

**Richmond Hill Primary Academy Limited  
(A Company Limited by Guarantee)**

**Annual Report and Financial Statements**

**Period ended 31 August 2014**



**Company Registration Number:  
08820308 (England and Wales)**

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**Reference and administrative details**

<b>Trustees</b>	<b>Appointed</b>
Jill Foster (Principal)*	01/02/2014
Mavis Latham	01/02/2014
Phil Crawley	01/02/2014
Ellen Walker	01/02/2014
Deborah Temperton*	01/02/2014
Susan Eardley	01/02/2014
Irene McLaughlin*	01/02/2014
Lynsey Chambers*	01/02/2014
Nigel Hair	

\* Members of the Business Committee

**Clerk to Directors**

Julie Found

**Senior management team**

Mrs J Foster	Principal
Mrs S Eardley	Vice Principal
Mrs Deborah Eyvowho-Secker	Assistant Principal
Mrs Kelly Cousins	Assistant Principal
Ms Deborah Temperton	Assistant Principal (non-curriculum)
Mr Kevin Norton	Inclusion Manager

**Registered Office**

Richmond Hill Primary Academy  
Melton Road  
Sprotbrough  
Doncaster  
South Yorkshire  
DN5 7SB

**Company Registration Number**

8820308

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**Auditors**

Duncan & Toplis Limited  
15 Chequergate  
Louth  
Lincolnshire  
LN11 0LJ

**Bankers**

Lloyds  
55 High Street  
Doncaster  
DN1 1BH

**Solicitors**

Bracewell Solicitors  
17-23 Thorne Road  
Doncaster  
South Yorkshire  
DN1 2RP

**Surveyors**

AA Projects  
Jackson House  
Sibson Road  
Sale  
Manchester  
M33 7RR

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### **Trustees' Report**

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

The trust operates an Academy for pupils aged 4 to 11 serving a catchment area in Sprotbrough, Doncaster. It has a pupil capacity of 472 and had a roll of 430 in the school census on 25 September 2014.

### **Structure, Governance and Management**

#### Constitution

Richmond Hill Primary Academy Limited (RHPAL) was incorporated on 19 December 2013 and opened as an Academy on 1 February 2014.

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 governors act as the trustees for the charitable activities of Richmond Hill Primary Academy and are also the directors of the charitable company for the purposes of company law. The charitable company is known as Richmond Hill Primary Academy Limited.

Details of the governors who served throughout the year except as noted are included in the Reference and Administrative Details on page 1.

#### Members' Liability

Each member of the charitable company undertakes to contribute to the assets of the 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

As required by Chapter 7, Section 236 of the Companies Act, we disclose that every Trustee or other officer or auditor of the Academy Trust shall be indemnified out of the assets of the Academy Trust against any liability incurred by them in that capacity in defending any proceedings, whether civil or criminal, in which judgement is given in favour or in which they are acquitted or in connection with any application in which relief is granted to them by the court from liability for negligence, default breach or duty of breach of trust in relation to affairs of the Academy Trust.

In accordance with normal commercial practice the Academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £1,000,000 on any one claim.

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Principal Activities

The principal activity of the charitable company is the operation of the RHPAL to provide nursery and primary education for pupils between the ages of 4-11. This is the primary object of the Academy Trust as set out in paragraph 4 of the Articles of Association of the Company Limited by Guarantee.

Method of Recruitment and Appointment or Election of Trustees

RHPAL has an independent, community spirited and skill centred approach to the appointment of Trustees. The Trustees, where possible using skill set analysis and through careful appointment, look to compliment and extend the skill set of the existing board of trustees.

The Members may appoint up to ten trustees and via this method of member appointment RHPAL ensures a diverse and broad balance of trustees.

The Articles outline the different types of Governor, each category has slightly differing election processes, as outlined below:

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

Foundation Trustees in office appoint foundation Trustees to any foundation governor's vacancies.

The Board of Directors may appoint up to 2 Community Governors.

Up to 2 Parent Governors shall be elected by parents of registered pupils at the Academy. A Parent Governor must be a parent of a pupil at the Academy at the time when he is elected. The term of office of a parent governor should end when he ceases to be the parent of a registered pupil.

If no such RHPAL parent is elected, a person who is a parent of a child of compulsory school age may be appointed.

Up to 2 Staff Governors shall be elected by a ballot of all staff employed under a contract of employment or a contract for services or otherwise engaged to provide services to the Academy (excluding the Principal). If a Staff Governor ceases to work at the Academy then he shall be deemed to have resigned and shall cease to be a Governor automatically on termination of his work at the Academy. Any election of a Staff Governor which is contested shall be held by secret ballot.

The Governors may appoint up to 3 Co-opted Governors. A 'Co-opted Governor' means a person who is appointed to be a Governor by being Co-opted by Governors who have not themselves been so appointed.

Governors are subject to retirement or re-election at the end of their 4 year term of office unless the eligibility conditions listed above prevail.

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Policies and Procedures Adopted for the Induction and Training of Trustees.

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 and Governors are given a tour of the Academy and the chance to meet with staff and students.

All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees. As there are normally few new Trustees a year, induction tends to be done informally and is tailored specifically to the individual.

Organisational Structure

The structure of the Academy consists of two senior levels: the Board of Directors Trustees and the Principal leading the Senior Leadership Team which includes Vice Principals, Assistant Principal (non- Curriculum), Assistant Principals

An aim of this management structure is to distribute responsibility and accountability and to encourage involvement in decision making at all levels so that the School nurtures the talents of its entire staff to support continual improvement and excellence.

The Board of Directors is responsible for setting the School's policies, adopting the School Improvement Plan and budget, monitoring performance against these plans and making major decisions about the direction of the School including its curriculum, the achievement and welfare of students and staffing.

The Principal and Senior Leadership Team control the School at an executive level, implementing the policies set by the Board of Directors and reporting back to them.

The Board of Directors has established four sub-committees. Each sub-committee has its own terms of reference detailing the responsibilities discharged to the sub-committee, to the Principal (The Accounting Officer) and to the Senior Leadership Team.

The terms of reference and meeting frequency for each sub-committee is reviewed and approved by the Board of Directors annually. The Academy has an approved Financial Handbook which details the School's authorised spending limits.

The sub-committees of the Board of Directors are:

- Business Committee
- Strategic Committee
- Principals Appraisal and Pay review committee
- Pupil Progress Committee

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Connected Organisations, including Related Party Relationships

There are no connected organisations or related parties. The Academy participates informally where appropriate in local networks operating within the pyramid and Local Education Authority area.

**Objectives and Activities**

Objects and Aims

The principal object and activity of the charitable company is the operation of The Richmond Hill Primary Academy to provide education for pupils of different abilities between the ages of 4 and 11.

In accordance with the Articles of Association the charitable company has adopted a "Scheme of Government" approved by the Secretary of State for Education and Skills. The Scheme of Government specifies, amongst other things, the basis for admitting students to The Academy, and that the curriculum should comply with the substance of the national curriculum.

**Vision Statement**

Richmond Hill Primary Academy – United in Learning and Aspiring Together



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**The Aims of Richmond Hill Primary Academy**

- Achieve high standards in as many aspects of Academy life as possible
- Have a standard of behaviour which is exemplar
- Set ourselves high standards and achieve our personal targets
- To provide high quality education for all pupils, so that they may fulfil their roles as responsible citizens, in Academy and the wider community.
- Respect every person in our Academy as well as ourselves
- To encourage respect and value other cultures and beliefs and become caring, confident and educated members of a multi-faith, multi-cultural society.
- To encourage all children to welcome new challenges, look for solutions and celebrate their own and others' successes.
- To motivate and encourage children to become independent, confident learners.
- To provide a holistic, broad, balanced, relevant and challenging accessible curriculum in which pupils will be encouraged to reach their full potential.
- To develop confidence in 'trying' and aspiring (Better better best and the Ladder of Success.)
- To work co-operatively with parents, carers and the local and wider community in order to provide the very best.
- To ensure the aims of the Academy are underpinned by a positive ethos and full entitlement to the whole curriculum by valuing each individual, regardless of race, gender, faith or ability.
- To offer every child, every chance, every day.

**Values**

- Respect
- Tolerance
- Liberty
- Aspiration
- Independence
- Democracy
- Confidence
- Self-motivation and regulation

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**Objectives, Strategies and Activities**

Richmond Hill Primary Academy is an inclusive Academy providing a broad curriculum that takes into account children's varying learning styles and needs. Every child is expected to achieve his or her full potential and the Academy works very closely with parents/carers to achieve this.

**To address the school's School Improvement Plan**

**To develop the capability of the school's leadership & management, to be achieved by the following actions:**

- Review all School policies to ensure they remain fit for purpose & are effectively implemented.
- Offer all members greater opportunity to work with the Directors & greater experience of financial planning.
- Review the School's current strengths & areas for development & identify training needs
- Review the School's Timetabling & Curriculum provision to best meet the needs of students, within budget constraints.
- Audit the skills of teaching staff & plan to develop expertise & flexibility, to inform future recruitment requirements.
- Review & improve Quality Assurance procedures.
- Review & improve Reporting to Trustees.

**To consolidate & extend the school's academic, pastoral & extra-curricular excellence, to be achieved by the following actions:**

- Review & improve procedures to ensure that controlled assessment, formative and summative, are used to drive up performance.
- Review staff developments & curriculum requirements in order to implement appropriate succession planning.
- To showcase the School's talent & academic atmosphere widely through numerous events.
- To manage rooms & facilities to better support the development of the curriculum, within timetabling constraints.

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**To secure the future of the Academy and the prosperity of the school, to be achieved by the following actions:**

- Completion of Academy transition procedures successfully.
- Establishment of a new Improvement Plan.
- Develop the roles of non-teaching personnel into key non-teaching roles within the school.
- Exploration of the School's catchment area & with appropriate marketing & quality marketing materials.
- Development of school's access to grant funding.
- Sharing teaching & other shared resource opportunities with other schools.
- To develop outreach into local primary schools & other academic community links.
- Continue to develop the estate.
- To consider further opportunities for growth as an Academy.

**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 charity's aim and objective and in planning future activities.

The Trustees confirm that they have complied with the duty to have due regard to the Charity Commission's general guidance on public benefit, "Charities and Public Benefit".

To advance for the public benefit education in the Sprotbrough region of Doncaster and the surrounding area, in particular but without prejudice to the generality of the foregoing by estimating, maintaining, carrying on, managing and developing schools, offering a broad curriculum with a strong emphasis on, but in no way limited to, either one or a combination of the specialisms. To provide facilities for recreational and other leisure time occupation for the community at large in the interests of social welfare and with the interest of improving the life of the said community.

**Strategic Report**

**Achievements and Performance** (based on 2014 unvalidated data)

From a low baseline, the children in Foundation make very good progress. Achievement in Key stage 1 has exceeded national expected outcomes. Key stage 2 results exceeded national expected outcomes across the board, with the exception of SPAG assessment.

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Key Performance Indicators

Attainment across Foundation, Key stage 1 and Key stage 2 at least good overall

Number of staff employed by the Academy and supporting pupils in teaching and in a variety of roles has increased.

Pupil's attendance exceeds national outcomes

Ofsted 2012 good with outstanding features

Going Concern

After making appropriate enquiries, the Board of Directors has a reasonable expectation that the Academy 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 note of the financial statements.

**Financial Review**

Most of the Academy'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 year ended 31 August 2014 and the associated expenditure are shown as restricted funds in the statement of financial activities.

During the year, the Academy received total funding of £1,044,737 compared to total resources expended of £1,115,153 to give a deficit for the period of £70,416, ignoring the value of assets inherited on conversion to an academy.

Taking into account the surplus inherited from the former local authority school, the Academy has £2,102,711 in accumulated reserves carried forwards. Of this amount, £55,052 comprises funds available for spending on the day to day running of the school, £2,646,498 comprises the value attributed to assets under the academy's controls and £596,000 deficit is attributable to the school's share of the Local Government Pension Deficit.

The trustees consider an appropriate level of reserves to be in the order of 1-2 months' total expenditure, to insulate the Academy in the event of EFA funding becoming interrupted, and the carry forwards at 31 August 2014 is considered to be in line with that objective.

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### Reserves Policy

The Academy's 'free' reserves are its funds after excluding restricted funds. 'Reserves' are therefore the resources the Academy has or can make available to spend for any or all of the Academy's purposes once it has met its commitments and covered its other planned expenditure. More specifically 'free reserves' represent income to the Academy which is to be spent at the Trustees' discretion in furtherance of any of the Academy's objects but which is not yet spent, committed or designated.

The Board of Trustees reviews the reserve levels of the Academy Trust annually at the year-end and as a part of its budget planning process. This review encompasses the nature of the income and expenditure streams, the need to match income with commitments and the nature of reserves. Trustees determine what the level of uncommitted reserves should be. The aim is to provide sufficient working capital to cover delays between spending and the receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance.

As part of its monitoring of in-year financial performance the Board of Trustees reviewed the forecast impact on the reserves and considers this as part of its medium term financial planning. During 2014 the Board of Trustees planned to establish a reasonable level of general reserves at the year-end in order to enable it to both managed unforeseen emergencies and also to enable planned use over the medium term to lessen any budget shortfalls.

### Investment Policy

The policy of the academy is to maintain its operating funds in secure UK bank accounts. There are no other investments at this stage.

### **Principal Risks and Uncertainties**

Based on the strategic plan, the Business Committee undertakes a comprehensive review of the risks to which the Academy is exposed. The committee identifies systems and procedures, including specific preventable actions which should mitigate any potential negative impact on the Academy.

The internal controls for managing risks deemed as medium and high are incorporated into annual risk management action plan. The effectiveness of the Academy's internal controls in managing the risks identified is regularly monitored.

A thorough appraisal is undertaken in the subsequent year of the existing risks and any emerging risks, for example, those arising from changes to national funding policy and/or local circumstances. In addition to the annual review, the Business Committee will also consider any risks which arise during the year, for example, as a result of a new area of work being undertaken by the Academy.

A risk register, covering low, medium and high level risks, is maintained at Academy level. The risk register identifies the key risks, the likelihood of those risks occurring, their potential impact on the Academy and the actions being taken to reduce and mitigate the risks. Risks are prioritised as low, medium and high using a consistent scoring system.

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The Academy's approach to risk management is supported by a risk management training programme which raises awareness of risk throughout the Academy. In addition the SLT incorporate risk management in their self-assessment reports and quality improvement plans.

Outlined below is a description of the principal risk factors that may affect the Academy. However, not all factors are within the Academy's control and other factors besides those listed below may also adversely affect the Academy.

***Government funding***

The Academy has considerable reliance on continued government funding through the Education Funding Agency (EFA) and the Local Authority.

This risk has and will be mitigated in a number of ways:

- Funding is derived through a number of direct and indirect contractual arrangements;
- Considerable focus and investment is placed on maintaining and managing key relationships with the various funding bodies;

Ensuring the Academy is focused on those priority sectors which will continue to benefit from public funding;

- Contingency planning embedded into the Academy budget process.
- Maintain adequate funding of pension liabilities

The financial statements report the share of the local government pension scheme deficit on the Academy's balance sheet in line with the requirements of FRS 17.

The Academy takes professional advice on this position and makes appropriate contributions on the basis of that advice to ensure the deficit does not become unmanageable.

***Pupil Strategy***

The Academy seeks to maintain its popularity with current and prospective pupils by:

- ensuring the Academy delivers high quality education and training;
- maintaining outstanding success rates and good inspection outcomes; and
- investing in its teaching staff and resources.

With ongoing commitment to quality, the Academy now provides market-leading learning environments with state of the art technology and specialist resources.

This places the Academy in an excellent position to attract new pupils.

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**Plans for Future Periods**

The school is seeking to exploit the opportunities afforded by conversion to Academy status. Initially by utilising increased financial resources and governance freedoms to improve further the standard of teaching and learning but also, importantly, to improve the school estate.

**Funds held as Custodian Trustee on behalf of others**

The School and its Trustees do not act as the Custodian Trustees of any other Charity.

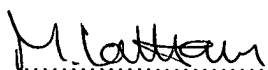
**Auditor**

Insofar as the trustees are aware:

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

The auditors, Duncan & Toplis Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Trustees' report, incorporating a strategic report, approved by order of the members of the Board of Directors on 8 December 2014 and signed on its behalf by:



Mrs M Latham  
Chair of Trustees

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## **Governance Statement**

### **Scope of Responsibility**

As Trustees, we acknowledge we have overall responsibility for ensuring that Richmond Hill Primary Academy 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 Directors has delegated the day-to-day responsibility to the 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 Richmond Hill Primary Academy and the Secretary of State for Education. They are also responsible for reporting to the Board of Directors 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 Directors has formally met 4 times during the year. Attendance during the year at meetings of the Board of Directors was as follows:

<b>Director</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
L Chambers	4	4
P Crawley	3	4
S Eardley	3	4
J Foster	4	4
N Hair	4	4
M Latham	3	4
I McLaughlin	3	4
D Temperton	3	4
E Walker		4

The Learning & Progress Committee is a sub-committee of the main Board of Directors. Its purpose is to ensure effective performance of Director responsibilities in relation to the planning and delivery of learning and support for pupils

<b>Director</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Phil Crawley	1	1
S Eardley	1	1
J Foster	1	1
Nigel Hair	1	1



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The Principal's Review Committee is a sub-committee of the main Board of Directors. Its purpose is to arrange to meet with the External Advisor to discuss the Principal's performance targets.

<b>Director</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
L Chambers	1	1
I McLaughlin	1	1
E Walker	1	1

The Pay and Review Committee is a sub-committee of the main Board of Directors. Its purpose is to use performance management systems to improve teaching, leadership and management

<b>Director</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
L Chambers	1	1
I McLaughlin	1	1
E Walker	1	1

The Business & Management/Audit Committee is a sub-committee of the main board of trustees. Its purpose is to manage the Academy's resources and finances efficiently and effectively. Attendance at meetings in the year was as follows:-

<b>Director</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
L Chambers	4	4
S Eardley	2	4
J Foster	4	4
I McLaughlin	4	4
D Temperton	4	4

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The Strategic Leadership Committee is a sub-committee of the main board of Directors. Its purpose is to co-ordinate the work of the Board of Directors, ensuring that there is appropriate support and challenge for the Principal and other Academy leaders and have the power to act on behalf of the Board of Directors in extra-ordinary circumstances. Attendance at meetings in the year was as follows:

Director	Meetings attended	Out of a possible
P Crawley	3	6
S Eardley	3	6
J Foster	6	6
M Latham	5	6
I McLaughlin	5	6
D Temperton	5	6
E Walker	5	6

#### **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's 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 Richmond Hill Primary Academy for the period 1 February 2014 to 31 August 2014 and up to the date of approval of the annual report and financial statements.

#### **Capacity to Handle Risk**

The board of trustees has reviewed the key risks to which the academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy's significant risks that has been in place for the period 1 February 2014 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 board of trustees.

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

The board of trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the trustees have Duncan & Toplis Limited, as responsible officer (RO).

The RO's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems.

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

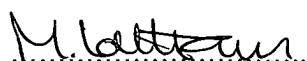
### **Review of Effectiveness**

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

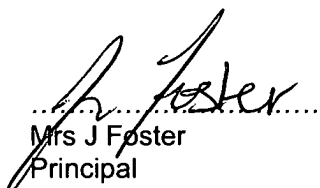
- the work of the Responsible Officer
- the work of the external auditor;
- the financial management and governance self-assessment process
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Business & Management/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 Directors on 8 December 2014 and signed on its behalf by:



Mrs M Latham  
Chair of Board of Directors



Mrs J Foster  
Principal

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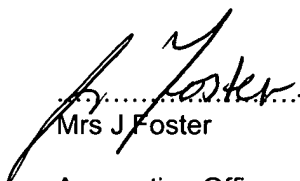
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**Statement on Regularity, Propriety and Compliance**

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

I confirm that I and the academy trust Board of Directors 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 Directors and EFA.

  
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Mrs J Foster  
Accounting Officer

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**Statement of Trustees' Responsibilities**

The trustees (who act as governors of Richmond Hill Primary Academy Trust Limited 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 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 trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the trustees are required to:

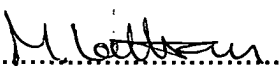
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material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

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

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

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

Approved by order of the members of the board of trustees on 8 December 2014 and signed on its behalf by:

.....  
M Latham  
Chair of Board of Directors

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**RICHMOND HILL ACADEMY LIMITED**  
(A company limited by guarantee)

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**INDEPENDENT AUDITORS' REPORT TO THE BOARD OF TRUSTEES OF RICHMOND HILL ACADEMY LIMITED**

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We have audited the financial statements of Richmond Hill Academy Limited for the period 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 TRUSTEES AND AUDITORS**

As explained more fully in the Trustees' responsibilities statement, the Trustees (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 Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' 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.

**UNQUALIFIED OPINION**

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 period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the 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 Trustees' report for the financial period for which the financial statements are prepared is consistent with the financial statements.

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**RICHMOND HILL ACADEMY LIMITED**  
(A company limited by guarantee)

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**INDEPENDENT AUDITORS' REPORT TO THE BOARD OF TRUSTEES OF RICHMOND HILL ACADEMY LIMITED**

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**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic report.



Nicholas Cudmore FCA (Senior Statutory Auditor)

for and on behalf of

**Duncan and Toplis Limited**

Chartered Accountants and Statutory Auditors

15 Chequergate

Louth

Lincolnshire

LN11 0LJ

8 December 2014

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**RICHMOND HILL ACADEMY LIMITED**  
(A company limited by guarantee)

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**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO RICHMOND HILL ACADEMY LIMITED AND THE EDUCATION FUNDING AGENCY**

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In accordance with the terms of our engagement letter dated 1 December 2014 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013 to 2014, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Richmond Hill Academy Limited during the period 19 December 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 Richmond Hill Academy Limited and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Richmond Hill Academy Limited 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 Richmond Hill Academy Limited and EFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF RICHMOND HILL ACADEMY LIMITED'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT**

The accounting officer is responsible, under the requirements of Richmond Hill Academy Limited's funding agreement with the Secretary of State for Education dated 24 January 2014, 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 period 19 December 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.



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**RICHMOND HILL ACADEMY LIMITED**  
(A company limited by guarantee)

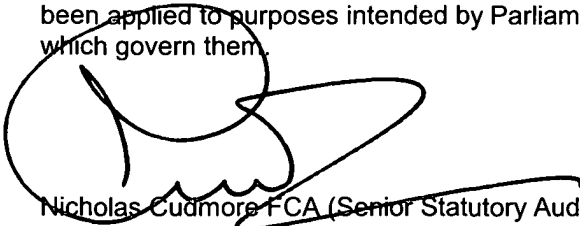
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**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO RICHMOND HILL ACADEMY LIMITED AND THE EDUCATION FUNDING AGENCY (continued)**

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**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 19 December 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.



Nicholas Cudmore FCA (Senior Statutory Auditor)

**Duncan and Toplis Limited**

Chartered Accountants and Statutory Auditors

15 Chequergate

Louth

Lincolnshire

LN11 0LJ

Date:

8<sup>th</sup> December 2014

**RICHMOND HILL ACADEMY LIMITED**  
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES**  
(Incorporating Income and Expenditure Account and Statement of Total Recognised Gains and Losses)  
FOR THE PERIOD ENDED 31 AUGUST 2014

	Note	Unrestricted funds 2014 £	Restricted funds 2014 £	Restricted fixed asset funds 2014 £	Total funds 2014 £
<b>INCOMING RESOURCES</b>					
Incoming resources from generated funds:					
Voluntary income	2	12,801	31,528	-	44,329
Transfer from predecessor school	7	78,538	(509,737)	2,672,326	2,241,127
Activities for generating funds	3	40,796	5,856	-	46,652
Investment income	5	89	-	-	89
Incoming resources from charitable activities:	6				
Funding for the Academy Trust's educational operations		-	945,111	8,556	953,667
<b>TOTAL INCOMING RESOURCES</b>		<b>132,224</b>	<b>472,758</b>	<b>2,680,882</b>	<b>3,285,864</b>
<b>RESOURCES EXPENDED</b>					
Costs of generating funds:					
Fundraising expenses and other costs	4	2,346	-	-	2,346
Funding for the Academy Trust's educational operations		127,790	900,959	34,579	1,063,328
Governance costs	9	2,088	47,391	-	49,479
<b>TOTAL RESOURCES EXPENDED</b>	12	<b>132,224</b>	<b>948,350</b>	<b>34,579</b>	<b>1,115,153</b>
<b>NET INCOMING / (OUTGOING) RESOURCES BEFORE TRANSFERS</b>		-	(475,592)	2,646,303	2,170,711
Transfers between Funds	22	-	(195)	195	-
<b>NET INCOME FOR THE PERIOD</b>		-	(475,787)	2,646,498	2,170,711
Actuarial gains and losses on defined benefit pension schemes		-	(68,000)	-	(68,000)
<b>NET MOVEMENT IN FUNDS FOR THE PERIOD</b>		-	(543,787)	2,646,498	2,102,711
<i>Total funds at 19 December 2013</i>		-	-	-	-
<b>TOTAL FUNDS AT 31 AUGUST 2014</b>		-	(543,787)	2,646,498	2,102,711

All activities relate to continuing operations.

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

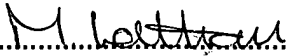
The notes on pages 27 to 50 form part of these financial statements.

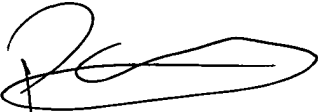
**RICHMOND HILL ACADEMY LIMITED**  
(A company limited by guarantee)  
REGISTERED NUMBER: 08820308

**BALANCE SHEET**  
**AS AT 31 AUGUST 2014**

	Note	£	2014 £
<b>FIXED ASSETS</b>			
Tangible assets	19		2,648,095
<b>CURRENT ASSETS</b>			
Debtors	20	59,070	
Cash at bank and in hand		100,340	
		<u>159,410</u>	
<b>CREDITORS: amounts falling due within one year</b>	21	<u>(108,794)</u>	
<b>NET CURRENT ASSETS</b>			<u>50,616</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>2,698,711</u>
Defined benefit pension scheme liability	30		<u>(596,000)</u>
<b>NET ASSETS INCLUDING PENSION SCHEME LIABILITY</b>			<u><u>2,102,711</u></u>
<b>FUNDS OF THE ACADEMY</b>			
Restricted funds:			
Restricted funds	22	52,213	
Restricted fixed asset funds	22	2,646,498	
Restricted funds excluding pension liability		2,698,711	
Pension reserve		<u>(596,000)</u>	
Total restricted funds			<u>2,102,711</u>
<b>TOTAL FUNDS</b>			<u><u>2,102,711</u></u>

The financial statements were approved by the Trustees, and authorised for issue, on 8 December 2014 and are signed on their behalf, by:

  
.....  
Mrs M Latham  
Chair of Trustees

  
.....  
Mr P Crawley  
Trustee

  
.....  
Mrs E Walker  
Trustee

The notes on pages 27 to 50 form part of these financial statements.

**RICHMOND HILL ACADEMY LIMITED**  
(A company limited by guarantee)

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

	Note	Period ended 31 August 2014 £
Net cash flow from operating activities	24	10,242
Returns on investments and servicing of finance	25	89
Capital expenditure and financial investment	25	(1,792)
Cash transferred on conversion to an academy trust	28	91,801
<b>INCREASE/(DECREASE) IN CASH IN THE PERIOD</b>		<b>100,340</b>

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

	Period ended 31 August 2014 £
Increase/(Decrease) in cash in the period	100,340
<b>MOVEMENT IN NET FUNDS IN THE PERIOD</b>	<b>100,340</b>
Net funds at 19 December 2013	-
<b>NET FUNDS AT 31 AUGUST 2014</b>	<b>100,340</b>

The notes on pages 27 to 50 form part of these financial statements.

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**RICHMOND HILL ACADEMY LIMITED**  
**(A company limited by guarantee)**

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

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**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.

**1.2 Company status**

The Academy is a company limited by guarantee. The members of the company are the Trustees named on page 11. In the event of the Academy being wound up, the liability in respect of the guarantee is limited to £10 per member of the Academy.

**1.3 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 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 and include grants from the Department for Education.

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

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**RICHMOND HILL ACADEMY LIMITED**  
(A company limited by guarantee)

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

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**1. ACCOUNTING POLICIES (continued)**

**1.4 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.

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**RICHMOND HILL ACADEMY LIMITED**  
(A company limited by guarantee)

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

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**1. ACCOUNTING POLICIES (continued)**

**1.5 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 Trustees' meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

**1.6 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 Academy 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.

**1.7 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.

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.

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:

L/Term Leasehold Property	-	2% Straight line
Fixtures and fittings	-	20% Straight line
Computer equipment	-	33% Straight line

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**RICHMOND HILL ACADEMY LIMITED**  
(A company limited by guarantee)

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

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**1. ACCOUNTING POLICIES (continued)**

**1.8 Operating leases**

Rentals under operating leases are charged to the Statement of financial activities on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

**1.9 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.

**1.10 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 30, 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.



**RICHMOND HILL ACADEMY LIMITED**  
(A company limited by guarantee)

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

**1. ACCOUNTING POLICIES (continued)**

**1.11 Conversion to an academy trust**

The conversion from a state maintained school to an academy trust involved the transfer of identifiable assets and liabilities and the operation of the school for NIL consideration and has been accounted for under the acquisition accounting method.

The assets and liabilities transferred on conversion from Richmond Hill Primary School to an academy trust have been valued at their fair value, being a reasonable estimate of the current market value that the Trustees would expect to pay in an open market for an equivalent item. Their fair value is in accordance with the accounting policies set out for Richmond Hill Academy Limited. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in the Statement of financial activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Further details of the transaction are set out in note 28.

**2. VOLUNTARY INCOME**

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £
Other voluntary income	12,801	31,528	44,329

**3. ACTIVITIES FOR GENERATING FUNDS**

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £
Catering income	31,392	-	31,392
Receipts from staff insurance claims	-	5,856	5,856
Other income	9,404	-	9,404
	40,796	5,856	46,652

**RICHMOND HILL ACADEMY LIMITED**  
(A company limited by guarantee)

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

**4. TRADING ACTIVITIES**

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £
<b>Fundraising trading expenses</b>			
Goods for resale	2,240	-	2,240
Other expenses	106	-	106
	<u>2,346</u>	<u>-</u>	<u>2,346</u>
Net expenditure from trading activities	<u>(2,346)</u>	<u>-</u>	<u>(2,346)</u>

**5. INVESTMENT INCOME**

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £
Bank account interest	89	-	89
	<u>89</u>	<u>-</u>	<u>89</u>

**6. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES**

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £
Funding for the Academy's educational operations	-	953,667	953,667
	<u>-</u>	<u>953,667</u>	<u>953,667</u>

**RICHMOND HILL ACADEMY LIMITED**  
(A company limited by guarantee)

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

**FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS**

	Unrestricted funds 2014	Restricted funds 2014	Total funds 2014
<b>DfE/EFA revenue grants</b>			
General Annual Grant (GAG)	-	799,241	799,241
Start Up Grant	-	25,000	25,000
Pupil Premium	-	43,814	43,814
Other DfE/EFA Revenue grants	-	3,730	3,730
Devolved Formula Capital grant	-	8,556	8,556
	<u>-</u>	<u>880,341</u>	<u>880,341</u>
<b>Other government grants</b>			
SEN 1-1 Funding	-	9,430	9,430
Early Years funding	-	62,396	62,396
Other government revenue grants	-	1,500	1,500
	<u>-</u>	<u>73,326</u>	<u>73,326</u>
	<u>-</u>	<u>953,667</u>	<u>953,667</u>

**7. OTHER INCOMING RESOURCES**

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £
Transfer on conversion	<u>78,538</u>	<u>2,162,589</u>	<u>2,241,127</u>

**8. EXPENDITURE BY CHARITABLE ACTIVITY**

**SUMMARY BY FUND TYPE**

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £
Funding for the Academy's educational operations	<u>127,790</u>	<u>935,538</u>	<u>1,063,328</u>

**RICHMOND HILL ACADEMY LIMITED**  
(A company limited by guarantee)

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

**8. EXPENDITURE BY CHARITABLE ACTIVITY (continued)**

**SUMMARY BY EXPENDITURE TYPE**

	Staff costs 2014 £	Depreciation 2014 £	Other costs 2014 £	Total 2014 £
Funding for the Academy's educational operations	739,222	34,579	289,527	1,063,328

**9. GOVERNANCE COSTS**

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £
Governance Auditors' remuneration	-	7,500	7,500
Governance Auditors' non audit costs	-	1,800	1,800
Legal and professional fees	88	29,843	29,931
Personnel fees	2,000	8,248	10,248
	2,088	47,391	49,479

**10. DIRECT COSTS**

	Funding for the Academy's educational operations £	Total 2014 £
Educational supplies	19,472	19,472
Technology costs	13,761	13,761
Staff development	8,888	8,888
Educational consultancy	1,600	1,600
Other costs	9,403	9,403
Wages and salaries	539,229	539,229
National insurance	31,796	31,796
Pension cost	78,137	78,137
Depreciation	34,579	34,579
	736,865	736,865

**RICHMOND HILL ACADEMY LIMITED**  
(A company limited by guarantee)

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

**11. SUPPORT COSTS**

	Funding for the Academy's educational operations £	Total 2014 £
Pension income	14,000	14,000
Technology costs	25,539	25,539
Recruitment and support	-	-
Maintenance of premises and equipment	35,198	35,198
Cleaning	36,082	36,082
Rent and rates	9,514	9,514
Energy costs	13,628	13,628
Insurance	20,482	20,482
Security	419	419
Transport	-	-
Telephone, postage and stationery	5,423	5,423
Catering	66,427	66,427
Other costs	9,132	9,132
Bank interest and charges	-	-
Operating leases - other	559	559
Wages and salaries	79,838	79,838
National insurance	3,196	3,196
Pension cost	7,026	7,026
Depreciation	-	-
	<u>326,463</u>	<u>326,463</u>

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**12. RESOURCES EXPENDED**

	Staff costs	Non Pay Premises	Expenditure Other costs	Total
	2014	2014	2014	2014
	£	£	£	£
Fundraising expenses	-	-	2,346	2,346
<b>Costs of generating funds</b>	<b>-</b>	<b>-</b>	<b>2,346</b>	<b>2,346</b>
Funding for the Academy's educational operations	649,162	29,633	58,070	736,865
Support costs - Funding for the Academy's educational operations	90,060	103,734	132,669	326,463
<b>Charitable activities</b>	<b>739,222</b>	<b>133,367</b>	<b>190,739</b>	<b>1,063,328</b>
<b>Governance</b>	<b>-</b>	<b>-</b>	<b>49,479</b>	<b>49,479</b>
	<b>739,222</b>	<b>133,367</b>	<b>242,564</b>	<b>1,115,153</b>

**13. ANALYSIS OF RESOURCES EXPENDED BY ACTIVITIES**

	Activities undertaken directly	Support costs	Total
	2014	2014	2014
	£	£	£
Funding for the Academy's educational operations	736,865	326,463	1,063,328

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**14. NET INCOMING / (OUTGOING) RESOURCES**

This is stated after charging:

	Period ended 31 August 2014 £
Depreciation of tangible fixed assets:	
- owned by the charity	34,579
Auditors' remuneration	7,500
Operating lease rentals:	
- other operating leases	559
	<u>559</u>

**15. STAFF**

**a. Staff costs**

Staff costs were as follows:

	Period ended 31 August 2014 £
Wages and salaries	564,281
Social security costs	34,992
Other pension costs (Note 30)	85,163
	<u>684,436</u>
Supply teacher costs	54,786
	<u>739,222</u>

**b. Staff numbers**

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

	Period ended 31 August 2014 No.
Teachers	16
Support and administration	23
Management	1
	<u>40</u>

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**15. STAFF (continued)**

**c. Higher paid staff**

No employee received remuneration amounting to more than £60,000 in the period.

**16. TRUSTEES' REMUNERATION AND EXPENSES**

During the period retirement benefits were accruing to 3 Trustees in respect of defined benefit pension schemes.

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

	Period ended 31 August 2014 £'000
Ms S Eardley, Deputy Head Teacher	35-40
Mrs J Foster, Principal	45-50
Ms D Temperton, Assistant Principal (non curriculum)	20-25

During the period, no Trustees received any benefits in kind.

During the period, no Trustees received any reimbursement of expenses.

**17. TRUSTEES' AND OFFICERS' INSURANCE**

In accordance with normal commercial practice the Academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £1,000,000 on any one claim and the cost for the period ended 31 August 2014 was £310. The cost of this insurance is included in the total insurance cost.

**18. OTHER FINANCE INCOME**

	Period ended 31 August 2014 £
Expected return on pension scheme assets	3,000
Interest on pension scheme liabilities	(17,000)
	<hr/> <b>(14,000)</b> <hr/>



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**19. TANGIBLE FIXED ASSETS**

	Long Leasehold Property £	Fixtures and fittings £	Computer equipment £	Total £
<b>Cost</b>				
Additions	2,654,000	4,100	24,574	2,682,674
At 31 August 2014	2,654,000	4,100	24,574	2,682,674
<b>Depreciation</b>				
Charge for the period	29,633	478	4,468	34,579
At 31 August 2014	29,633	478	4,468	34,579
<b>Net book value</b>				
At 31 August 2014	2,624,367	3,622	20,106	2,648,095

Included in land and buildings is leasehold land valued at £114,000 which is not depreciated.

As explained in note 28, land and buildings were valued in the year by Mouchel plc on a fair value basis.

**20. DEBTORS**

	2014 £
Other debtors	30,323
Prepayments and accrued income	16,730
Grants Receivable	12,017
	<u>59,070</u>

**21. CREDITORS:  
Amounts falling due within one year**

	2014 £
Trade creditors	23,456
Accruals and deferred income	85,338
	<u>108,794</u>
<b>Deferred income</b>	£
Resources deferred during the year	<u>32,601</u>

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**21. CREDITORS:**  
Amounts falling due within one year (continued)

At the balance sheet date the Academy Trust was holding funds received in advance for a grant relating to the following academic year.

**22. STATEMENT OF FUNDS**

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
<b>Unrestricted funds</b>						
Unrestricted funds	-	132,224	(132,224)	-	-	-
<b>Restricted funds</b>						
General Annual Grant (GAG)	-	799,241	(746,833)	(195)	-	52,213
Start Up Grant	-	25,000	(25,000)	-	-	-
Other DfE/EFA grants	-	47,544	(47,544)	-	-	-
Government grants	-	73,326	(73,326)	-	-	-
Other income	-	37,384	(37,384)	-	-	-
School fund	-	13,263	(13,263)	-	-	-
Pension reserve	-	(523,000)	(5,000)	-	(68,000)	(596,000)
	-	472,758	(948,350)	(195)	(68,000)	(543,787)
<b>Restricted fixed asset funds</b>						
DfE/EFA capital grants	-	8,556	(1,352)	-	-	7,204
Capital expenditure from GAG	-	-	(31)	195	-	164
Capital expenditure from other income	-	2,672,326	(33,196)	-	-	2,639,130
	-	2,680,882	(34,579)	195	-	2,646,498
Total restricted funds	-	3,153,640	(982,929)	-	(68,000)	2,102,711
Total of funds	-	3,285,864	(1,115,153)	-	(68,000)	2,102,711

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

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

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**22. STATEMENT OF FUNDS (continued)**

Other DFE / EFA Grants comprise of various grants awarded for specific projects, in particular to boost standards of attainment. Grants include Pupil Premium funding which is intended to support education from pupils from a disadvantaged background.

Local Government Grants includes funding provided for pupils with Statements of Special Educational Needs and is used by the academy to assist with the pupils education.

Other capital grants are provided to the academy based on specific bids for individual projects.

Other income comprises various other receipts including school meals. The income is classed as restricted or unrestricted based on the nature of the income.

The pension reserve arises from the actuarial measurement of the Academy's share of the Local Government Pension Scheme deficit. This deficit is recorded as a provision. The actuarial cost of employing staff during the year is initially reflected in the normal running costs of the school in the restricted pension fund. The amount included in resources expended represents the pension cost for the year charged to income and expenditure that arises from actuarial calculations of service cost rather than employer contributions paid, and amounts to £5,000. Actuarial gains and losses that arise from changes in assumptions by the actuary or wider influences are shown in the restricted pension fund, the movement this year being a net £68,000 actuarial increase in the net pension fund deficit.

Restricted fixed asset funds represent monies received in respect of and spent on fixed assets. This includes assets inherited on conversion. The total of resources expended within this fund include the depreciation charge for the year. The transfers figure is the amount of other funds used to acquire fixed assets.

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.

**SUMMARY OF FUNDS**

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
General funds	-	132,224	(132,224)	-	-	-
Restricted funds	-	472,758	(948,350)	(195)	(68,000)	(543,787)
Restricted fixed asset funds	-	2,680,882	(34,579)	195	-	2,646,498
	-	3,285,864	(1,115,153)	-	(68,000)	2,102,711

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**23. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted funds 2014 £	Restricted funds 2014 £	Restricted fixed asset funds 2014 £	Total funds 2014 £
Tangible fixed assets	-	-	2,648,095	2,648,095
Current assets	-	159,410	-	159,410
Creditors due within one year	-	(107,197)	(1,597)	(108,794)
Provisions for liabilities and charges	-	(596,000)	-	(596,000)
	<u>-</u>	<u>(543,787)</u>	<u>2,646,498</u>	<u>2,102,711</u>

**24. NET CASH FLOW FROM OPERATING ACTIVITIES**

	Continuing £	Discontinued £	Period ended 31 August 2014 Total £
Net incoming resources before revaluations	2,170,711	-	2,170,711
Returns on investments and servicing of finance	(89)	-	(89)
Transfer on conversion to an Academy	(2,241,127)	-	(2,241,127)
Depreciation of tangible fixed assets	34,579	-	34,579
Capital grants from DfE	(8,556)	-	(8,556)
Increase in debtors	(59,070)	-	(59,070)
Increase in creditors	108,794	-	108,794
FRS 17 adjustments	5,000	-	5,000
<b>Net cash inflow/(outflow) from operations</b>			<u><u>10,242</u></u>

**25. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT**

	Period ended 31 August 2014 £
<b>Returns on investments and servicing of finance</b>	
Interest received	<u><u>89</u></u>

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**25. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT (continued)**

	Period ended 31 August 2014 £
<b>Capital expenditure and financial investment</b>	
Purchase of tangible fixed assets	(10,348)
Capital grants from DfE	8,556
<b>Net cash outflow capital expenditure</b>	<u><u>(1,792)</u></u>

**26. ANALYSIS OF CHANGES IN NET FUNDS**

	19 December 2013 £	Cash flow £	Other non-cash changes £	31 August 2014 £
Cash at bank and in hand:	-	100,340	-	100,340
<b>Net funds</b>	<u>-</u>	<u>100,340</u>	<u>-</u>	<u>100,340</u>

**27. MAJOR NON-CASH TRANSACTIONS**

Included in note 24 to the cash flow is £2,654,000 which relates to the gift of leasehold land and buildings from the Local Authority upon conversion to an Academy. This did not include the transfer of cash.

**28. CONVERSION TO AN ACADEMY TRUST**

On 1 February 2014 Richmond Hill Primary School converted to Academy Trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Richmond Hill Primary Academy Limited from Doncaster Borough 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 Statement of financial activities.

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**28. CONVERSION TO AN ACADEMY TRUST (continued)**

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets				
Leasehold land and buildings	-	-	2,654,000	2,654,000
- Other tangible fixed assets	-	-	18,326	18,326
Budget surplus/(deficit) on LA funds	91,801	-	-	91,801
LGPS pension surplus/(deficit)	-	(523,000)	-	(523,000)
Net assets/(liabilities)	<u>91,801</u>	<u>(523,000)</u>	<u>2,672,326</u>	<u>2,241,127</u>

The above net assets include £91,801 that were transferred as cash.

The Academy's land and buildings are owned by Doncaster Borough Council who have agreed to grant a long lease to the Academy at a peppercorn rent. These land and buildings have been valued and are included in the financial statements both within fixed assets and as a gift in kind.

The valuation used for this purpose was undertaken for the Education Funding Agency by Mouchel plc. The land and buildings were valued as at 31 March 2014 on a fair value basis.

**29. CONTINGENT LIABILITIES**

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

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

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

**30. 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 South Yorkshire Pension Fund. 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 2010.

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

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**30. PENSION COMMITMENTS (continued)**

**Teachers' Pension Scheme**

**Introduction**

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

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

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

**Valuation of the Teachers' Pension Scheme**

The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. 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 for service to the effective date of £191,500 million, and notional assets of £176,600 million, giving a notional past service deficit of £14,900 million; and
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations.

The new employer contribution rate is applicable from 1 April 2015 and will be implemented for the TPS from September 2015.

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

**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.

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**30. PENSION COMMITMENTS (continued)**

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.

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 period ended 31 August 2014 was £53,000, of which employer's contributions totalled £43,000 and employees' contributions totalled £10,000. The agreed contribution rates for future years are 13.7%% for employers.

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.



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**30. PENSION COMMITMENTS (continued)**

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

	Expected return at 31 August 2014 %	Fair value at 31 August 2014 £
Equities	7.00	87,000
Government bonds	3.40	18,000
Other bonds	4.40	9,000
Property	6.20	15,000
Cash/liquidity	0.50	3,000
Other	7.00	9,000
Total market value of assets		141,000
Present value of scheme liabilities		-
Surplus/(deficit) in the scheme		141,000

The amounts recognised in the Balance sheet are as follows:

	Period ended 31 August 2014 £
Present value of funded obligations	(737,000)
Fair value of scheme assets	141,000
Net liability	(596,000)

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

	Period ended 31 August 2014 £
Current service cost	(34,000)
Interest on obligation	(17,000)
Expected return on scheme assets	3,000
Total	(48,000)
Actual return on scheme assets	9,000

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**30. PENSION COMMITMENTS (continued)**

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

	Period ended 31 August 2014 £
Opening defined benefit obligation	603,000
Current service cost	34,000
Interest cost	17,000
Contributions by scheme participants	10,000
Actuarial Losses	73,000
	<hr/>
Closing defined benefit obligation	737,000
	<hr/>

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

	Period ended 31 August 2014 £
Opening fair value of scheme assets	80,000
Expected return on assets	3,000
Actuarial gains and (losses)	5,000
Contributions by employer	43,000
Contributions by employees	10,000
	<hr/>
	141,000
	<hr/>

The cumulative amount of actuarial gains and losses recognised in the Statement of total recognised gains and losses was £68,000.

The Academy expects to contribute £69,000 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
Equities	61.20 %
Government bonds	13.10 %
Other bonds	6.60 %
Property	10.80 %
Cash/liquidity	1.80 %
Other	6.50 %

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**30. PENSION COMMITMENTS (continued)**

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

	<b>2014</b>
Discount rate for scheme liabilities	<b>4.00 %</b>
Rate of increase in salaries	<b>3.95 %</b>
Rate of increase for pensions in payment / inflation	<b>2.20 %</b>
Inflation assumption (CPI)	<b>2.20 %</b>

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

	<b>2014</b>
Retiring today	
Males	<b>22.9</b>
Females	<b>25.5</b>
Retiring in 20 years	
Males	<b>25.2</b>
Females	<b>28.3</b>

Amounts for the current period are as follows:

Defined benefit pension schemes

	<b>2014 £</b>
Defined benefit obligation	<b>(737,000)</b>
Scheme assets	<b>141,000</b>
Deficit	<b>(596,000)</b>
Experience adjustments on scheme liabilities	<b>(73,000)</b>
Experience adjustments on scheme assets	<b>5,000</b>

**Sensitivity Analysis**

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

	<b>0.1% Inc. p.a. Discount Rate £</b>	<b>0.1% Inc. p.a. in Inflation £</b>	<b>1 year increase in life expectancy £</b>
Liabilities	<b>719,000</b>	<b>754,000</b>	<b>749,000</b>
Assets	<b>(141,000)</b>	<b>(141,000)</b>	<b>(141,000)</b>
Deficit/(Surplus)	<b>578,000</b>	<b>613,000</b>	<b>608,000</b>
Projected Service Cost for next year	<b>62,000</b>	<b>66,000</b>	<b>65,000</b>
Projected Expected Return on Assets for next year	<b>(10,000)</b>	<b>(10,000)</b>	<b>(10,000)</b>
Projected Interest Cost for next year	<b>31,000</b>	<b>32,000</b>	<b>31,000</b>

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**31. 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 trustees 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.

During the year, the Academy Trust procured HR Consultancy services from Ms E Walker totalling £971. Ms E Walker is a Trustee of the Academy.

**32. CONTROLLING PARTY**

The Trustees as a body have ultimate control of the Academy. There is no individual controlling party.