

Registrar

Registered number: 08105941

THE HARROWBY/NATIONAL ACADEMIES TRUST
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

THURSDAY



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18/12/2014
COMPANIES HOUSE

THE HARROWBY/NATIONAL ACADEMIES TRUST
(A company limited by guarantee)

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THE HARROWBY/NATIONAL ACADEMIES TRUST
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS GOVERNORS AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2014**

Members

Mr D Thorpe
Rev E McDonald
Mrs J Sharp

Trustees

Cannon C Andrews, Ex-officio (resigned 31 August 2013)
Father S Craddock, Ex-officio (appointed 1 May 2014)
Rev C Boland, Ex-officio
Mrs S Eade, Staff Governor
Mr P Edwards (resigned 3 June 2014)
Mrs M Fraher, Staff Governor
Mr J Gibbs, Head Teacher and Accounting Officer (resigned 31 August 2014)
Mrs C Hack
Miss S Leeson, Staff Governor
Revd E McDonald
Mr A Mendham
Mr J Morrissey
Mrs D Ramsay, Staff Governor
Mrs J Roberts
Mrs J Sharp
Mrs K Sutherland, Accounting Officer from 1 September 2014
Mr D Thorpe, Chair of Governors / Chair of Finance Committee
Miss S Turner (resigned 4 March 2014)
Mr T Waterhouse
Dr T Williams

Company registered number

08105941

Principal and registered office

The National Church of England Junior School, Castlegate, Grantham, Lincs, NG31 6SR

Senior Leadership Team

Mr J Gibbs, Head Teacher (retired 31 August 2014)
Mrs K Sutherland, Deputy Head Teacher
Mrs H Banks, Assistant Head Teacher (retired 31 August 2014)
Mrs P Harris, School Business Manager
Miss S Leeson, Assistant Head Teacher
Mrs J Watson, Assistant Head Teacher

Independent auditors

Streets Audit LLP, Windsor House, A1 Business Park at Long Bennington, Notts, NG23 5JR

Bankers

Lloyds Bank Plc, 42 St Peters Hill, Grantham, Lincs, NG31 6QF

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS GOVERNORS AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2014**

Administrative details (continued)

Solicitors

Duncan Pickering LLB, 4 Southfields, Bourne, Lincs, PE10 9TZ

Internal Auditor

Julia Raftery Consulting Limited, Suite 2, Concorde House, Kirmington Business Park, Kirmington, North Lincs, DN39 6YP

THE HARROWBY/NATIONAL ACADEMIES TRUST
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GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2014

The Governors present their annual report together with the financial statements and auditors' report of the charitable company for the period 1 September 2013 to 31 August 2014. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The Academy Trust operates two Academies for pupils aged 5-11 serving a catchment area in two separate sites within Grantham town. The National Church of England Junior School is located within the town centre and takes pupils from the parish of St Wulfram's and Harrowby Church of England Infant School is located within the Harrowby and Londonthorpe parish of the town. The total pupil capacity for the Academy Trust is 692. At the January 2014 Census, the National Church of England Junior School recorded 402 pupils and Harrowby Church of England Infant School 159 pupils. Pupils transfer from Harrowby Church of England Infant School to the National Church of England Junior School at the end of KS1 (7 years) and then move from the National Church of England Junior School at the end of Key Stage 2 (11 years) to join secondary schools within the town and surrounding area.

STRUCTURE, GOVERNANCE AND MANAGEMENT

CONSTITUTION

The Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust. The trustees of The Harrowby National Academies Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as The Harrowby National Academies Trust.

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

Details of the trustees who served throughout the year 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.

METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF GOVERNORS

The articles of association require the members of the Charitable Company to appoint at least three trustees to be responsible for the statutory and constitutional affairs of the Charitable Company and the management of the Academy Trust.

The articles of association require that the Members of the Academies Trust shall comprise:

- (a) the signatories to the Memorandum
- (b) one person appointed by the Secretary of State, in the event that the Secretary of State appoints a person for this purpose
- (c) the Chairman of the Governors

The trustee board may appoint additional trustees. Trustees may be removed by the person or persons who appointed them.

No additional trustees were appointed nor made by the Secretary of State in the period.

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF GOVERNORS

All trustees and Governors are provided with copies of procedures, minutes, accounts, budgets plans and other documents that they will need to undertake their role as trustees and Governors. Special attention is given to the Academies Financial Handbook produced by the EFA each September and the Financial Policy, including Roles and Responsibilities and Scheme of Delegation for the Academies Trust.

All trustees and Governors have access to a range of training programmes. The Academy Trust has joined the National Governors Association which gives Governors a wealth of information and opportunities to see 'best practice' in other Trusts.

ORGANISATIONAL STRUCTURE

The Governing Board and trustees are responsible for the overall direction of the Academies. Day to day management of the Academies is delegated to the Chief Executive/Accounting Officer who is the Headteacher. The Headteacher reports to the Governors and trustees on a termly basis at the Committee and Full Governors' Meetings. The Trustees are responsible for approving the budget and also serve on the pay committee.

CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS

The Academy Trust works closely with Little Gonerby Church of England Infant School which is a feeder school for The National School along with Harrowby.

GOVERNORS' INDEMNITIES

The Academy Trust has purchased insurance to protect Governors from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business.

OBJECTIVES AND ACTIVITIES

OBJECTS AND AIMS

The Academy Trust's principle object is to advance, for the public benefit, education in the United Kingdom, in particular but without prejudice to the generality of the foregoing, by establishing, maintaining, carrying on, managing and developing an Academy Trust offering a broad and balanced curriculum.

The aim of each Academy is to provide a quality education in a caring and disciplined community:

- By maintaining the Academies' reputation for good examination results;
- By allowing pupils of all abilities to attain their full potential and develop their own special qualities;
- By offering a wide range of extra-curricular activities and sports;
- By maintaining the high standards and expectations of the Academy Trust;
- By developing a positive attitude towards equal opportunities for all, regardless of sex, religion or personal difficulties;
- By expecting pupils to value all members of the Academy Trust community and its environment;
- By allowing pupils to acquire attitudes and skills which enable them to give purpose to their lives and to make a contribution to the wider community.

Further details are contained in the Academy Trust's prospectuses.

THE HARROWBY/NATIONAL ACADEMIES TRUST
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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

OBJECTIVES, STRATEGIES AND ACTIVITIES

The main objectives of the Academy Trust during the period ended 31 August 2014 are summarised below:

- To ensure that every pupil 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 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 conduct the Academy Trust's business in accordance with the highest standards of integrity, probity and openness.

PUBLIC BENEFIT

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Academy Trust's objectives and aims and in planning future activities for the year. Given the activities of the Academy Trust and the student population that it services, the trustees consider that the Academy's aims are demonstrably to the public benefit.

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

The progress of children across both schools is consistently good, with test results from 2013 showing that most pupils performed well.

SATS results for 2014 were as follows:

National Junior School SATS Key Stage 2 results 2014:

Number used for % = 76 pupils	<u>READING</u>	<u>GAPS</u>	<u>WRITING</u> <u>Teacher Assessment</u>	<u>MATHS</u>
Level 4+	62 pupils 82%	49 pupils 65%	55 pupils 72%	58 pupils 76%
Level 5+	29 pupils 38%	33 pupils 43%	18 pupils 24%	22 pupils 29%
Level 6+	1 pupil 1%			4 pupils 5%

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

Harrowby Infant School 2014 Teacher Assessment

SCHOOL RESULTS

These tables show the percentage of eligible children at the end of key stage 1 achieving each level in the school in 2014.

The number of eligible children is: 49.

Figures may not total 100 per cent because of rounding.

TEACHER ASSESSMENT									
	Percentage at each level								
	W	1	2	2C	2B	2A	3 or above	Disapplied children	Absent children
Speaking and listening*	0	4	76				18	2	0
Reading	0	2		8	22	24	41	2	0
Writing	0	4		18	35	22	18	2	0
Mathematics	0	0		8	20	31	39	2	0
Science*	0	0	65				33	2	

W represents children who are working towards level 1, but have not yet achieved the standards needed for level 1.

* results for Speaking and Listening and Science are based on teacher assessment only.

In January of this year The National School had a full Ofsted inspection. This resulted in a 'Good' outcome. The inspectors saw that pupils make good progress in reading, writing and mathematics, they are enthusiastic, succeed in music, sporting and artistic activities, and parental confidence in the school is high. High quality support is quickly given to new starters who have been identified as not reaching their expected age potential and teachers successfully use good practice to quickly improve attainment.

An increasing number of children have been identified this year as needing additional support not connected to the curriculum, especially at The National School (this was reflected in the January OfSTED report). This has a significant impact on children's learning and to help these children we have introduced a 'Pastoral Team' mainly based at The National School. The team is led by a Learning Mentor who reports directly to the SENDCo and who supervises three Teaching Assistants. The Learning Mentor works across both schools within our Trust. Although the proportion of children supported by school action plus or an SEN statement is above average, many of those children identified have no additional funding attached to them other than perhaps Pupil Premium. We have also employed the services of a Counselor to talk to children who need it. The cost of this additional, much needed, support has come from the reserves the Trust holds but will need to be monitored closely each year.

An Educational Advisor from CfBT has regularly visited both schools throughout the year and worked on specific areas of performance management and analysing data. A whole school review was undertaken at The National School which identified a number of areas to focus attention. An action plan was prepared and a revised programme of monitoring and evaluation put in place. A similar review will take place at Harrowby School in the next Academic Year.

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

Curriculum Enrichment continues to be given the highest priority at both schools with the enthusiasm of the Harrowby children for singing and the variety of clubs, theme days and trips for KS1 pupils being exceptional. The decision last year to make all music and curriculum enrichment activities free of charge has seen an increase in the number of children receiving music tuition at the National. The orchestra and choirs will thrive even more in the future. However, this has a financial impact on the schools budgets and close monitoring will be needed. It may be that we will not be able to fully fund these activities in future years.

Staff across the Trust has undertaken many training opportunities, especially in preparing themselves for the changes to the New Curriculum. Governors have also undertaken training both by attending workshops and completing on-line models through the Governor e-Learning website. Joint training days have taken place to ensure continuity across the Trust. These have been on Ruth Miskin Phonics; Religious Education; Godly Play and teaching Christianity; Teaching and Learning; the use of i-pads in the curriculum.

The National School was re-accredited as a 'Healthy School' following the submission of a comprehensive portfolio of evidence collected by a Year 4 teacher.

In January 2014 the Headteacher John D Gibbs announced his intention to retire at the end of the Academic Year after 21 years. The Governors were able to work with our Educational Advisor and the Diocesan to ensure that the correct person was appointed to take his place and lead our Trust onto future success from September 2014. The successful applicant was Mrs K Sutherland the current Deputy Headteacher. This appointment meant that the ethos of the schools as well as many of the strategies that have been put in place over the year will be continued and built upon.

KEY PERFORMANCE INDICATORS

Numbers at both schools continue to be healthy in the foreseeable future.

At the start of the Academic Year, National School had 400 pupils and Harrowby 161 pupils on roll. By the end of the year National's pupils had dropped to 393 and Harrowby pupils remained at 161. However, due to increased pupils coming through pupils will increase to 437 at National and 166 at Harrowby. An additional class will need to be put in place in Year 6 at The National School from September 2014, taking the number of classes there to 16.

Harrowby Infant School - Pupil Attendance 2014

Pupils on roll - 160

Overall attendance 2013-2014 95.7% (National Average 95.2% 2013)

Unauthorised absence 0.53% (National Average 0.7%)

The National Junior School - Pupil Attendance 2014

Pupils on roll - 420

Overall attendance 2013-2014 95.66% (National Average 95.2%)

Unauthorised absence 2.23% (National Average 0.7% 2013)

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

FINANCIAL REVIEW

The Academy Trust held fund balances at 31 August 2014 comprising £204,787 of restricted funds, a pension reserve deficit of £685,000, restricted fixed asset funds of £94,750 and £105,858 of unrestricted general funds.

Most of the Trust's income is obtained from the EFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the EFA during the period ended 31 August 2014 and the associated expenditure are shown as restricted funds (non fixed assets) in the statement of financial activities.

During the year ended 31 August 2014, total expenditure of £1,945,258 was less than recurrent grant funding from the EFA. The excess of income over expenditure for the period was £1,501.

The Trust's non-teaching staff are entitled to membership of the Local Government Pension Scheme. The Trust's share of the Scheme's assets is currently assessed to be less than its liabilities in the Scheme, and consequently the Academy balance sheet shows a net liability of £685,000.

Detail is still awaited on future funding for the Trust from 2015 onwards. Pupil numbers are expected to remain stable. The impact of national funding spending cuts and of redirecting funding into the pupil premium for example, may have an adverse effect on grant funding.

Sufficient cash is held in reserve to enable the Academy to support any financial issues that it may experience. Monthly financial reports enable any issues to be identified at an early stage. Despite the pension scheme being in deficit, it is not considered to impact on the Academy.

PRINCIPAL RISKS AND UNCERTAINTIES

The Academy Trust is subject to a number of risks and uncertainties in common with other Academies. The Academy Trust has in place procedures to identify and mitigate financial risks. An audit of process and procedures has been carried out at both schools by an independent auditor. Their report contains area of good practice as well as improvements that could be made.

The principal risks and uncertainties are centred around changes in the level of funding from DfE/EFA as well as significant falls in pupil numbers.

It is recognised that staffing costs within this year are high. Two highly experienced but expensive members of the Senior Leadership Team (SLT) retired at the end of the Academic Year, reducing the size of the SLT. This reduction will stay in place for the foreseeable future. Additional support has also been given to the growing number of 'Team around the Child' (TAC) pupils who receive no additional funding/statements. Our newly created Pastoral Team at The National Church of England Junior School, led by a Learning Mentor, has worked with children from challenging backgrounds to enable them to access school life successfully. This is proving successful for these vulnerable pupils, but funding the additional staff members will have to be carefully considered in the future.

RESERVES POLICY

Subject to EFA's constraints on permitted balances, the Academy's policy is to carry forward a prudent level of resources. Due to anticipated future cuts in funding, the situation will be kept under review. The reserves of the Academies are reviewed regularly and are considered to be sufficient for the Academies' requirements.

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

GOING CONCERN

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

INVESTMENT POLICY

The Academies operate an investment policy that seeks to maximise returns, minimise risk and maintain flexibility and access to funds. Current funds are held on deposit.

PLANS FOR FUTURE PERIODS

In setting our objectives and planning our activities the trustees have given careful consideration to the Charity Commission's general guidance on public benefit.

The Academy Trust will continue to work to raise both the aspirations and outcomes of all its students at whatever age, closing gaps between the performances of different groups, where this is needed, and ensuring they are able to proceed successfully to the next stage of their education.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The Academy Trust does not currently hold any funds as Custodian Trustee on behalf of others.

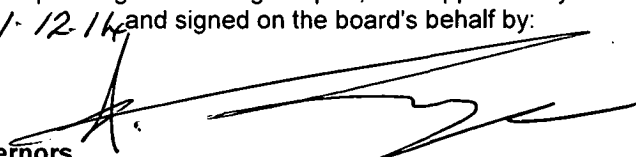
DISCLOSURE OF INFORMATION TO AUDITORS

Insofar as the governors are aware:

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

This report, incorporating the Strategic report, was approved by order of the governing board, as the company directors, on 1-12-14 and signed on the board's behalf by:

Mr D Thorpe
Chair of Governors



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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As Governors, we acknowledge we have overall responsibility for ensuring that The Harrowby/National 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 governing board has delegated the day-to-day responsibility to the Head Teacher, 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 The Harrowby/National Academies Trust and the Secretary of State for Education. They are also responsible for reporting to the governing board any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Governors' report and in the Governors' responsibilities statement. The governing board has formally met 3 times during the year. Attendance during the year at meetings of the governing board was as follows:

Governor	Meetings attended	Out of a possible
Cannon C Andrews	0	2
Father S Craddock	1	1
Rev C Boland	0	3
Mrs S Eade	3	3
Mr P Edwards	1	2
Mrs M Fraher	2	3
Mr J Gibbs	3	3
Mrs C Hack	0	3
Miss S Leeson	3	3
Revd E McDonald	3	3
Mr A Mendham	3	3
Mr J Morrissey	0	3
Mrs D Ramsay	3	3
Mrs J Roberts	1	3
Mrs J Sharp	3	3
Mrs K Sutherland	3	3
Mr D Thorpe	2	3
Miss S Turner	0	3
Mr T Waterhouse	0	3
Dr T Williams	0	3

Effective December 2013 Darren Thorpe was voted Chair for the year and Antony Mendham Vice-Chair. These posts are for the Academic Year. During this period, the Chair worked with the previous Headteacher to reevaluate the functionality and constitution of the governing board. This is an on-going process with current vacancies to be filled by Governors with specific skills sets to strengthen the governing board's operation within the Trust.

A number of vacancies arose during the period. These will be advertised to seek appropriately skilled persons who can support the Academy Trust in future years.

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GOVERNANCE STATEMENT (continued)

Governance reviews:

During the year a review of governance took place upon change of the Chair of Governors.

The Finance Committee is a sub-committee of the main governing board. Its purpose is to consider and approve all expenditure for the Academies during the period, interrogate expenditure, and authorise staff increments and large expenditure items not originally budgeted for.

Attendance at meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
Mr P Edwards	0	2
Mrs M Fraher	2	3
Mr J Gibbs	3	3
Miss S Leeson	3	3
Rev E McDonald	3	3
Mr A Mendham	2	3
Mrs D Ramsay	3	3
Mrs J Sharp	3	3
Mrs K Sutherland	3	3
Mr D Thorpe	3	3

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Harrowby/National Academies Trust for the year 1 September 2013 to 31 August 2014 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The governing board has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The governing board is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks, that has been in place for the year 1 September 2013 to 31 August 2014 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the governing board.

THE RISK AND CONTROL FRAMEWORK

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the governing board;
- regular reviews by the Finance Committee of reports which indicate financial performance against the

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GOVERNANCE STATEMENT (continued)

- forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
 - clearly defined purchasing (asset purchase or capital investment) guidelines.
 - delegation of authority and segregation of duties;
 - identification and management of risks.

The governing board has considered the need for a specific internal audit function and has decided to appoint Julia Raftery Consulting Limited 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. On an annual basis, the internal auditor reports to the governing board on the operation of the systems of control and on the discharge of the governing board's financial responsibilities.

The current Internal Audit report produced by the Internal Auditor highlighted a number of recommendations to improve processes of internal control through the Trust, which have been brought to the attention of the governing board and implemented. Many of the current recommendations within the report have been implemented and further visits have been organised for early 2015.

REVIEW OF EFFECTIVENESS

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

- the work of the internal auditor;
- the work of the external auditors;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the governing board on 1.12.14 and signed on its behalf, by:


Mr D Thorpe
Chair of Governors


Mrs K Sutherland
Accounting Officer

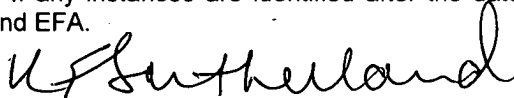
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

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

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



Mrs K Sutherland
Accounting Officer

Date: 1.12.14

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**GOVERNORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2014**

The Governors (who act as governors of The Harrowby/National Academies Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Governors' report (including the Strategic report) and the financial statements in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

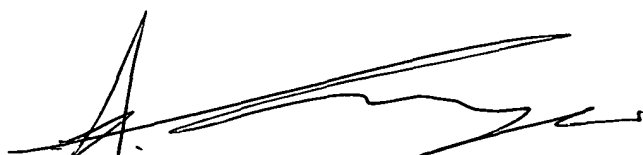
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material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

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

The Governors 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 governing board on 1-12-14 and signed on its behalf by:



Mr D Thorpe
Chair of Governors

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE HARROWBY/NATIONAL ACADEMIES TRUST

We have audited the financial statements of The Harrowby/National Academies Trust for the year ended 31 August 2014 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 Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

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

RESPECTIVE RESPONSIBILITIES OF GOVERNORS AND AUDITORS

As explained more fully in the Governors' responsibilities statement, the Governors (who are also the directors of the Academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Academy's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Governors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Governors' report to identify material inconsistencies with the audited financial statements 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's affairs as at 31 August 2014 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Governors' report, incorporating the Strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

THE HARROWBY/NATIONAL ACADEMIES TRUST
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE HARROWBY/NATIONAL ACADEMIES TRUST

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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



Mark Bradshaw (Senior statutory auditor)

for and on behalf of

Streets Audit LLP

Windsor House
A1 Business Park at Long Bennington
Notts
NG23 5JR
Date: 16.12.14

THE HARROWBY/NATIONAL ACADEMIES TRUST
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO THE
HARROWBY/NATIONAL ACADEMIES TRUST AND THE EDUCATION FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 16 September 2013 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013 to 2014, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Harrowby/National Academies Trust during the year 1 September 2013 to 31 August 2014 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to The Harrowby/National 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 Harrowby/National 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 The Harrowby/National Academies Trust and EFA, for our work, for this report, or for the conclusion we have formed.

RESPECTIVE RESPONSIBILITIES OF THE HARROWBY/NATIONAL ACADEMIES TRUST'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The Accounting Officer is responsible, under the requirements of The Harrowby/National Academies Trust's funding agreement with the Secretary of State for Education dated 1 July 2012, and the Academies Financial Handbook extant from 1 September 2013, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2013 to 2014. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2013 to 31 August 2014 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

APPROACH

We conducted our engagement in accordance with the Academies Accounts Direction 2013 to 2014 issued by 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's income and expenditure.

THE HARROWBY/NATIONAL ACADEMIES TRUST
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO THE
HARROWBY/NATIONAL ACADEMIES TRUST AND THE EDUCATION FUNDING AGENCY (continued)**

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2013 to 31 August 2014 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Mark Bradshaw

for and on behalf of

Streets Audit LLP

Windsor House
A1 Business Park at Long Bennington
Notts
NG23 5JR

Date: 16/12/14

THE HARROWBY/NATIONAL ACADEMIES TRUST
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
(incorporating income and expenditure account and statement of total recognised gains and losses)
FOR THE YEAR ENDED 31 AUGUST 2014

		Unrestricted funds 2014 £	Restricted funds 2014 £	Restricted fixed asset funds 2014 £	Total funds 2014 £	Total funds 2013 £
	Note					
INCOMING RESOURCES						
Incoming resources from generated funds:						
Transfer from Local Authority on conversion	2	-	-	-	-	(276,254)
Activities for generating funds	3	83,919	2,820	-	86,739	100,195
Investment income	4	442	-	-	442	394
Incoming resources from charitable activities	5	-	2,257,225	64,992	2,322,217	2,575,615
TOTAL INCOMING RESOURCES		84,361	2,260,045	64,992	2,409,398	2,399,950
RESOURCES EXPENDED						
Charitable activities	8	104,585	2,242,860	21,665	2,369,110	2,374,114
Governance costs	7	-	39,483	-	39,483	74,246
TOTAL RESOURCES EXPENDED	9	104,585	2,282,343	21,665	2,408,593	2,448,360
NET INCOMING / (OUTGOING) RESOURCES BEFORE TRANSFERS		(20,224)	(22,298)	43,327	805	(48,410)

THE HARROWBY/NATIONAL ACADEMIES TRUST
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

		Unrestricted funds 2014 £	Restricted funds 2014 £	Restricted fixed asset funds 2014 £	Total funds 2014 £	Total funds 2013 £
	Note					
Transfers between Funds	20	24,558	(47,448)	22,890	-	-
NET EXPENDITURE FOR THE PERIOD		4,334	(69,746)	66,217	805	(48,410)
Actuarial gains and losses on defined benefit pension schemes		-	(163,000)	-	(163,000)	(69,000)
NET MOVEMENT IN FUNDS FOR THE PERIOD		4,334	(232,746)	66,217	(162,195)	(117,410)
<i>Total funds at 1 September 2013</i>		<i>101,524</i>	<i>(247,467)</i>	<i>28,533</i>	<i>(117,410)</i>	<i>-</i>
TOTAL FUNDS AT 31 AUGUST 2014		105,858	(480,213)	94,750	(279,605)	(117,410)

All activities relate to continuing operations.

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 23 to 44 form part of these financial statements.

THE HARROWBY/NATIONAL ACADEMIES TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 08105941

BALANCE SHEET
AS AT 31 AUGUST 2014

	Note	£	2014 £	£	2013 £
FIXED ASSETS					
Tangible assets	17		94,055		28,533
CURRENT ASSETS					
Debtors	18	193,877		107,092	
Cash at bank and in hand		267,681		321,392	
		<u>461,558</u>		<u>428,484</u>	
CREDITORS: amounts falling due within one year	19	(150,218)		(99,427)	
NET CURRENT ASSETS			311,340		329,057
TOTAL ASSETS LESS CURRENT LIABILITIES			405,395		357,590
Defined benefit pension scheme liability	26	(685,000)			(475,000)
NET LIABILITIES INCLUDING PENSION SCHEME LIABILITY			<u>(279,605)</u>		<u>(117,410)</u>
FUNDS OF THE ACADEMY					
Restricted funds:					
Restricted funds	20	204,787		227,533	
Restricted fixed asset funds	20	94,750		28,533	
		<u>299,537</u>		<u>256,066</u>	
Restricted funds excluding pension liability		(685,000)		(475,000)	
Total restricted funds			(385,463)		(218,934)
Unrestricted funds	20		105,858		101,524
TOTAL DEFICIT			<u>(279,605)</u>		<u>(117,410)</u>

The financial statements were approved by the Governors, and authorised for issue, on 1.12.14 and are signed on their behalf, by:

Mr D Thorpe
Chair of Governors



The notes on pages 23 to 44 form part of these financial statements.

THE HARROWBY/NATIONAL ACADEMIES TRUST
(A company limited by guarantee)

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2014**

		31 August 2014 £	<i>period ended 31 August 2013 £</i>
	Note		
Net cash flow from operating activities	22	33,034	328,423
Returns on investments and servicing of finance	23	442	394
Capital expenditure and financial investment	23	(87,187)	(7,425)
(DECREASE)/INCREASE IN CASH IN THE YEAR		(53,711)	321,392

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS
FOR THE YEAR ENDED 31 AUGUST 2014**

	31 August 2014 £	<i>period ended 31 August 2013 £</i>
(Decrease)/Increase in cash in the year	(53,711)	321,392
MOVEMENT IN NET FUNDS IN THE YEAR	(53,711)	321,392
Net funds at 1 September 2013	321,392	-
NET FUNDS AT 31 AUGUST 2014	267,681	321,392

The notes on pages 23 to 44 form part of these financial statements.

THE HARROWBY/NATIONAL ACADEMIES TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, the Academies Accounts Direction 2013 to 2014 issued by EFA, applicable accounting standards and the Companies Act 2006.

The company was incorporated on 14 June 2012 and commenced as an academy on 1 July 2012. Accordingly the prior year comparative figures represent 14 months of operation.

1.2 Fund accounting

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

Designated funds comprise unrestricted funds that have been set aside by the Governors for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

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 and include grants from the Department for Education.

Investment income, gains and losses are allocated to the appropriate fund.

THE HARROWBY/NATIONAL ACADEMIES TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

1. ACCOUNTING POLICIES (continued)

1.3 Incoming resources

All incoming resources are included in the Statement of financial activities when the Academy has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

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

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

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

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

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

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

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

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

THE HARROWBY/NATIONAL ACADEMIES TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

1. ACCOUNTING POLICIES (continued)

1.4 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.

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

Charitable activities are costs incurred in the Academy's educational operations.

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Going concern

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

1.6 Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised.

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 are 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's depreciation policy.

Land and buildings are owned by the Lincoln Diocesan Trust and Board of Finance and used under the terms of a supplemental agreement. The terms of the agreement do not transfer the benefits of ownership to the Academy Trust and, consequently, the value of these assets has not been recognised in the financial statements.

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.

THE HARROWBY/NATIONAL ACADEMIES TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

1. ACCOUNTING POLICIES (continued)

Tangible fixed assets are stated at cost less depreciation. Depreciation is not charged on freehold land. Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost of those assets, less their estimated residual value, over their expected useful lives on the following bases:

Property improvements	- 10% straight line
Computer equipment	- 25% straight line

1.7 Taxation

The Academy 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 is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.8 Pensions

Retirement benefits to employees of the Academy 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.

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 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 26, the TPS is a multi-employer scheme and the Academy 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 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 the 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 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.

THE HARROWBY/NATIONAL ACADEMIES TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

2. VOLUNTARY INCOME

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Transfer from Local Authority on conversion	-	-	-	(276,254)

3. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Catering	18,364	-	18,364	34,718
Other income	65,555	-	65,555	65,477
Insurance receipts	-	2,820	2,820	-
	<u>83,919</u>	<u>2,820</u>	<u>86,739</u>	<u>100,195</u>

4. INVESTMENT INCOME

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Bank interest	442	-	442	394

5. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Educational Operations	-	2,322,217	2,322,217	2,575,615

THE HARROWBY/NATIONAL ACADEMIES TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
DfE/EFA revenue grants				
General Annual Grant (GAG)	-	2,010,028	2,010,028	2,426,515
Other EFA grants	-	147,273	147,273	149,100
Capital grants	-	78,654	78,654	-
	-	2,235,955	2,235,955	2,575,615
Other government grants				
Local authority grants	-	75,201	75,201	-
	-	75,201	75,201	-
Other funding				
Other income	-	11,061	11,061	-
	-	11,061	11,061	-
	-	2,322,217	2,322,217	2,575,615

6. EXPENDITURE BY CHARITABLE ACTIVITY

SUMMARY BY FUND TYPE

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Educational Activities	104,585	2,264,525	2,369,110	2,374,114

SUMMARY BY EXPENDITURE TYPE

	Staff costs 2014 £	Depreciation 2014 £	Other costs 2014 £	Total 2014 £	Total 2013 £
Educational Activities	1,868,724	21,665	478,721	2,369,110	2,374,114

THE HARROWBY/NATIONAL ACADEMIES TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

7. GOVERNANCE COSTS

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Internal audit costs	-	5,688	5,688	-
Auditors' remuneration	-	3,250	3,250	3,000
Auditors' non audit costs	-	7,773	7,773	7,790
Legal and professional fees	-	22,772	22,772	62,479
Support costs	-	-	-	977
	-	39,483	39,483	74,246

THE HARROWBY/NATIONAL ACADEMIES TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

8. CHARITABLE ACTIVITIES

	Total funds 2014 £	Total funds 2013 £
DIRECT COSTS - EDUCATIONAL OPERATIONS		
Wages and salaries	1,253,615	1,349,105
National insurance	91,341	97,045
Pension cost	175,861	181,367
Depreciation	11,329	6,906
Pension income	16,000	17,000
Educational Supplies	51,155	33,289
Examination Fees	1,047	1,059
Staff Development	30,715	16,421
Educational Consultancy	17,941	21,952
Other Direct Costs	102,684	28,692
	<u>1,751,688</u>	<u>1,752,836</u>
SUPPORT COSTS - EDUCATIONAL OPERATIONS		
Wages and salaries	259,431	230,529
National insurance	13,673	11,461
Pension cost	74,803	53,627
Depreciation	10,336	2,606
Recruitment and Support	-	460
Maintenance of Premises	48,946	60,258
Maintenance of Equipment	11,486	11,403
Cleaning	4,871	8,345
Operating Lease Rentals	14,649	12,484
Rates	5,004	590
Water Rates	7,972	8,776
Energy	22,439	28,052
Insurance	21,008	81,453
Security	-	1,684
Transport	6,227	6,212
Catering	44,221	62,269
Technology Costs	27,999	22,691
Occupancy Costs	2,789	2,373
Other Support Costs	41,568	16,005
	<u>617,422</u>	<u>621,278</u>
	<u><u>2,369,110</u></u>	<u><u>2,374,114</u></u>

THE HARROWBY/NATIONAL ACADEMIES TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

9. RESOURCES EXPENDED

	Staff costs	Non Pay	Expenditure	Total	Total
	2014	Premises	Other costs	2014	2013
	£	2014	2014	£	£
		£	£		
Direct costs	1,520,817	11,329	219,542	1,751,688	1,752,836
Support costs	347,907	66,793	202,722	617,422	621,278
Charitable activities	1,868,724	78,122	422,264	2,369,110	2,374,114
Governance	-	-	39,483	39,483	74,246
	1,868,724	78,122	461,747	2,408,593	2,448,360

10. ANALYSIS OF RESOURCES EXPENDED BY ACTIVITIES

	Activities	Support	Total	Total
	undertaken	costs	2014	2013
	directly	2014	£	£
	2014	£		
	£	£		
Educational Activities	1,751,688	617,422	2,369,110	2,374,114

11. NET INCOMING / (OUTGOING) RESOURCES

This is stated after charging:

	31 August	period ended
	2014	31 August
	£	2013
		£
Depreciation of tangible fixed assets:		
- owned by the charity	21,665	9,512
Auditors' remuneration	3,250	3,000
Auditors' remuneration - non-audit	7,773	7,790
Governance Internal audit costs	5,688	-
Operating lease rentals - other	2,181	2,545

THE HARROWBY/NATIONAL ACADEMIES TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

12. STAFF

a. Staff costs

Staff costs were as follows:

	31 August 2014	<i>period ended 31 August 2013</i>
	£	£
Wages and salaries	1,513,046	1,579,634
Social security costs	105,014	108,506
Other pension costs (Note 26)	250,664	234,994
	<u>1,868,724</u>	<u>1,923,134</u>

b. Staff numbers

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

	31 August 2014	<i>period ended 31 August 2013</i>
	No.	No.
Teachers	27	24
Admin and Support	31	46
Management	1	1
	<u>59</u>	<u>71</u>

c. Higher paid staff

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

	31 August 2014	<i>period ended 31 August 2013</i>
	No.	No.
In the band £60,001 - £70,000	1	0
In the band £70,001 - £80,000	0	1
In the band £80,001 - £90,000	1	0
In the band £90,001 - £100,000	0	1
	<u>2</u>	<u>2</u>

The above employees participated in the Teachers' Pension Scheme. During the period ended 31 August 2014, pension contributions for these staff amounted to £21,244 (2013: £23,716).

THE HARROWBY/NATIONAL ACADEMIES TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

13. CENTRAL SERVICES

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

- Head Teacher's salary
- IT technician's salary
- SENCO's salary
- Audit and accountancy fees

The Academy charges for these services on the following basis:

Head Teacher's salaries are charged 70% to The National Junior School and 30% to Harrowby Infant School.

Other staff salaries are charged 80% to The National Junior School and 20% to Harrowby Infant School.

Audit and accountancy fees are charged equally between the two schools, other than where they specifically apply to one school e.g. training.

The actual amounts charged during the year were as follows:

	31 August 2014 £
Harrowby Infant School	51,918
The National Junior School	137,044
	<hr/>
Total	188,962
	<hr/>

14. GOVERNORS' REMUNERATION AND EXPENSES

The Principal and other staff Governors only receive remuneration in respect of services they provide undertaking the roles of Principal and staff, and not in respect of their services as Governors. Other Governors did not receive any payments from the Academy in respect of their role as Governors. The value of Governors' remuneration fell within the following bands:

	31 August 2014 £	<i>period ended 31 August 2013 £</i>
Mr J Gibbs	85,000-90,000	<i>95,000-100,000</i>
Mrs K Sutherland	60,000-65,000	<i>70,000-75,000</i>
Mrs S Eade	35,000-40,000	<i>40,000-45,000</i>
Mrs D Ramsey	35,000-40,000	<i>40,000-45,000</i>
Miss S Leeson	45,000-50,000	<i>55,000-60,000</i>
Mrs M Fraher	10,000-15,000	<i>10,000-15,000</i>

During the year, no Governors received any reimbursement of expenses (2013 - £NIL).

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15. GOVERNORS' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2014 was £3,336 (2013 - £748). The cost of this insurance is included in the total insurance cost.

16. PENSION FINANCE COST

	31 August 2014 £	<i>period ended 31 August 2013 £</i>
Expected return on pension scheme assets	25,000	16,000
Interest on pension scheme liabilities	(41,000)	(33,000)
	<u>(16,000)</u>	<u>(17,000)</u>

17. TANGIBLE FIXED ASSETS

	Property improvement £	Computer equipment £	Total £
Cost			
At 1 September 2013	-	38,045	38,045
Additions	64,297	22,890	87,187
At 31 August 2014	<u>64,297</u>	<u>60,935</u>	<u>125,232</u>
Depreciation			
At 1 September 2013	-	9,512	9,512
Charge for the year	6,430	15,235	21,665
At 31 August 2014	<u>6,430</u>	<u>24,747</u>	<u>31,177</u>
Net book value			
At 31 August 2014	<u>57,867</u>	<u>36,188</u>	<u>94,055</u>
At 31 August 2013	<u>-</u>	<u>28,533</u>	<u>28,533</u>

As noted in the accounting policies, the land and buildings are owned by the Lincoln Diocesan Trust and Board of Finance and used under the terms of a supplemental agreement. The terms of the agreement do not transfer the benefits of ownership to the Academy Trust and, consequently, the value of these assets has not been recognised in the financial statements.

Included within property improvements is new flooring for Harrowby Infant School totalling £57,867.

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18. DEBTORS

	2014 £	2013 £
Trade debtors	324	-
Other debtors	75,107	35,831
Prepayments and accrued income	118,446	71,261
	<u>193,877</u>	<u>107,092</u>

19. CREDITORS:
Amounts falling due within one year

	2014 £	2013 £
Trade creditors	(147)	16,157
Other taxation and social security	30,137	29,015
Other creditors	30,428	29,766
Accruals and deferred income	89,800	24,489
	<u>150,218</u>	<u>99,427</u>

Deferred income

Deferred income at 1 September 2013	7,942
Resources deferred during the year	38,834
Amounts released from previous years	(7,942)
Deferred income at 31 August 2014	<u>38,834</u>

At the balance sheet date the Academy Trust was holding funds received in advance for DFC income relating to the period 1 September 2014 to 31 March 2015, and Universal Infant Free School Meals income relating to the 2014/15 academic year.

20. STATEMENT OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds						
Unrestricted funds	101,524	84,361	(104,585)	24,558	-	105,858

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20. STATEMENT OF FUNDS (continued)

Restricted funds

General Annual Grant (GAG)	158,697	1,997,507	(1,945,258)	(50,748)	-	160,198
Other EFA grants	60,453	159,595	(207,144)	3,300	-	16,204
Other Government grants	8,383	92,943	(76,464)	-	-	24,862
Other activities	-	10,000	(6,477)	-	-	3,523
Pension reserve	(475,000)	-	(47,000)	-	(163,000)	(685,000)
	<u>(247,467)</u>	<u>2,260,045</u>	<u>(2,282,343)</u>	<u>(47,448)</u>	<u>(163,000)</u>	<u>(480,213)</u>

Restricted fixed asset funds

Transfer on conversion	22,965	-	(7,655)	-	-	15,310
Capital expenditure from GAG	5,568	-	(7,580)	22,890	-	20,878
EFA capital grants	-	64,992	(6,430)	-	-	58,562
	<u>28,533</u>	<u>64,992</u>	<u>(21,665)</u>	<u>22,890</u>	<u>-</u>	<u>94,750</u>
Total restricted funds	<u>(218,934)</u>	<u>2,325,037</u>	<u>(2,304,008)</u>	<u>(24,558)</u>	<u>(163,000)</u>	<u>(385,463)</u>
Total of funds	<u>(117,410)</u>	<u>2,409,398</u>	<u>(2,408,593)</u>	<u>-</u>	<u>(163,000)</u>	<u>(279,605)</u>

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

Unrestricted funds

Unrestricted funds represent both those resources, as well as funds transferred to the Academy from the Local Authority upon conversion, which may be used towards meeting any of the objects of the Academy at the discretion of the Governors. These are not currently designated for particular purposes.

Restricted Fixed Asset funds

Transfer from former school represents the land, buildings and assets transferred to the Academy from the Local Authority upon conversion.

Capital expenditure from GAG represents fixed asset expenditure transferred from other restricted income.

Restricted Revenue funds

General Annual Grant (GAG) is made up of a number of different funding streams, all of which are used to cover the running costs of the Academy.

Pension Reserve represents the current deficit balance of the Local Government Pension Scheme (LGPS).

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20. STATEMENT OF FUNDS (continued)

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2014.

Analysis of academies by fund balance

Fund balances at 31 August 2014 were allocated as follows:

	Total £
Harrowby Infant School	110,534
The National Junior School	200,111
	<hr/>
Total before fixed asset fund and pension reserve	310,645
Restricted fixed asset fund	94,750
Pension reserve	(685,000)
	<hr/>
Total	(279,605)
	<hr/>

Analysis of academies by cost

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depn £	Total £
Harrowby Infant School	442,153	90,062	15,516	136,357	684,088
The National Junior School	1,078,664	257,845	35,639	296,897	1,669,045
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	1,520,817	347,907	51,155	433,254	2,353,133
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

SUMMARY OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
General funds	101,524	84,361	(104,585)	24,558	-	105,858
Restricted funds	(247,467)	2,260,045	(2,282,343)	(47,448)	(163,000)	(480,213)
Restricted fixed asset funds	28,533	64,992	(21,665)	22,890	-	94,750
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	(117,410)	2,409,398	(2,408,593)	-	(163,000)	(279,605)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2014 £	Restricted funds 2014 £	Restricted fixed asset funds 2014 £	Total funds 2014 £	Total funds 2013 £
Tangible fixed assets	-	-	94,055	94,055	28,533
Current assets	105,858	325,118	30,582	461,558	428,484
Creditors due within one year	-	(120,331)	(29,887)	(150,218)	(99,427)
Provisions for liabilities and charges	-	(685,000)	-	(685,000)	(475,000)
	<u>105,858</u>	<u>(480,213)</u>	<u>94,750</u>	<u>(279,605)</u>	<u>(117,410)</u>

22. NET CASH FLOW FROM OPERATING ACTIVITIES

	31 August 2014 £	period ended 31 August 2013 £
Net incoming resources before revaluations	805	(48,410)
Returns on investments and servicing of finance	(442)	(394)
Transfer from Local Authority on conversion	-	345,380
Depreciation of tangible fixed assets	21,665	9,512
Increase in debtors	(86,785)	(107,092)
Increase in creditors	50,791	99,427
FRS 17 adjustments	47,000	30,000
Net cash inflow from operations	<u>33,034</u>	<u>328,423</u>

23. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	31 August 2014 £	period ended 31 August 2013 £
Returns on investments and servicing of finance		
Interest received	<u>442</u>	<u>394</u>
Capital expenditure and financial investment		
Purchase of tangible fixed assets	<u>(87,187)</u>	<u>(7,425)</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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24. ANALYSIS OF CHANGES IN NET FUNDS

	1 September 2013 £	Cash flow £	Other non-cash changes £	31 August 2014 £
Cash at bank and in hand:	321,392	(53,711)	-	267,681
Net funds	321,392	(53,711)	-	267,681

25. CAPITAL COMMITMENTS

At 31 August 2014 the Academy had capital commitments as follows:

	2014 £	2013 £
Contracted for but not provided in these financial statements	-	-

26. PENSION COMMITMENTS

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2004 and of the LGPS 31 March 2013.

Contributions amounting to £29,900 were payable to the schemes at 31 August 2014 (2013 - £24,870) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

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

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**NOTES TO THE FINANCIAL STATEMENTS
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26. PENSION COMMITMENTS (continued)

Valuation of the Teachers' Pension Scheme

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

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

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

Teachers' Pension Scheme Changes

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

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

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

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

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26. PENSION COMMITMENTS (continued)

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2014 was £112,000, of which employer's contributions totalled £85,000 and employees' contributions totalled £27,000. The agreed contribution rates for future years are 21.6% for employers and variable rates for employees.

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

The amounts recognised in the Balance sheet are as follows:

	31 August 2014	<i>period ended 31 August 2013</i>
	£	£
Present value of funded obligations	(1,240,000)	(831,000)
Fair value of scheme assets	555,000	356,000
Net liability	(685,000)	(475,000)

The amounts recognised in the Statement of financial activities are as follows:

	31 August 2014	<i>period ended 31 August 2013</i>
	£	£
Current service cost	(116,000)	(86,000)
Interest on obligation	(41,000)	(33,000)
Expected return on scheme assets	25,000	16,000
Total	(132,000)	(103,000)
Actual return on scheme assets	49,000	44,000

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26. PENSION COMMITMENTS (continued)

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

	31 August 2014 £	<i>period ended 31 August 2013 £</i>
Opening defined benefit obligation	831,000	-
Current service cost	116,000	86,000
Interest cost	41,000	33,000
Contributions by scheme participants	27,000	24,000
Actuarial Losses	228,000	96,000
Benefits paid	(3,000)	-
Fair value of defined benefit obligation transferred to the academy upon conversion	-	592,000
	<u>1,240,000</u>	<u>831,000</u>

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

	31 August 2014 £	<i>period ended 31 August 2013 £</i>
Opening fair value of scheme assets	356,000	-
Expected return on assets	25,000	16,000
Actuarial gains and (losses)	65,000	27,000
Contributions by employer	85,000	73,000
Contributions by employees	27,000	24,000
Benefits paid	(3,000)	-
Fair value of pension scheme assets transferred to the academy upon conversion	-	216,000
	<u>555,000</u>	<u>356,000</u>

The cumulative amount of actuarial gains and losses recognised in the Statement of total recognised gains and losses was £232,000 loss (2013 - £69,000 loss).

The Academy expects to contribute £108,000 to its Defined benefit pension scheme in 2015.

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	2014	2013
European equities	76.00 %	77.00 %
European bonds	13.00 %	12.00 %
Property	11.00 %	11.00 %

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26. PENSION COMMITMENTS (continued)

Principal actuarial assumptions at the Balance sheet date (expressed as weighted averages):

	2014	2013
Discount rate for scheme liabilities	3.70 %	4.60 %
Expected return on scheme assets at 31 August	5.80 %	6.10 %
Rate of increase in salaries	4.00 %	5.10 %
Rate of increase for pensions in payment / inflation	2.70 %	2.80 %

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

	2014	2013
Retiring today		
Males	22.2	21.2
Females	24.4	23.4
Retiring in 20 years		
Males	24.5	23.7
Females	26.8	25.7

Amounts for the current and previous period are as follows:

Defined benefit pension schemes

	2014 £	2013 £
Defined benefit obligation	(1,240,000)	(831,000)
Scheme assets	555,000	356,000
Deficit	(685,000)	(475,000)
Experience adjustments on scheme liabilities	(228,000)	(96,000)
Experience adjustments on scheme assets	65,000	27,000

27. OPERATING LEASE COMMITMENTS

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

	2014 £	Other 2013 £
Expiry date:		
Between 2 and 5 years	2,181	2,181

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28. MEMBERS' LIABILITY

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

29. RELATED PARTY TRANSACTIONS

Owing to the nature of the Academy'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 a governors has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy's financial regulations and normal procurement procedures.

K Sutherland, Head Teacher and Accounting Officer, has a family connection with Printhub, a company which supplies printing services to the Academy Trust. During the period transactions with Printhub amounted to £1,264 (2013: £2,031). There were no amounts outstanding at the period end.

The Governors believe that Printhub provide the best value for money services in the local area, regardless of any connections to Academy Governors.

There are no other related party transactions.

30. CONTINGENT LIABILITIES

The Academy had no contingent liabilities at 31 August 2014.

In the event of The Harrowby/National Academies Trust ceasing to operate as an Academy, provisions are included in the funding agreement relating to clawback of assets and monies paid to the Academy.

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