsored academies and other schools in the town of Wellingborough, 49% in 2013 to 65% in 2015. Two levels of progress in reading and writing are both higher than in 2013, with the gap to national narrowing for both. Two levels of progress in mathematics gap to national remains the same as 2013, consequently this is a focus area for the next academic year. Of the 11 disadvantaged pupils in year 6, 10 of them made two levels of progress for reading and writing and 8 for mathematics. The proportion of pupils making a Good Level of Development at the end of reception increased by 10% from July 2014 to July 2015, despite similar starting points, our Academy Trust target of 47% was exceeded.

Attendance of 93.7% in 2014/15 is lower than the average nationally. Attendance has been affected by absences of some pupils on visits to their native countries, long term illnesses and children educated off site. The academy works hard to engage with the minority of parents who are unable to get their children to school each day. Referrals to the Educational Entitlement team are made as soon as a child is suspected of moving areas/countries.

Attendance trend:	2011-12	2012-13	2013-2014	2014-2015 2015
	96.5% (Nat. 95.6%)	95% (Nat. 95.2%)	96.9% (Nat. 96.1)	93.7%

The Academy continues to increase the level of participation in area sports and wider opportunities. The Academy was successful in gaining the Silver Mark for Sainsburys Games and continued to give a higher profile to sports and after school provision opportunities.

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31ST AUGUST 2015

ACHIEVEMENT, PERFORMANCE AND PLANS FOR FUTURE PERIODS (continued)

KEY PERFORMANCE INDICATORS (continued)

C. OAKWAY ACADEMY

Oakway Academy (formerly Diamond Learning Community) joined the Trust on 1st September 2015 as a school in an Ofsted Category with serious weaknesses across all aspects of the organisation. The Trust has made various changes to Leadership within the school to impact on performance, notably the appointment of the Principal and Business Manager in the summer term of 2015, following the resignation of the Executive Headteacher.

Direct support has been provided by the Trust's leadership team to stabilise the Academy's compliance with regulations and statutory duties in the areas of safeguarding, health and safety, finance and personnel management. This support has provided the school with a firm foundation of management systems and procedures to ensure that it meets its statutory duties moving forward.

As well as the programme for organisational change, the Academy has had to deal with buildings and property issues in the form of a major flood to the premises in September 2014. This led to a 10 week closure of the building which houses years 4, 5 and 6 classrooms, during which an intensive programme to dry out and refurbish the building took place. This work was mostly funded from the Trust's insurers with the school contributing in excess of £30,000 to some of the new furniture and fittings required for a modern classroom environment.

A new £2.6M capital project has commenced at the school in the summer of 2015 following the recent expansion of the Academy's pupil roll. Funded by Northamptonshire County Council, this project will see a major revamp to the layout and size of the school with the introduction of a new larger school / sports hall and three new classrooms to accommodate increasing pupil numbers. Many environmental and safety issues will be resolved within this project which is due to end in the summer of 2016, with the replacement of flat roofs and single glazed windows.

Outcomes for 2014/15 at Oakway Academy were as follows:

	Reading	Writing	Mathematics
Key Stage 1			
Level 2+	84%	81%	90%
Level 2b+	68%	49%	59%
Pupil Premium Gap	16%	18%	23%
Key Stage 2			
2 levels of progress (all)	53%	65%	24%
2 levels of progress (pupil premium)	54%	62%	28%
Reading writing and Maths combined at level 4+ (all pupils)			38%
(pupil premium)			31%

The Academy's whole School Attendance figure for 2014/15 was 94.5%.

Supported by the Trustees, the Academy has robust and ambitious improvement plans in place to improve this position moving forward.

GOING CONCERN

After making appropriate enquiries, the board of trustees has a reasonable expectation that the Multi-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.

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31ST AUGUST 2015

ACHIEVEMENT, PERFORMANCE AND PLANS FOR FUTURE PERIODS (continued)

FINANCIAL REVIEW

Financial report for the year

Most of the Multi-Academy Trust's income is obtained from the Education Funding Agency/Department of Education in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the EFA/DfE during the year ended 31st August 2015 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

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

In addition funds are received from various activities carried out to generate funds to cover any running costs of the Multi-Academy Trust not met by restricted grants. Any surplus is carried forward as an unrestricted funds in the balance sheet.

During the year ended 31st August 2015 total revenue expenditure was £12.816 million and total incoming funds from the EFA/DfE and other sources were £13.926 million.

At 31st August 2015 the net book value of tangible fixed assets was £17.927 million and movements in tangible fixed assets are shown in note 14 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Multi-Academy Trust.

The Multi-Academy Trust held fund balances at 31st August 2015 of £15.970 million comprising £15.795 million of restricted funds and £0.175 million of unrestricted funds.

Reserves policy

The Trustees review the reserve levels of the Multi-Academy Trust annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees have determined that the approximate level of free reserves should be equivalent of 12 weeks 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 Multi-Academy Trust's current level of free reserves (total funds less the amount held in restricted funds) is £0.175 million which is less than is needed. The Multi-Academy Trust intends to continue building up free reserves to the level required. As anticipated and in line with the previous year, the Multi-Academy Trust's defined benefit pension scheme continues to be in deficit (see further details below).

Investment policy

The Multi-Academy Trust does not hold any investments other than its subsidiary company and cash. The Multi-Academy Trust holds cash balances and has a policy and objective to ensure balances are maintained to meet operational cash requirements so that any surpluses are transferred to higher interest deposit accounts.

PRINCIPAL RISKS AND UNCERTAINTIES

The trustees have a duty to identify and review the risks to which the academy trust is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

The trustees have assessed the major risks to which the Multi Academy Trust is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Multi Academy Trust, and its finances. The trustees have implemented a number of systems to assess risks that the academy trust faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and academy trips) and in relation to the control of finance. They have introduced systems, including operational procedures (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 Multi Academy Trust has an effective system of internal financial controls and this is explained in more detail in the Governance Statement.

HATTON ACADEMIES TRUST (REGISTERED NUMBER: 07949111)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31ST AUGUST 2015

PRINCIPAL RISKS AND UNCERTAINTIES (continued)

The academy trust exposure to financial risks is not material to the assessment of the trust's assets, liabilities, financial position and its results. Given the nature of the academy trust and low risk and uncomplicated financial instruments used (mainly bank balances and trade creditors). The restricted pension reserve was in deficit (£2.137 million). This deficit relates solely to the actuarial assessment, at 31st August 2015, of Local Government Pension Scheme and future contribution rates have been agreed to reduce this deficit. Further details can be found in note 28 to the financial statements.

The trustees consider the following items as the principal risks and uncertainties facing the academy trust:

- Academy funding within the new Northamptonshire funding formula has led to a real terms decrease in funding for the main sponsor Academy. This coupled with demographic variation in recent years may put increased pressure on.
- The Trust is proactively looking for new academies to join the Trust to support its financial sustainability and to do so must be able to demonstrate capacity to support their leadership and management teams to progress. Taking on a new Trust requires significant support to the conversion process.
- The Trust has a robust recruitment and retention strategy to overcome the risk of losing its key senior staff.
- The Trust will have responsibility for the quality of provision within three primary schools in 2015/16 with the addition of Ecton Village Primary School. Leadership capacity must be developed and teaching performance improved to ensure that these schools advance beyond their pre-conversion unsatisfactory.
- Ofsted judgements.

PLANS FOR FUTURE PERIODS

The Trust has clear plans to increase the size of the Trust to support more Primary and Secondary schools with the improvement of their performance for the benefit of local children. From 1st December 2015, the Trust will sponsor Ecton Village Primary School, providing management capacity and support to the Academy Trust in its pursuit of educational excellence.

Furthermore the Trust has plans to develop its role as a provider of training services to teachers locally, contributing to the wider development of education in the local community.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

Insofar as the trustees are aware:

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

Trustees' report, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 18 December 2015 and signed on the board's behalf by:


R A Francis - Chair of Trustees

HATTON ACADEMIES TRUST (REGISTERED NUMBER: 07949111)

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31ST AUGUST 2015

Scope of Responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that Hatton Academies 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 board of trustees has delegated the day-to-day responsibility to the Executive Principal, 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 Hatton Academies 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 board of trustees has formally met seven times during the year.

Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings Attended	Out of a Possible
R A Francis	7	7
Mrs S V Bishop	7	7
C Hinds	7	7
H F MacDonald	7	7
D Morris	7	7
M Ryan	4	5
Mrs F M Le Pla	6	5

With the formation of the Multi-academy trust the Governance Structure was revised and adopted by the Trustees

- Members
- Board of Trustees/Directors meetings with subcommittee as follows:
 - Audit Committee Meetings
 - Finance & Premises Committee meetings
 - Staff and Safeguarding Committee
 - Individual Local Academy Committees

The Board of Trustees delegates specific powers to the Academy Committees, on which members of the local Trust community sit to support the Trust with the delivery of its aims and objectives, for which responsibility has been delegated.

Governance reviews:

The Trustees have reviewed its compliance against the requirements of the Academies Financial Handbook 2014 Edition and have concluded that the Trust complies with the majority of requirements of the AFH and have approved an action plan to maximize compliance.

The Finance and Audit Committee is a sub-committee of the main board of trustees. Its purpose is to review and approve all matters relating to Finance. The Committee makes recommendations to the board of trustees for approval as set out in the terms of reference. The main purposes are to ensure a comprehensive review of risks to which the trust is exposed and make recommendations and ensuring there is a robust system of internal controls in place.

M Ryan a qualified accountant joined the Finance and Audit Committee and will be taking on the role of Responsible Officer. In addition to the Committee meetings, Mr Ryan has met with the Director of Finance and Operations to provide support and challenge to the Trust's financial and risk management processes. Upon resignation from the Trust, M Ryan has been replaced by T Francis (a qualified accountant and practicing company secretary) as Chair of the Finance Committee.

During the year ended 31 August 2014 this committee served as the Trust's finance and audit committee. Internal audit reports were reviewed at Finance and Audit Committee meetings. As part of the new governance structure a separate audit committee has been established and its members are noted on page 1 in the reference and administration details. The audit committee held one meeting during the year ended 31 August 2015. Its new terms of reference require it to meet bi-annually in future.

Attendance at finance committee meetings during the year was as follows:

Trustee	Meetings Attended	Out of a Possible
M Ryan	4	6
R A Francis	4	6
C Hinds	6	6
D Morris	6	6
Mrs S V Bishop	6	6
Mrs F le Pla	1	6

Review of Value for Money

As accounting officer the Executive Principal has responsibility for ensuring that the Multi-Academy Trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The accounting officer considers how the trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where available. The accounting officer for the Multi-Academy Trust has delivered improved value for money during the year by:

- Reviewing and developing leadership and management of Trust Academies
- Reviewing and developing a curriculum that is fit for purpose in all Academies
- Focussing on accelerated individual pupil achievement
- Increasing the Trust's collaboration with external partners
- Maximising economies of scale through shared support services

GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31ST AUGUST 2015 (Continued)

1. Review of Leadership and Management of Academies and curriculum focus

To ensure that there is targeted improvement in all Academies within Hatton Academies Trust there has been a continuous review of leadership and staffing structures in 2014/15 to ensure that:-

- Clear accountability frameworks are in place with a focus on accelerated improvement of individual academies performance indicators
- School leaders at all levels have the capacity to review, develop and implement necessary improvements to ensure that their curriculum is fit for purpose.
- Key staff are deployed efficiently and effectively to support the improved curriculum offer and deliver interventions to accelerate pupil progress
- Public funding is directed towards core activities. Inefficient and ineffective activities have been addressed.

The Trust is satisfied that with the improvements put in place in 2014/15, all Academies are now in the position to move forward with a strong leadership and accountability culture and a broad and balanced curriculum which supports our pupils to achieve.

The quality and capacity of Trust's leadership in Sir Christopher Hatton Academy has been demonstrated by the Academy's Ofsted judgement of 'Outstanding' at its inspection in January 2015.

2. Focus on the accelerated improvement of individual pupils

In 2014/15, the Trust has developed clear accountability frameworks in all Academies to ensure that Academy Leaders and teaching staff are focussed on the accelerated progress and attainment of individual pupils against their expected levels of achievement. This has been achieved by:

- Ensuring that adequate financial resources are directed towards pupils who have identified high needs and are in need of additional support to achieve their potential
- Ensuring that pupil premium resources are spent with a focus on impact on teaching and learning outcomes and enrichment of their learning for these pupils.
- Ensuring that resources are directed to ensure that Gifted and Talented pupils are afforded every opportunity to exploit and progress their gifts and talents.
- Investing resources in phonics, literacy and numeracy systems designed to accelerate progress for pupils who are assessed as being below their expected potential.

3. Value for Money Achieved through Collaboration

In 2014/15 the Trust has worked hard to develop its collaborative links with organisations to ensure that our Academies experience the financial benefits of achieving economies of scale through shared access to services, with the following key achievements:-

- The Trust has successfully implemented and developed shared support services for all Trust Academies for financial and treasury management services, IT technical support services, HR support services, Legal, Insurance and Health and Safety support services, school improvement and data support services.
- The Trust has developed through its lead Academy, Sir Christopher Hatton Academy, the Hatton Learning Partnership. Through this partnership, the Trust has developed as a local lead school for Schools Direct and Teach First working with Trust primary academies and other local secondary schools resulting in recruitment of NQTs / Trainee teachers into Trust Academies.
- The Executive Principal is a designated Headteacher (LLE) and continues to support schools as required by the local authority.
- Trust-wide marketing and advertising of recruitment opportunities has enhanced our teaching appointments in a challenging recruitment environment ensuring that all teaching posts in Trust academies were full at 1 September 2015.
- Sir Christopher Hatton Academy continues to collaborate proactively with local secondary schools and the Local Authority in the behaviour and attendance partnership meetings with a positive impact on attendance rates and minimising exclusions.
- Oakway Academy and Victoria Primary Academy have invested in membership of the Wellingborough Education Partnership to support the development of their NQTs and established teaching workforce.
- Following investment by the Trust in its senior staff to train as facilitators, the Trust has facilitated training to staff in many local schools through the Middle Leader Development Programme, the Outstanding Teacher Programme and the Improving Teacher Programme.

The key performance indicators for all of our Academies are clearly stated within the Trustees report.

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 on-going 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 Hatton Academies Trust for the period 1st September 2014 to 31st August 2015 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The board of trustees has reviewed the key risks to which the Multi-Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustee is of the view that there is a formal on-going process for identifying, evaluating and managing the Multi-Academy Trust's significant risks that has been in place for the year ending 31st August 2015 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

HATTON ACADEMIES TRUST (REGISTERED NUMBER: 07949111)

GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31ST AUGUST 2015 (Continued)

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 board of trustees;
- regular reviews by the Audit Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The board of trustees has considered the need for a specific internal audit function and has decided to appoint Smith Hodge & Baxter as internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. In particular the checks carried out in the current period included:

- testing of payroll systems
- testing of income systems
- testing of purchase systems
- testing of petty cash and staff expenses
- testing of control accounts / bank reconciliations

On a quarterly basis, the auditor reports to the board of trustees, through the audit committee, on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

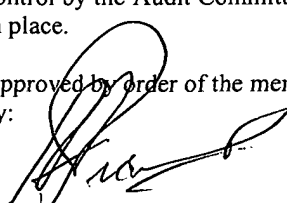
Review of effectiveness

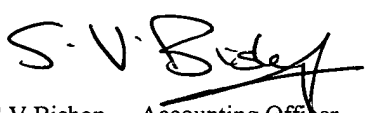
As accounting officer the Executive Principal has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the Responsible Officer and internal auditor;
- 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 Audit 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 board of trustees on 18 December 2015 and signed on its behalf by:


R A Francis - Trustee


Mrs S V Bishop - Accounting Officer

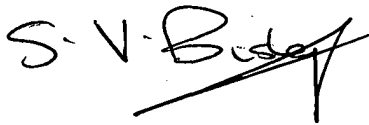
HATTON ACADEMIES TRUST (REGISTERED NUMBER: 07949111)

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

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

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

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

A handwritten signature in black ink, appearing to read 'S. V. Bishop', with a long horizontal stroke extending to the right.

Mrs S V Bishop

Accounting Officer

18 December 2015

HATTON ACADEMIES TRUST (REGISTERED NUMBER: 07949111)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31ST AUGUST 2015

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

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

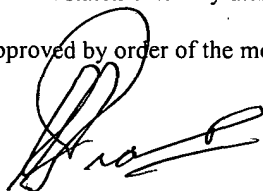
- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP 2005
- make judgments and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- 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 to the requirements both of propriety and good financial management. They are also responsible for ensuring that grants received from 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 of trustees on 18 December 2015 and signed on its behalf by:



R A Francis - Trustee

**INDEPENDENT AUDITORS REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
HATTON ACADEMIES TRUST
FOR THE YEAR ENDED 31ST AUGUST 2015**

We have audited the financial statements of Hatton Academies Trust for the year ended 31st August 2015 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 2014 to 2015 issued by the Education Funding Agency.

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

Respective responsibilities of trustees and auditor

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

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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the academy trust's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' 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 financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the academy trust's affairs as at 31st August 2015, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Annual Accounts Direction 2014 to 2015 issued by the Education Funding Agency

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual Report including the Strategic Report for the financial year 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 trustee's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit

Caroline Armstrong (Senior Statutory Auditor)
for and on behalf of Smith Hodge & Baxter
Chartered Accountants & Statutory Auditors
Thorpe House
93 Headlands
KETTERING
NN15 6BL

Date: 18 December 2015

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY
TO HATTON ACADEMIES TRUST AND THE EDUCATION FUNDING AGENCY
FOR THE YEAR ENDED 31ST AUGUST 2015**

In accordance with the terms of our engagement letter dated 7th September 2015 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Hatton Academies Trust during the period 1st September 2014 to 31st August 2015 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Hatton Academies Trust and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Hatton Academies Trust and 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 Hatton Academies Trust and EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Hatton Academies Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Hatton Academies Trust's funding agreement with the Secretary of State for Education dated 1st December 2014 and the Academies Financial Handbook extant from 1st September 2014, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2014 to 2015. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period from 1st September 2014 to 31st August 2015 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

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

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

The work undertaken to draw to our conclusion includes:

- Assessment and testing of the internal audit work and reliance placed upon this work for the review of internal control procedures
- Further testing of the internal control procedures has been carried out in the following areas:
 - Sample test of delegated authority procedures
 - Enquiry and review of transactions with connected persons
 - Review of governance procedures including inspection of Trustee and relevant Board minutes
 - Sample test of procurement procedures
- Communication with the accounting officer

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 1st September 2014 to 31st August 2015 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Reporting Accountant
Smith Hodge & Baxter
Chartered Accountants & Statutory Auditors
Thorpe House
93 Headlands
KETTERING
NN15 6BL

Date: 18 December 2015

HATTON ACADEMIES TRUST (REGISTERED NUMBER: 07949111)
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31ST AUGUST 2015

(Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

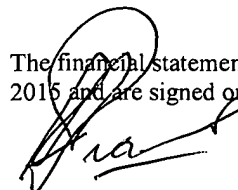
		Unrestricted	Restricted	Restricted	Restricted	Total	Total
	Note	Funds	Pension	General	Fixed	2015	2014
		£000s	Reserve	Funds	Asset	£000s	£000s
			£000s	£000s	Funds		
INCOMING/(OUTGOING) RESOURCES							
Incoming/(Outgoing) resources from generated funds							
Voluntary income	2	-	-	-	-	-	-
Voluntary income - transfer from Local Authority on conversion	3	-	(698)	-	3,304	2,606	2,449
Activities for generating funds	4	329	-	407	-	736	168
Investment income	5	3	-	-	-	3	4
Incoming resources/(Outgoing) from charitable activities							
Funding for the academy trust's educational operations	6	-	-	10,337	244	10,581	7,784
Total incoming/(Outgoing) resources		332	(698)	10,744	3,548	13,926	10,405
RESOURCES EXPENDED							
Charitable activities							
Academy trust's educational operations	8	391	118	11,160	1,059	12,728	8,501
Governance costs	9	-	-	133	-	133	125
Total resources expended	7	391	118	11,293	1,059	12,861	8,626
Net incoming/(outgoing) resources before transfers		(59)	(816)	(549)	2,489	1,065	1,779
Gross transfers between funds		(339)	-	339	-	-	-
NET INCOME/(EXPENDITURE) (FOR THE YEAR)		(398)	(816)	(210)	2,489	1,065	1,779
Other recognised gains/(losses)							
Actuarial gains/(losses) on defined benefit pension schemes		-	22	-	-	22	(421)
Net movement in funds		(398)	(794)	(210)	2,489	1,087	1,358
RECONCILIATION OF FUNDS							
Total Funds brought forward at 1st September 2014		573	(1,343)	215	15,438	14,883	13,525
Total Funds carried forward at 31st August 2015	19	175	(2,137)	5	17,927	15,970	14,883

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

HATTON ACADEMIES TRUST (REGISTERED NUMBER: 07949111)**BALANCE SHEET AS AT 31ST AUGUST 2015**

	Notes	2015 £000	2014 £000
FIXED ASSETS			
Tangible assets	14	17,927	15,438
Investments	15	—	—
		<u>17,927</u>	<u>15,438</u>
CURRENT ASSETS			
Stocks	16	8	4
Debtors	17	402	354
Cash at bank and in hand		495	1,034
		<u>905</u>	<u>1,392</u>
CURRENT LIABILITIES			
Creditors: Amounts falling due within one year	18	(725)	(604)
		<u>—</u>	<u>—</u>
NET CURRENT ASSETS		<u>180</u>	<u>788</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>18,107</u>	<u>16,226</u>
Pension Scheme Liability	28	(2,137)	(1,343)
		<u>—</u>	<u>—</u>
NET ASSETS INCLUDING PENSION SCHEME LIABILITY		<u>15,970</u>	<u>14,883</u>
FUNDS OF THE ACADEMY TRUST	19		
Restricted funds:			
Fixed asset fund		17,927	15,438
General fund		5	215
Pension reserve		(2,137)	(1,343)
		<u>—</u>	<u>—</u>
Total restricted funds		<u>15,795</u>	<u>14,130</u>
Unrestricted funds:			
General fund		175	573
		<u>—</u>	<u>—</u>
Total unrestricted funds		<u>175</u>	<u>573</u>
TOTAL FUNDS		<u>15,970</u>	<u>14,883</u>

The financial statements on pages 17 to 36 were approved by the trustees and authorised for issue on 18 December 2015 and are signed on their behalf by:



R A Francis - Trustee

The notes form part of these financial statements

HATTON ACADEMIES TRUST (REGISTERED NUMBER: 07949111)

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST AUGUST 2015

	Notes	2015 £000s	2014 £000s
Net cash inflow/(outflow) from operating activities	22	(786)	318
Returns on investments and servicing of finance	23	3	4
Capital expenditure and financial investment	24	244	(268)
Cash transferred on conversion to an academy trust		-	272
		<hr/>	<hr/>
(Decrease)/Increase in cash in the year	25	(539)	326
		<hr/>	<hr/>
Reconciliation of net cash flow to movements in net funds			
Net funds at 1st September 2014		1,034	708
		<hr/>	<hr/>
Net funds at 31st August 2015	25	495	1,034
		<hr/>	<hr/>

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST AUGUST 2015

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 2014 to 2015 issued by EFA and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

Going Concern

The 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.

Preparation of Consolidated Financial Statements

The financial statements contain information about Hatton Academies Trust as an individual charitable company and do not contain consolidated financial information as the parent of a group. In the trustees' opinion the results of the subsidiary are not material to an understanding of the academy trust's financial statements as in accordance with S402(2) of Companies Act 2006 and 19(1)(a) of the Charities (Accounts and Reports) Regulations 2008.

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 year 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 (GAG) 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.

- **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.

- **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 accounting policies.

On 29th August 2014 the Academy Trust entered into a 125 year lease with Northamptonshire County Council for the former Oakway Primary School's land and buildings. The rental charge under this lease is a peppercorn. Substantially all the risks and rewards incidental to ownership are assumed by the Academy Trust and therefore the lease is treated as a finance lease and the asset capitalised and depreciated over the period of the lease, in accordance with the tangible fixed assets accounting policy below.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31ST AUGUST 2015

1. ACCOUNTING POLICIES (continued)

Resources Expended

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.

- **Charitable activities**

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

- **Governance costs**

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

All resources expended are inclusive of irrecoverable VAT.

Tangible Fixed Assets

Assets costing £5,000 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 (which is included at a value of £2.4 million), leasehold land (which is included at a value of £0.334 million) and software licences which have an indefinite life (£11,010), at rates calculated to write off the cost of each asset over its expected useful life, as follows:

Leasehold buildings	2% of cost
Freehold buildings	2% of cost
Furniture and equipment	10% or 20% of cost
ICT equipment	10% or 33⅓% of cost

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.

Investments

The academy trust's shareholding in the wholly owned subsidiary, Hatton School Limited, is included in the balance sheet at the cost of the share capital owned less any impairment. There is no readily available market value and the cost of a valuation exceeds the benefit derived.

Stocks

Unsold uniforms and catering stocks are valued at the lower of cost or net realisable value.

Taxation

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

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 and the assets are held separately from those of the academy trust.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31ST AUGUST 2015

1. ACCOUNTING POLICIES (continued)

Pension Benefits (continued)

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 28, the TPS is a multi-employer scheme and the academy trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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

Fund Accounting

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

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

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

Restricted pension reserve funds represent the academy trust's share of the assets and liabilities of the Local Government Pension Scheme.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31ST AUGUST 2015**2. VOLUNTARY INCOME**

	Unrestricted Funds £000s	Restricted Funds £000s	Total 2015 £000s	Total 2014 £000s
Other donations	-	-	-	-
Gift Aid – Hatton School Limited	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

3. TRANSFER OF ACADEMIES INTO THE ACADEMY TRUST

On 1st September 2014 the Oakway Primary School converted to academy status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Hatton Academies Trust from the Northamptonshire County Council for £nil consideration.

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

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

	Unrestricted Funds £000s	Restricted General Funds £000s	Restricted Fixed Asset Funds £000s	Total 2015 £000s
Tangible fixed assets				
Leasehold land and buildings	-	-	3,304	3,304
Budget surplus/(deficit) on LA funds	-	-	-	-
LGPS pension surplus/(deficit)	-	(698)	-	(698)
	<u>-</u>	<u>(698)</u>	<u>-</u>	<u>(698)</u>
Net assets	<u>-</u>	<u>(698)</u>	<u>3,304</u>	<u>2,606</u>

The above net assets includes £nil that was transferred as cash.

The leasehold land and buildings have been acquired on a 125 year lease period.

4. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted Funds £000s	Restricted Funds £000s	Total 2015 £000s	Total 2014 £000s
Catering income	178	-	178	-
Pupil trips and other parental contributions	-	100	100	137
Other income	151	43	194	31
Proceeds from insurance claims	-	264	264	-
	<u>329</u>	<u>407</u>	<u>736</u>	<u>168</u>

HATTON ACADEMIES TRUST (REGISTERED NUMBER: 07949111)**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31ST AUGUST 2015****5. INVESTMENT INCOME**

	Unrestricted Funds £000s	Restricted Funds £000s	Total 2015 £000s	Total 2014 £000s
Bank deposits	3	-	3	4

6. FUNDING FOR THE ACADEMY TRUST'S EDUCATIONAL OPERATIONS

	Unrestricted Funds £000s	Restricted Funds £000s	Total 2015 £000s	Total 2014 £000s
DfE/EFA grants				
General Annual Grant (GAG)	-	9,253	9,253	6,886
Start Up Grants	-	25	25	25
Capital Grants	-	244	244	249
Other DfE/EFA grants	-	774	774	559
	-	10,296	10,296	7,719
Other Government grants				
Local authority grants	-	285	285	65
	-	285	285	65
	-	10,581	10,581	7,784

7. RESOURCES EXPENDED

	Staff Costs £000s	Non pay Premises £000s	Expenditure Other Costs £000s	Totals 2015 £000s	Totals 2014 £000s
Academy trust's educational operations:					
Direct costs	7,438	815	1,231	9,484	6,898
Allocated support costs	1,249	1,475	520	3,244	1,603
	8,687	2,290	1,751	12,728	8,501
Governance costs including allocated support costs	-	-	133	133	125
	8,687	2,290	1,884	12,861	8,626

Net income/expenditure for the year includes:

	2015 £000s	2014 £000s
Fees payable to auditor - audit	9	7
- comparison study audit	4	-
- other services	3	4
Depreciation - owned assets	815	844

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31ST AUGUST 2015

8. CHARITABLE ACTIVITIES

	Totals 2015 £000s	Totals 2014 £000s
Direct costs – Educational operations		
Teaching and Educational Support Staff costs	7,438	5,013
Depreciation	815	844
Educational Supplies	604	599
Examination Fees	129	140
Staff Development	83	75
Educational Consultancy	18	17
Other Direct Costs	397	210
	<hr/> 9,484	<hr/> 6,898
Support costs – Educational operations		
Support Staff costs	1,249	812
Cleaning	40	39
Recruitment and Support	32	23
Light and Heat	167	99
Rates and Rents	27	33
Insurance	96	56
Telephone and Broadband costs	41	57
Maintenance of premises and equipment	1,227	379
Security and Transport	7	7
Catering	108	15
Bank interest and charges	3	1
Other Support Costs	247	82
	<hr/> 3,244	<hr/> 1,603
Total direct and support costs	<hr/> 12,728	<hr/> 8,501

9. GOVERNANCE COSTS

	Total 2015 £000s	Total 2014 £000s
Auditors' remuneration		
- audit of financial statements	9	7
- comparison study audit	4	-
- other services	3	4
Legal and professional fees	117	114
	<hr/> 133	<hr/> 125

10. STAFF

a. Staff costs

	Total 2015 £000s	Total 2014 £000s
Staff costs during the year were:		
Wages and salaries	6,854	4,659
Social security costs	427	309
Operating costs of defined benefit pension scheme	1,071	674
	<hr/> 8,352	<hr/> 5,642
Supply staff costs	319	183
Staff restructuring costs	16	-
	<hr/> 8,687	<hr/> 5,825

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31ST AUGUST 2015****10. STAFF (continued)****b. Staff numbers**

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

Charitable Activities	2015 No.	2014 No.
Management	10	10
Administration and support	134	66
Teachers	122	90
	<u>266</u>	<u>166</u>

c. Higher paid staff

The number of employees whose emoluments exceeded £60,000 was:

	2015 No.	2014 No.
£60,001 - £70,000	3	1
£130,001 - £140,000	-	1
£160,001 - £170,000	1	-
	<u>1</u>	<u>-</u>

Three of the above employees participated in the Teachers' Pension Scheme. The other employee above has opted out of the Local Government Pension Scheme. During the year ended 31st August 2015 employers' pension contributions for these members of staff amounted to £41,878 (2014: £28,830).

11. CENTRAL SERVICES

The academy trust has provided the following central services to its academies during the year:

Back office functions

- Accounting services
- Human resources
- Payroll
- ICT services
- Facilities advisory
- Insurance services
- Staff cover
- Health and safety audits
- Administration support

Teaching and Learning

- Principal – Leadership and management
- Science specialist teaching years 5 and 6
- MDL Specialist teaching and support years 5 and 6
- Specialist PE teaching
- Specialist Music support
- Safeguarding support

The trust charges for these services on a fair share based on school size in relation to pupil numbers.

The actual amounts charged during the year were as follows:

	2015 £000s
Victoria Primary Academy	61
Oakway Academy	182
	<u>243</u>

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31ST AUGUST 2015****12. RELATED PARTY TRANSACTIONS – TRUSTEES’ REMUNERATION AND EXPENSES**

One or more trustees have been paid remuneration or have received other benefits from an employment with the academy trust. The Executive Principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of Principal and staff members under their contracts of employment, and not in respect of their role as trustees. The value of trustees’ remuneration and other benefits was as follows:-

Mrs V Bishop (Executive Principal and trustee)

Remuneration £165,000 - £170,000 (2014: £135,000 - £140,000)

Employer’s pension contributions £20,000 - £25,000 (2014: £15,000 - £20,000)

C Hinds (Staff Trustee)

Remuneration £65,000 - £70,000 (2014: £55,000 - £60,000)

Employer’s pension contributions £nil (2014: £nil)

During the year ended 31st August 2015, travel and subsistence expenses totalling £135 (2014: £1,679) were reimbursed or paid directly to 1 trustee (2014: 2 trustees)

Other related party transactions involving the trustees are set out in note 29.

13. TRUSTEES’ AND OFFICERS’ INSURANCE

In accordance with normal commercial practice the academy trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £2,000,000 (2014: £2,000,000) aggregate liability in any one period and the cost for the year ended 31st August 2015 was £230.66 (2014: £180.17). The cost of this insurance is included in the total insurance cost.

14. TANGIBLE FIXED ASSETS

	Leasehold Land and Buildings £000s	Freehold Land and Buildings £000s	Furniture and Equipment £000s	Software and ICT equipment £000s	Totals £000s
COST					
At 1st September 2014	2,432	12,219	2,429	443	17,523
Transfer in on conversion	3,304	-	-	-	3,304
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
At 31st August 2015	5,736	12,219	2,429	443	20,827
DEPRECIATION					
At 1st September 2014	45	474	1,210	356	2,085
Charge for the year	71	196	480	68	815
Eliminated on disposal	-	-	-	-	-
At 31st August 2015	116	670	1,690	424	2,900
NET BOOK VALUE					
At 31st August 2015	5,620	11,549	739	19	17,927
At 31st August 2014	2,387	11,745	1,219	87	15,438

In the opinion of the trustees, at 31st August 2015 the market value of freehold and long leasehold land and buildings was in excess of its carrying value. The trustees believe that the cost of quantifying the difference would exceed any benefit from doing so and therefore consider that this is not practicable.

The long leasehold land and buildings are held under a 125 year finance lease with Northamptonshire County Council, who are the legal owners of the property.

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31ST AUGUST 2015****15. FIXED ASSET INVESTMENTS**

	Shares in group undertakings £
COST	
At 1st September 2014 and 31st August 2015	1
NET BOOK VALUE	
At 1st September 2014 and 31st August 2015	1

The academy trust's investments at the balance sheet date in the share capital of companies include the following:

Hatton School Limited

Country of incorporation: England & Wales

Nature of business: hire of sports and business facilities and sale of uniform

Class of share:	% holding	2015	2014
Ordinary	100	£	£
Aggregate capital and reserves		10,445	(3,817)
Loss for the year		692	(3,818)

The investment is shown in the balance sheet at cost. The trustees have not prepared group accounts as they are of the opinion that the results of the subsidiary are not material to an understanding of the academy trust's financial statements in accordance with S402(2) of Companies Act 2006 and 19(1)(a) of the Charities (Accounts and Reports) Regulations 2008.

A summary of the results for the year ended 31st August 2015 and the balance sheet position as at 31st August 2015 is shown below:

	2015 £	2014 £
Turnover	43,192	226,260
Other income	4,461	2,635
Expenditure	(46,874)	(238,649)
Profit/(loss) on ordinary activities before Gift Aid payment	779	(9,754)
Gift Aid payment Hatton Academies Trust	-	-
Net profit/(loss) before taxation	779	(9,754)
Taxation	-	-
Retained profit/(loss) for the year	779	(9,754)
Current assets	117,527	139,271
Current liabilities	(126,501)	(149,024)
	(8,974)	(9,753)
Called up share capital	1	1
Profit and loss account	(8,975)	(9,754)
Shareholder's funds	(8,974)	(9,753)

The audit report for Hatton School Limited for the year ended 31st August 2015 is unmodified.

16. STOCKS

	2015 £000s	2014 £000s
Uniforms	4	4
Catering	4	-
	8	4

HATTON ACADEMIES TRUST (REGISTERED NUMBER: 07949111)**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31ST AUGUST 2015**

17. DEBTORS	2015 £000s	2014 £000s
Trade debtors	35	22
Amounts owed by group undertakings	142	142
Prepayments and accrued income	142	103
VAT recoverable	26	42
Other debtors	57	45
	<u>402</u>	<u>354</u>

18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2015 £000s	2014 £000s
Trade creditors	342	286
Taxation and social security	140	115
Accruals and deferred income	81	74
Other creditors	162	129
	<u>725</u>	<u>604</u>

Deferred income

	2015 £000s
Deferred income at 1st September 2014	27
Resources deferred in the year	56
Amount related from previous years	(27)
	<u>56</u>
Deferred income at 31st August 2015	<u>56</u>

At the balance sheet date the academy trust was holding funds received in advance for free school meals for the year ended 31st August 2016.

19. FUNDS

	Balance at 1st September 2014 £000s	Incoming resources £000s	Resources expended £000s	Gains, losses and Transfers £000s	Balance at 31st August 2015 £000s
Restricted general funds					
General Annual Grant (GAG)	215	9,253	9,802	339	5
Start Up Grant	-	25	25	-	-
Other DfE/EFA grants	-	774	774	-	-
Local authority grants	-	285	285	-	-
Other restricted general funds	-	407	407	-	-
Pension Reserve	(1,343)	(698)	118	22	(2,137)
	<u>(1,128)</u>	<u>10,046</u>	<u>11,411</u>	<u>361</u>	<u>(2,132)</u>
Restricted fixed asset funds					
DfE/EFA capital grants	-	244	244	-	-
Fixed Assets	15,438	3,304	815	-	17,927
	<u>15,438</u>	<u>3,548</u>	<u>1,059</u>	<u>-</u>	<u>17,927</u>
Total restricted funds	<u>14,310</u>	<u>13,594</u>	<u>12,470</u>	<u>361</u>	<u>15,795</u>
Unrestricted funds					
Unrestricted funds	573	332	391	(339)	175
Total unrestricted funds	<u>573</u>	<u>332</u>	<u>391</u>	<u>(339)</u>	<u>175</u>
TOTAL FUNDS	<u>14,883</u>	<u>13,926</u>	<u>12,861</u>	<u>22</u>	<u>15,970</u>

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31ST AUGUST 2015****19. FUNDS (continued)**

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

Restricted General Funds represent unspent General Annual Grant (GAG), which must be used for the normal recurring costs of the Academy together with other restricted general funds. During the year a transfer of £339,000 was made to Restricted General Funds from Unrestricted General Funds in respect of buildings maintenance and repair works funded from Unrestricted reserves.

Restricted Fixed Asset Funds represent resources which have been applied to specific capital purposes imposed by the funder together with cash resources still to be expended.

Restricted Pension Reserve Funds represent the academy trust's share of the assets and liabilities of the Local Government Pension Scheme.

Unrestricted funds represent funds that have been earmarked for academy business that does not fall within the restricted funds above.

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 31st August 2015.

Analysis of academies by fund balance

Fund balances at 31st August 2015 were allocated as follows:

	Total £000s
Sir Christopher Hatton Academy	11
Victoria Primary Academy	168
Oakway Academy	1
	<hr/>
Total before fixed assets and pension reserve	180
Restricted fixed asset fund	17,927
Pension reserve	(2,137)
	<hr/>
TOTAL	15,970
	<hr/>

Analysis of academies by cost

Expenditure incurred by each academy during the year was as follows:

	Teaching & Educational Support Staff Costs £000s	Other Support Staff Costs £000s	Educational Supplies £000s	Other costs (Excluding Depreciation) £000s	Total £000s
Sir Christopher Hatton Academy	4,557	870	445	1,625	7,497
Victoria Primary Academy	1,089	123	55	221	1,488
Oakway Academy	1,792	256	104	776	2,928
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
ACADEMY TRUST	7,438	1,249	604	2,622	11,913
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Fund balances at 31st August 2015 are represented by:

	Unrestricted Funds £000s	Restricted Pension Reserve £000s	Restricted General Funds £000s	Restricted Fixed Asset Funds £000s	Total Funds £000s
Tangible fixed assets	-	-	-	17,927	17,927
Fixed asset investments	-	-	-	-	-
Current assets	175	-	730	-	905
Current liabilities	-	-	(725)	-	(725)
Pension scheme liability	-	(2,137)	-	-	(2,137)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Net Assets	175	(2,137)	5	17,927	15,970
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31ST AUGUST 2015****21. CAPITAL COMMITMENTS**

	2015	2014
	£000s	£000s
Contracted for, but not provided in the financial statements	120	96

22. RECONCILIATION OF NET INCOME TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2015	2014
	£000s	£000s
Net (expenditure)/income	1,065	1,779
Net assets transferred in on conversion	(2,606)	(2,449)
Depreciation	815	844
Capital grants from DfE and other capital income	(244)	(84)
Interest receivable	(3)	(4)
FRS 17 pension cost less contributions payable	70	(9)
FRS 17 pension finance costs	48	28
(Increase) in stocks	(4)	(3)
(Increase)/decrease in debtors	(48)	136
Increase in creditors	121	80
Net (outflow)/inflow from operating activities	(786)	318

23. RETURNS ON INVESTMENTS AND SERVICING OF FINANCE

	2015	2014
	£000s	£000s
Interest received	3	4
Net cash inflow from returns on investment and servicing of finance	3	4

24. CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT

	2015	2014
	£000s	£000s
Capital grants from DfE/EFA	244	84
Purchase of tangible fixed assets	-	(352)
Net cash outflow from capital expenditure and financial investment	244	(268)

25. ANALYSIS OF CHANGES IN NET FUNDS

	At 1st September 2014	Cash Flows	At 31st August 2015
	£000s	£000s	£000s
Cash at bank and in hand	1,034	(539)	495
Total	1,034	(539)	495

26. CONTINGENT LIABILITIES

During the year 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 trust 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 trust serving notice, the academy trust shall repay to the Secretary of State sums determined by reference to:

- the value at that time of the academy trust site and premises and other assets held for the purpose of the academy trust; and
- the extent to which expenditure incurred in providing those assets was met by payments by the Secretary of State under the Funding Agreement.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31ST AUGUST 2015

27. 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 £10 for the debts and liabilities contracted before they cease to be a member.

28. PENSION AND SIMILAR OBLIGATIONS

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

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

Contributions amounting to £121,554 (2014: £98,247) were payable to the schemes at 31st August 2015 and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

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

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

The pension cost paid to TPS in the period amounted to £613,000 (2014: £463,000)

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

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31ST AUGUST 2015****28. PENSION AND SIMILAR OBLIGATIONS (continued)****Teachers Pension Scheme (continued)**

Under the definitions set out in Financial Reporting Standard (FRS17) Retirement Benefits, the TPS is a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31st August 2015 was £424,000 of which employer's contributions totalled £337,000 and employees' contributions totalled £87,000. The agreed contribution rates for future years are 22.8%, 21.4% and 23.6% for employers and 5.5% to 12.5% for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to 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 18th July 2013.

Principal Actuarial Assumptions

	At 31st August 2015	At 31st August 2014
Rate of increase in salaries	4.6%	4.5%
Rate of increase for pensions in payment/inflation	2.7%	2.7%
Inflation assumption (CPI)	2.6%	2.7%
Discount rate for scheme liabilities	3.8%	3.7%
Commutation of pensions to lump sums		
- Pre April 2008 service	50%	50%
- Post April 2008 service	75%	75%

Sensitivity Analysis

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

Change in assumptions at year ended 31st August 2015	Approximate % % increase Employer Liability	Approximate monetary amount £000s
0.5% decrease in Real Discount Rate	14%	564
1 year increase in member life expectancy	3%	119
0.5% increase in the Salary Increase Rate	7%	301
0.5 % increase in the Pension Increase Rate	6%	242

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

	At 31st August 2015	At 31st August 2014
<i>Retiring today</i>		
Males	22.3	22.3
Females	24.3	24.3
<i>Retiring in 20 years</i>		
Males	24.0	24.0
Females	26.6	26.6

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31ST AUGUST 2015****28. PENSION AND SIMILAR OBLIGATIONS (continued)****Local Government Pension Scheme (continued)**

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

	Expected return at 31st August 2015	Fair value at 31st August 2015 £000s	Expected return at 31st August 2014	Fair value at 31st August 2014 £000s
Equities	3.8%	1,299	6.4%	785
Bonds	3.8%	352	2.9%	210
Property	3.8%	167	4.5%	78
Cash	3.8%	37	3.3%	33
Total market value of assets		1,855		1,106
Present value of scheme liabilities				
- Funded		(3,992)		(2,449)
Deficit in the scheme		(2,137)		(1,343)

The expected returns on assets other than bonds have been calculated using 5000 simulations of the Hymans Robertson Asset Model, calibrated using market data as at a recent date. The expected return on bonds has been derived from the yields applicable at the accounting date on suitable bond indices.

The actual return on scheme assets was £53,000 (2014: £91,000).

Amounts recognised in the statement of financial activities	2015 £000s	2014 £000s
Current service cost (net of employee contributions)	407	197
Past service cost	-	-
Total operating charge	407	197
Analysis of pension finance (income)/costs	2015 £000s	2014 £000s
Expected return on pension scheme assets	(88)	(45)
Interest on pension liabilities	136	73
Pension finance costs	48	28

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 £408,000 loss (2014: £430,000 loss).

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31ST AUGUST 2015**28. PENSION AND SIMILAR OBLIGATIONS (continued)**

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

	2015	2014
	£000s	£000s
At 1st September 2014	2,449	1,198
Defined benefit obligations transferred on conversion	988	413
Current service cost	407	197
Interest cost	136	73
Employee contributions	87	53
Actuarial loss/(gain)	(58)	526
Benefits paid	(17)	(11)
Past service cost	-	-
	<hr/>	<hr/>
At 31st August 2015	3,992	2,449
	<hr/>	<hr/>

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

	2015	2014
	£000s	£000s
At 1st September 2014	1,106	550
Fair value of scheme assets transferred on conversion	290	158
Expected return on assets	88	45
Actuarial gain/(loss)	(36)	105
Employer contributions	337	206
Employee contributions	87	53
Benefits paid	(17)	(11)
	<hr/>	<hr/>
At 31st August 2015	1,855	1,106
	<hr/>	<hr/>

The estimated value of employer contributions for the year ending 31st August 2016 is £342,000 (2015: £321,000).

The history of experience adjustments is as follows:

	2015	2014	2013	2012
	£000s	£000s	£000s	£000s
Present value of defined benefit obligations	(3,992)	(2,449)	(1,198)	(947)
Fair value of share of Scheme assets	1,855	1,106	550	315
	<hr/>	<hr/>	<hr/>	<hr/>
Deficit in the Scheme	(2,137)	(1,343)	(648)	(632)
	<hr/>	<hr/>	<hr/>	<hr/>
Experience adjustments on share of Scheme assets	(36)	(241)	33	(7)
Experience adjustments on Scheme liabilities	-	(85)	-	-
	<hr/>	<hr/>	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31ST AUGUST 2015

29. RELATED PARTY TRANSACTIONS

Owing to the nature of the academy trust's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy trust's financial regulations and normal procurement procedures. The following transactions took place in the period of account:

Hatton School Limited – The Academy Trust's subsidiary

- At the year end debtors include £141,745 (2014: £141,745) due from the subsidiary.

Tompkins Robinson Surveyors - a company in which Mr D Morris (trustee) is a director

- The trust purchased services totalling £nil (2014: £7,750)
- Tompkins Robinson Surveyors have also provided consultancy services to the Trust on premises projects this year free of charge including advice and a valuation of the Orchard House premises for insurance purposes. The value of all services provided free of charge is estimated at £nil (2014: £10,000).

Nobles Engineering Solutions Limited - a company in which Mr T Francis (Trustee) is a director

- The trust provided services totalling £500 (2014: £6,820) to this company and there was a debtor owed from this company to the Trust of £8,076 (2014: £8,064) at the balance sheet date.
- The trust made this transaction at arms' length in accordance with its financial regulations, which Mr T Francis neither participated in, nor influenced.
- In entering into the transaction the trust has complied with the requirements of the EFA's Academies Financial Handbook

30. ULTIMATE CONTROLLING PARTY

The academy trust is under the control of the trustees.

31. EVENTS AFTER THE BALANCE SHEET DATE

After the year end and as detailed in the Trustees' Report, Ecton Village Primary School is due to join the Academy Trust as a sponsored academy.

Also after the year end the Trust closed the Crèche facility at Oakway Academy with all costs of closure recognised in the financial statements at 31st August 2015. The associated revenue and total costs from the discontinued operation were not material to the Academy Trust during the year ended 31st August 2015