

**HAYGROVE SCHOOL**  
**(A COMPANY LIMITED BY GUARANTEE)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2015**

**HAYGROVE SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)**

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**HAYGROVE SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)**

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY TRUST, ITS MEMBERS/ TRUSTEES  
AND ADVISERS  
FOR THE YEAR ENDED 31 AUGUST 2015**

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<b>Members</b>	K Canham R Symons T Stoel-Walker T Hains L Brett
<b>Trustees</b>	K Canham, Head Teacher <sup>2,3</sup> M Davies <sup>1</sup> I Dyer <sup>2</sup> T Hains, Vice Chair <sup>1,3</sup> M Robbins <sup>1</sup> T Stoel-Walker, Chair <sup>2,3</sup> J Stone <sup>2,3</sup> R Symons <sup>2,3</sup> B Wierzychleyska <sup>1</sup> J Witts, Staff Governor <sup>1</sup> K Pritchard <sup>1</sup> L Woodley, Staff Governor <sup>1</sup> A Fulton <sup>3</sup> L Brett <sup>2,3</sup>  1 People and Performance 2 Resource and Environment 3 Finance
<b>Company registered number</b>	07665225
<b>Principal and Registered office</b>	Durleigh Road Bridgwater Somerset TA6 7HW
<b>Company secretary</b>	T Lee
<b>Accounting officer</b>	K Canham
<b>Senior leadership team</b>	Mrs K Canham, Headteacher Mr B Scowcroft, Deputy Mr A Reid, Deputy Mrs S Hannigan, Assistant Head Mr G Walters, Assistant Head Mr S Wheeler, Assistant Head Mrs M Frost, Head of Science Mrs T Lee, Business Manager
<b>Independent auditors</b>	Bishop Fleming LLP Chartered Accountants Statutory Auditors 2nd Floor Stratus House Emperor Way Exeter Business Park Exeter EX1 3QS

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY TRUST, ITS MEMBERS/ TRUSTEES  
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FOR THE YEAR ENDED 31 AUGUST 2015**

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**Administrative details (continued)**

<b>Bankers</b>	Lloyds Bank plc 25 Cornhill Bridgwater Somerset TA6 3AY
<b>Solicitors</b>	Browne Jacobson LLP Dix's Field Exeter Devon EX1 1UP

**HAYGROVE SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT  
FOR THE YEAR ENDED 31 AUGUST 2015**

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The Trustees present their annual report together with the financial statements and auditors' report of the Charitable Company for the year ended 31 August 2015. The annual report serves the purpose of both a Trustees' report, and a Directors' report under company law.

The Trust operates an academy for pupils aged 11 to 16 in Bridgwater. It has a pupil capacity of 1,070 and had a roll of 1,068 in the school census on 1 October 2015.

**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 Haygrove School are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Haygrove School.

Details of the Trustees who served throughout the year, except as noted, are included in the Reference and Administrative Details on pages 1 to 2.

**Members' liability**

Each member of the Charitable Company undertakes to contribute to the assets of the Company in the event of it being wound up while 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 they cease to be a member.

**Trustees' Indemnities**

Trustees benefit from indemnity insurance purchased at the Academy Trust's expense to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust, provided that any such insurance shall not extend to any claim arising from any act or omission which the Trustees knew to be a breach of trust or breach of duty or which was committed by the Trustees in reckless disregard to whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the Trustees in their capacity as Directors of the Academy Trust. The limit of this indemnity is £10,000,000.

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 £10,000,000 on any one claim.

**Method of recruitment and appointment or election of Trustees**

On July 1st 2011 the Trustees appointed all those Governors that served the predecessor school to be Trustees of the newly formed Academy. These Trustees were appointed on a term of office that would end when their original term at the predecessor school would have ended, thus ensuring a staggered re election or replacement process.

The Academy's Board of Trustees comprises the Headteacher, a minimum of 2 Parent Trustees, up to 2 Staff Trustees (providing that the total number of Trustees, including the Headteacher, who are employees of the Academy Trust, does not exceed one third of the total number of Trustees) and up to 11 other Trustees.

**HAYGROVE SCHOOL  
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**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2015**

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The Academy Trust shall have the following Trustees as set out in its Articles of Association and funding agreement:

- Up to 11 Trustees who are appointed by members.
- Up to 4 Parent Trustees who are elected by Parents of registered pupils at the Academy.
- Up to 2 staff Trustees appointed by the Board of Trustees.
- The Headteacher who is treated for all purposes as being an ex officio Trustee.

Trustees are appointed for a four year period, except that this time limit does not apply to the Headteacher. Subject to remaining eligible to be a particular type of Trustee, any Trustee can be re appointed or re elected.

When appointing new Trustees, the Board will give consideration to the skills and experience mix of existing Trustees in order to ensure that the Board has the necessary skills to contribute fully to the Academy's development.

**Policies and Procedures adopted for the Induction and Training of Trustees**

The Academy has a Trustee Recruitment, Induction and Training policy available from the Clerk to the Trustees. All new trustees receive an induction into the working of the Academy by the Headteacher and received an induction handbook into their roles and responsibilities.

The training and induction provided for new Trustees will depend upon their existing experience but would always include a tour of the Academy and a chance to meet staff and pupils. 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 only two or three new Trustees a year, induction tends to be done informally and is tailored specifically to the individual. Advantage is taken of specific courses offered by the Local Authority and other bodies.

There is a Trustees' away day organised each year which includes training sessions to keep the Trustees updated on relevant developments impacting on their roles and responsibilities.

**Organisational Structure**

The Board of Trustees normally meets once each term. The Board establishes an overall framework for the governance of the Academy and determines membership, terms of reference and procedures of Committees and other groups. It receives reports including policies from its Committees for ratification. It monitors the activities of the Committees through the minutes of their meetings. The Board may from time to time establish Working Groups to perform specific tasks over a limited timescale.

There are 3 committees as follows;

- Finance Committee this meets at least four times a year and is responsible for monitoring, evaluating and reviewing policy and performance in relation to financial management, compliance with reporting and regulatory requirements and reporting, receiving reports from the Responsible Officer/internal audit and drafting the annual budget including setting staffing levels. It also incorporates the role of an audit committee.
- People and Performance Committee - this meets once a term to monitor, evaluate and review Academy policy, practice and performance in relation to curriculum planning, communications, target setting and assessment, examinations and all pastoral issues. It also monitors and evaluations Human Resources Management across the Academy.
- Environment Committee – this meets once a term to look at the fabric of the school, monitoring improvements/ refurbishment and new build within the Academy keeping tight control of the financial commitments. The committee also monitors the Health and Safety for the site.
- Occasional Committees – Discipline, Complaints, Appeals and Pay.

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

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The following decisions are reserved to the Board of Trustees: to consider any proposals for changes to the status or constitution of the Academy and its committee structure, to appoint or remove the Chairman and/or Vice Chairman, to appoint the Headteacher and Clerk to the Trustees, to approve the Annual Development Plan and budget.

The Trustees are responsible for setting general policy, adopting an annual plan and budget, approving the statutory accounts, monitoring the Academy by the use of budgets and other data, and making major decisions about the direction of the Academy, capital expenditure and staff appointments.

The Trustees and Board of Trustees have devolved responsibility for day to day management of the Academy to the Headteacher and Senior Leadership Team (SLT). The SLT comprises the Headteacher, 2 Deputy Headteachers, 3 Assistant Heads, the Business Manager and a co opted Head of Department. The SLT controls the Academy at an executive level, implementing the policies laid down by the Trustees and reporting back to them. The Headteacher, Academy Business Manager and Finance, Committee are responsible for the authorisation of spending within agreed budgets; a summary of this is in the Scheme of Delegation. Some spending control is devolved to Budget Holders which must be authorised in line with the Scheme of Delegation. The Headteacher is responsible for the appointment of staff, though appointment panels for teaching posts and where possible always include a Governor.

The Headteacher is the Accounting Officer.

**Connected Organisations, including Related Party Relationships**

There are no related parties which either control or significantly influence the decisions and operations of Haygrove Academy. There are no sponsors or formal Parent Teacher Associations associated with the Academy. Haygrove Friends' Association is a formal Parent/Teacher associated with the academy.

**OBJECTIVES AND ACTIVITIES**

**Objects and Aims**

The principal object and activity of the Academy is to advance for the public benefit education in the United Kingdom, in particular by establishing, maintaining, carrying on, managing and developing a school, offering a broad range of curriculum for pupils of different abilities, with a strong emphasis on Modern Foreign Languages..

**Objectives, Strategies and Activities**

At Haygrove Academy we aim to achieve the best for, and from, each child. We intend to enable each child to realise his or her full academic, creative and physical potential and to develop positive social and moral values. Our Academy is a community in which children, staff and parents should be part of a happy and caring environment.

Key priorities for the coming year are contained in our School Development Plan which is available from the Head's PA Office. Improvement focuses identified for this year include:

**1. Achievement**

Ensure that there is a sustained, improving trend in attainment and progress for all groups of students particularly for the Pupil Premium and Academic Scholars. A key performance objective is to achieve an outstanding judgement following a review by OFSTED.

- Raise the achievement of Pupil Premium students so that they are at least in line with that of non-Pupil Premium students.
- Improve attainment and progress of Academic Scholars. (2015 outcomes show increase in 5A\*-A to 20%, an increase of 4% from last year). Appoint a Director of Learning to focus on AS.
- Improved attainment and progress in Music. (2015 Outcomes show massive improvement with 88% A\*-C. Focus remains to improve progress)
- Improve attainment and progress in DT, MFL and CIDA
- Progress in mathematics at the top end. (2015 90% ELOP, 55% 4+LOP)

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

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- Ensure that predicted outcomes are accurate and based on reliable data tracking procedures. (2015: 5A\*-C EM Predicted 79%: Achieved 77%) Subject variability remains.
- Ensure boys' progress and attainment is in line with girls. (2015 5A\*-C EM Boys 71% girls 83%) Remains priority.
- Ensure that all interventions are tracked and impact measured at KS3.
- Ensure that literacy levels are tracked systematically and are supporting students in catching up and making at least expected progress.
- Revise provision of Literacy to ensure it is in line with Primary school KS2 work.
- Measure the impact of literacy strategy in other subjects.
- Ensure that numeracy levels are tracked systematically and are supporting students in catching up and making at least expected progress.

## **2. Teaching and Learning**

Ensuring that high quality teaching at both key stages enabling all groups of students, but particularly those in the Pupil Premium and Academic Scholars' groups, to making improving rates of progress and reach/exceed targets. Particular areas for action include:

- Ensure student feedback leads to sustained progress
- Develop a Growth Mind-set climate in which strategies are implemented to improve the outcomes and attitudes towards learning of all pupils, in particular pupil premium students, so that they make at least expected levels of progress.
- Promote Growth Mind-set with all in our school community including parents.
- Ensure that every lesson focuses on personalisation, challenge and progress for all. This to be overtly shared with students in lessons.
- Adapting learning as a result of reviewing strengths and areas for improvement.
- Promote Literacy, Numeracy and SMSC systematically throughout the curriculum.
- Develop a PLC approach to lesson observations.
- Develop a PLC approach to life without levels.
- Ensure that homework is appropriate, challenging and supports progress.

## **3. Culture for Learning**

Developing a learning culture which promotes, celebrates and supports at least the expected rates of high attainment progress, ambition, aspiration, enjoyment of learning and personal development, including skills of employability for all groups of students,

Key performance indicators

- Development of greater student leadership and student voice.
- Improve systematic approach to logging behaviour in SIMS for the purpose of analysis.
- Development of rigorous system for improving lateness and attendance.
- Ensure students take responsibility for their learning.
- Review reward system for KS4.
- Peer Mentoring.
- Ensure that everyday life at Haygrove reflects the school's vision and values (including British Values).
- Ensure that student leadership is co-ordinated and is contributing to the personal development of a wide range of students.
- Ensure that tutor time is used routinely to deliver key aspects of SMSC and PSHCRE, contributing to the personal development and welfare of every student.

## **4 Leadership and Management**

To ensure that leadership at all levels and governance is clearly focussed on promoting ambition, robust consistency, high expectation and the highest standards of achievement for all students, regardless of background.

- To raise further the leadership, profile and quality of teaching and learning as the prime focus for teachers

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

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- and leaders
- To ensure that the curriculum continues to be broad and balanced, forward looking and financially sustainable.
- Ensure that the work of the Directors of Learning team - new policies and procedures, are having an impact on progress in lessons.
- Ensure that our strategies for protecting students from radicalisation and extremism are shared with and understood by staff, students and governors.
- Embed our newly designed PSHCRE programme to develop a broad and balanced view of the world including the promotion of British Values.
- Create a more structured approach to Student Voice
- Train governors in managing the extra responsibilities associated with operation of a multi-academy trust and acting as a sponsor
- Maintain close dialogue with the DFE, LA and district council in moving ahead with the project for building a new school at Queenswood Farm
- Develop further succession plans in the light of the leadership implications of changes in school organisation, creating increased capacity and career opportunities.
- Staff welfare
- Further develop our links with The Yew Wah Foundation

**Public Benefit**

The Trustees confirm that they have complied with the duty in Section 17(5) of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Academy Trust's aims and objectives and in planning its future activities.

The Academy aims to advance for the public benefit, education in Bridgwater and the surrounding area. In particular, but without prejudice to the generality of the foregoing by estimating, maintaining, managing and development schools, offering a broad curriculum with a strong emphasis on, but in no way limited to the specialism of modern Foreign Languages.

The Academy provides 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.

As an Academy we have a duty to support other schools. Our named schools in the Academy status are the Castle School and Ansford Academy. We support these schools through collaboration.

**STRATEGIC REPORT**

**Achievements and Performance**

The Academy is in its fourth year of operation and has 1068 students on role as at October 2015. The intake for Year 7 in September 2015 was below our planned admission number of by 10 students. The planned admission number for each year group is 214 given a total school population capacity of 1070.

To ensure that standards are continually assessed, the Academy operates a programme of lesson observations, which are undertaken by the Department Heads and the Senior Leadership Team.

The Academy was inspected by OFSTED in 2012 and was judged to be Good.

During the year, the Academy built a new Music Centre with a capital grant of £622,784 replacing temporary music accommodation.

All teachers attend themed programmes of Personal Professional Development (PPD). These themes are closely linked to whole school priorities in Teaching and Learning. The backbone of the programme is planned and calendared master classes delivered in directed time. Master classes are delivered by our own staff so are a vehicle to share best practice. Our appraisal model requires attendance for a complete package of PPD and teachers are expected to be able to evidence the impact this has had on their teaching and student learning

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

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The Pay Policy and Appraisal Policy have been implemented and has now run through its second full cycle. Teachers now have the opportunity to meet with an appraiser and have objective, evidence based discussions about their successes and identify areas to address through PPD. This appraisal now links to pay and more closely links financial reward with successful performance.

**Academic Achievement**

Record results were achieved in 2015

- 77% of students achieved at least 5A\*-C including English and mathematics.
- 85% of students achieved at least 5A\*-C
- Average Capped points score was 350
- Attainment 8 was 55.09
- Progress 8 was 0.45
- 92% of students achieved expected progress in English
- 76 % of students achieved expected progress in Mathematics

Disadvantaged students also achieved record results

- 58% of students achieved at least 5A\*-C including English and mathematics.
- 74% of students achieved at least 5A\*-C
- Average Capped points score was 314
- Attainment 8 was 47.49
- Progress 8 was 0.14
- 92% of students achieved expected progress in English
- 58 % of students achieved expected progress in Mathematics

**Year Group**

**Numbers as at 1  
October 2015**

7	204
8	218
9	215
10	212
11	219
Total	1,068

**Key Performance Indicators**

The main financial performance indicator is the level of reserves held at the Balance Sheet date. In particular, the management of spending against General Annual Grant (GAG) requires special attention the amount of carry forward is restricted. In period under review, £63,779 was carried forward representing 1.4% of GAG.

As funding is based on student numbers this is also a key performance indicator. Student numbers as at January 2015 were 1058 an increase of 6 students over 2014. Student numbers, in our primary schools are set to increase and a number show major expansion which will feed through to Key Stage 3 in 2017.

**Development of the School Site**

The site continues to be developed and improved and the school has made successful use of Academies Capital Maintenance funds:

- £622,784 (£598,223) has enabled the replacement of temporary buildings to form a fully equipped centre for music

The following capital expenditure has enabled the following:

- £43,808 has enabled replacement ICT equipment

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

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The school has also been successful in securing funding under the priority Schools Building Programme 2 for a major capital project that will see investment in the school's main building. The announcement regarding the extent of works will be made in December 2015.

**Going Concern**

After making appropriate enquiries, the board of trustees 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 Going concern policy.

**FINANCIAL REVIEW**

Most of the Academy's income is obtained from the DfE via the EFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2015 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

The Academy also receives grants for fixed assets from the DfE which are shown in the Statement of Financial Activities as restricted income in the Fixed Asset Fund. The Restricted Fixed Asset Fund balance is reduced by annual depreciation charges over the useful life of the assets concerned, as defined in the Academy's accounting policies.

During the year ended 31 August 2015 (excluding fixed asset funds and pension reserves), total expenditure of £5,182,439 was covered by recurrent grant funding from the DfE, together with other incoming resources of £5,121,789. The excess of expenditure over income for the year (excluding restricted fixed asset funds) was £60,650 before transfers.

At 31 August 2015 the net book value of fixed assets was £13,182,152 and movements in tangible fixed assets are shown in note 15 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

The land, buildings and other assets were transferred to the Academy upon conversion. Land and buildings were professionally valued on 31 August 2012 at £11,315,948. Other assets have been included in the financial statements at a best estimate, taking into account purchase price and remaining useful lives.

The Academy has taken on the deficit in the Local Government Pension Scheme in respect of its support staff transferred on conversion. The deficit is incorporated within the Statement of Financial Activity with details in Note 25 to the financial statements.

Key financial policies adopted or reviewed during the year include the Finance Policy which lays out the framework for financial management, including financial responsibilities of the Board, Head Teacher, managers, budget holders and other staff, as well as delegated authority for spending.

**Reserves Policy**

The Trustees review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees take into consideration the future plans of the Academy, the uncertainty over future income streams and other key risks identified during the risk review.

The Trustees have determined that the appropriate level of free reserves should be approximately £200,000. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance and to take account of a medium term fall in student numbers.

Total reserves of the academy (including a pension deficit of £2,260,000) amount to £11,252,561. £13,189,538 (unrestricted £535,976.42 and restricted £12,653,562) is invested in fixed assets or represents non GAG

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

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restricted funds. The remaining £323,122 (representing £244,984 unrestricted funds, £63,779 unspent GAG and £14,259 other restricted funds) is the balance that the Trustees monitor in accordance with the Board's reserves policy.

The current level of reserves are in excess of the £200,000 and will be used to support a shortfall in funding pending a curriculum review. The additional reserves will also act as a buffer towards other anticipated pressures expected in 2016/17 outside of the control of the school i.e., the full year effect of national insurance and teachers' pension increases as well as cuts in funding from the Education Funding Agency.

The Trustees have reviewed the future plans of the Academy and have set designated reserves to support the medium term decrease in funding due to a reduction in student numbers within the school.

**Investment Policy**

All funds surplus to immediate requirements are invested to optimal effect. Where cash flow allows, sums in excess of £50,000 may be invested on deposit for extended periods.

Due to the nature and timing of receipt of funding, the Academy may at times hold cash balances surplus to its short term requirements. The Trustees have authorised the opening of additional short term bank investment accounts to take advantage of higher interest rates. No other form of investment is authorised.

Trustees are committed to ensuring that all funds under their control are managed in such a way as to maximise return whilst minimising risk. Any cash not required for operating expenses is placed on deposit at the most favourable rate available from providers covered by the Financial Services Compensation Scheme. Day to day management of the surplus funds is delegated to the Headteacher and Business Manager within strict guidelines approved by the Board of Trustees.

**PRINCIPAL RISKS AND UNCERTAINTIES**

The Board of Trustees has reviewed the major 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 principal risks and uncertainties facing the Academy are as follows:

**Financial** the Academy has considerable reliance on continued Government funding through the EFA. In the last year 98% of the Academy's incoming resources were ultimately Government funded and whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

**Failures in governance and/or management** the risk in this area arises from potential failure to effectively manage the Academy's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks.

**Reputational** the continuing success of the Academy is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Trustees ensure that student success and achievement are closely monitored and reviewed.

**Safeguarding and child protection** the Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline.

**Staffing** the success of the Academy is reliant upon the quality of its staff and so the Trustees monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.

**Fraud and mismanagement of funds** The Academy has appointed a Responsible Officer/internal audit to carry

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**TRUSTEES' REPORT (continued)  
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out checks on financial systems and records as required by the Academy Financial Handbook. All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area.

The Academy has continued to strengthen its risk management process throughout the year by improving the process and ensuring staff awareness. A risk register is maintained and reviewed and updated on a regular basis.

The Academy has agreed a Risk Management Strategy, a Risk Register and a Risk Management Plan. These have been discussed by Trustees and include the financial risks to the Academy. The register and plan are regularly reviewed in light of any new information and formally reviewed annually.

The Trustees have assessed the major risks to which the Academy is exposed, in particular those relating to its finances, teaching, facilities and other operational areas. The Trustees have implemented a number of systems to assess and minimise those risks, including internal controls described elsewhere. Where significant financial risk still remains they have ensured they have adequate insurance cover.

The Academy is coming to the end of a four year period of a small fall in role due to fewer students within the town. Numbers are set to rise when the increased numbers of students at primary level reach secondary school age in 2017. Major housing development continues within Bridgwater and the imminent construction of the new power station at Hinkley C may impact on increased student numbers at a faster rate than predicated.

However, the reduction Education Support Grant levels, the freeze on the Government's overall education budget, changes in funding arrangements for High Needs and increasing employment and premises costs mean that budgets will be increasingly tight in coming years.

The Trustees examine the financial health formally every term. They review performance against budgets and overall expenditure by means of regular update reports at all Board and Finance Committee meetings. The Trustees also regularly review cash flow forecasts and ensure sufficient funds are held to cover all known and anticipated commitments.

At the year end, the Academy had no significant liabilities arising from trade creditors or debtors that would have a significant effect on liquidity.

The Board of Trustees recognises that the defined benefit pension scheme deficit (Local Government Pension Scheme), which is set out in Note 25 to the financial statements, represents a significant potential liability. However as the Trustees consider that the Academy is able to meet its known annual contribution commitments for the foreseeable future, this risk from this liability is minimised.

## **PLANS FOR FUTURE PERIODS**

The Academy will continue to strive to provide outstanding education and improve the levels of performance of its pupils at all levels. The Academy will continue to aim to attract high quality teachers and support staff in order to deliver its objectives.

The Academy will continue to work with partner schools to improve the educational opportunities for students in the wider community and in this respect is currently investigating becoming a Multi Academy Trust.

Following the announcement in February 2015 that the school has been included in the Priority Schools Building Programme 2 the school is awaiting the final confirmation of when the school will receive either a major refurbishment or re-build of its main building. Significant capital investment is therefore anticipated.

Full details of our plans for the future are given in our School Development Plan, which is available from the Clerk to the Trustees.

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**FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS**

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

**AUDITORS**

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are 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 auditors are aware of that information.

The auditors, Bishop Fleming LLP, are willing to continue in office and a resolution to appoint them will be proposed at the annual general meeting.

Trustees' report, incorporating a strategic report, approved by order of the board of trustees, as company directors, on 8 December 2015 and signed on the board's behalf by:

**T Stoel-Walker  
Chair of Trustees**

**K Canham  
Accounting Officer**

## **GOVERNANCE STATEMENT**

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### **SCOPE OF RESPONSIBILITY**

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

The board of trustees has delegated the day-to-day responsibility to the 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 Haygrove School and the Secretary of State for Education. They are also responsible for reporting to the board of trustees 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 Trustees' responsibilities statement. The board of trustees has formally met 5 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
K Canham, Head Teacher	5	6
M Davies	3	6
I Dyer	4	6
T Hains, Vice Chair	6	6
M Robbins	3	6
T Stoel-Walker, Chair	5	6
J Stone	5	6
R Symons	4	6
B Wierzchleyska	2	6
J Witts, Staff Governor	1	6
K Pritchard	6	6
L Woodley, Staff Governor	2	6
A Fulton	3	6
L Brett	5	6

Governance reviews:

The Board of Trustees holds an annual Away Day towards the end of each academic year during which it reviews and plans various aspects of School Strategy and School Governance. During the Away Day that occurred in July 2015, areas covered included:

- Review of academic year
- Review of latest School SEF, SDP, and Vision Statement
- An update in terms of the National Context
- Consideration of the Governors' Monitoring Role

Looking ahead, the School is considering application to form a MAT and act as a sponsor for other school(s). In doing so, Governance structures and effectiveness will be fully reviewed and refined as appropriate to reflect the new trust structure.

The Finance Committee is a sub-committee of the main board of trustees. Its purpose is to review school budget and financial management standards, review assigned school policies, evaluate the school development plan, review pay and review financial performance.

In their role as Responsible Officer the Finance Committee has contracted the detailed checking of financial systems and processes to Education Financial Services. Education Financial Services has carried out a programme of checks, which includes a quarterly visit to focus on each of the following areas:

- Purchasing including ordering, invoicing and petty cash

**GOVERNANCE STATEMENT (continued)**

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- Payroll
- Income
- Accountancy system including bank reconciliation and budget monitoring

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
L Brett	3	3
K Canham, Head Teacher	2	3
T Hains, Vice Chair	3	3
A Fulton	3	3
T Stoel-Walker	2	3
J Stone	1	3
R Symons, Chair	2	3

**REVIEW OF VALUE FOR MONEY**

As accounting officer, the Principal has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

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

**1. Raising Student Attainment**

Since the previous OFSTED inspection outcomes have risen dramatically as a result of improvements in the quality of learning and teaching, highly motivated and focused leadership and improvements in the attitudes towards learning of our students and staff. Attainment and progress is significantly above average.

- Measuring the impact of our work is embedded at every level of the school. This is reflected in our self-evaluation and our Mini SEFs.
- The proportion of good and outstanding lessons has increased significantly since the previous inspection. This is, in part, due to our weekly scheduled teaching and learning briefings where good practice is shared and staff are observed to see how this has been embedded.
- Our use of personalised learning checklists and our approach to diagnostics, therapy and testing has had significant impact on student progress.
- Growth mind-set/ Examination intervention groups targeting Academic scholars. 2015 20% 5+ A\*-A
- Improved SLOP in numeracy and literacy at KS3.

In reviewing overall effectiveness the school achieves outstanding value for money and has deployed resources effectively in order to approve student outcomes:

- Four year improving KS4 outcomes. Now outstanding. %5A\*-C EM moving from 64% in 2012 to 77% in 2015. VA now above 1000 and rising.
- 92% of lessons are good or outstanding
- There is a positive and ambitious ethos where students are safe and behave extremely well with high expectations of themselves and each other
- Leadership is values driven and provides an outstanding and rounded education.

97% Parents feedback through regular surveys and parents' forum say that they are happy with their child's experience at school.

**2. Robust Governance and oversight of Academy trust finances has been informed by**

- The external audit work undertaken by Bishop Fleming Accountants
- Reports provided by the externally appointed reviewer to ensure that the Academy systems operate effectively

**GOVERNANCE STATEMENT (continued)**

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- The Charging and Finance Policies have been reviewed

**3 Ensuring the operation of the Trust demonstrates good value for money and efficient and effective use of resources has been demonstrated by**

- seeking quotations for the replacement of ICT equipment during 2015.
- delivering the new music centre on time and within budget following an externally managed tender process

**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 Haygrove School for the year 1 September 2014 to 31 August 2015 and up to the date of approval of the annual report and financial statements.

**CAPACITY TO HANDLE RISK**

The board of trustees has reviewed the key risks to which the Academy Trust 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 Trust's significant risks, that has been in place for the year 1 September 2014 to 31 August 2015 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

**THE RISK AND CONTROL FRAMEWORK**

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the Finance Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties;
- identification and management of risks.

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 appointed Mrs K Keal from Educational Financial Services as an external reviewer reporting to the Finance Committee who have taken on the role 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. In particular the checks carried out in the current period included:

- Testing of payroll systems ensuring that effective procedures are in place for the administration and authorisation of personnel contracts and payroll activities
- Testing of the school's accountancy system including bank reconciliations and budget monitoring
- Testing of Income 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.

**GOVERNANCE STATEMENT (continued)**

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As a result of the findings contained within the review the following actions have taken place:

- Lettings charges and details have now been reviewed and will be incorporated within the Financial handbook
- The Charging Policy has been reviewed
- Cover arrangements during the absence of key financial staff have now been documented.
- The Accounting Officer will undertake an annual review of personnel payments.
- Control Account reconciliations are signed to indicate that the process has been reviewed
- The school has reviewed the retention of all finance related documents and will keep all documentation for a period of six years plus the current year

**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 auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the board of trustees on 8 December 2015 and signed on its behalf, by:

**T Stoel-Walker  
Chair of Trustees**

**K Canham  
Accounting Officer**

**HAYGROVE SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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

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

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

**K Canham  
Accounting Officer**

Date: 8 December 2015

**HAYGROVE SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' RESPONSIBILITIES STATEMENT  
FOR THE YEAR ENDED 31 AUGUST 2015**

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The Trustees (who act as governors of Haygrove School and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' 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 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 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 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 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 and signed on its behalf by:

**T Stoel-Walker  
Chair of Trustees**

**Date: 8 December 2015**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HAYGROVE SCHOOL**

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We have audited the financial statements of Haygrove School for the year ended 31 August 2015 which comprise the Statement of financial activities, the Balance sheet, the Cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

This report is made solely to the Academy Trust's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Academy Trust's members those matters we are required to state to them in an 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 Trust 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 Trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

**SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Academy Trust's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**OPINION ON FINANCIAL STATEMENTS**

In our opinion the financial statements:

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

**OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006**

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

**HAYGROVE SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HAYGROVE SCHOOL**

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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.

Tim Borton FCA DChA (Senior Statutory Auditor)

for and on behalf of

**Bishop Fleming LLP**

Chartered Accountants

Statutory Auditors

2nd Floor Stratus House

Emperor Way

Exeter Business Park

Exeter

EX1 3QS

16 December 2015

**HAYGROVE SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO HAYGROVE SCHOOL AND THE EDUCATION FUNDING AGENCY**

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In accordance with the terms of our engagement letter dated 19 October 2012 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Haygrove School during the year 1 September 2014 to 31 August 2015 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

**RESPECTIVE RESPONSIBILITIES OF HAYGROVE SCHOOL'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT**

The accounting officer is responsible, under the requirements of Haygrove School's funding agreement with the Secretary of State for Education dated 01 July 2012, and the Academies Financial Handbook extant from 1 September 2014, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

**APPROACH**

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

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

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

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

Our work on regularity included a review of the internal controls policies and procedures that have been implemented and an assessment of their design and effectiveness to understand how the academy complied with the framework of authorities. We also reviewed the reports commissioned by the trustees to assess the internal controls throughout the year.

We performed detailed testing based on our assessment of the risk of material irregularity, impropriety and non-compliance. This work was integrated with our audit on the financial statements where appropriate and included analytical review and detailed substantive testing of transactions.

**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 2014 to 31 August 2015 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Tim Borton FCA DChA (Reporting Accountant)

**Bishop Fleming LLP**  
Chartered Accountants  
Statutory Auditors  
2nd Floor Stratus House  
Emperor Way  
Exeter Business Park  
Exeter  
EX1 3QS

16 December 2015

**HAYGROVE SCHOOL  
(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 2015**

	Note	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	Total funds 2014 £
<b>INCOMING RESOURCES</b>						
Incoming resources from generated funds:						
Voluntary income	3	29,406	26,547	-	55,953	61,067
Activities for generating funds	4	33,969	1,309	-	35,278	42,642
Investment income	5	926	-	-	926	928
Incoming resources from charitable activities		7,136	5,001,743	21,668	5,030,547	6,309,271
<b>TOTAL INCOMING RESOURCES</b>		<b>71,437</b>	<b>5,029,599</b>	<b>21,668</b>	<b>5,122,704</b>	<b>6,413,908</b>
<b>RESOURCES EXPENDED</b>						
Costs of generating funds:						
Fundraising expenses and other costs		2,854	-	-	2,854	2,357
Charitable activities	8,9	61,951	5,239,016	392,620	5,693,587	5,910,909
Governance costs	10	-	18,052	-	18,052	16,618
<b>TOTAL RESOURCES EXPENDED</b>	7	<b>64,805</b>	<b>5,257,068</b>	<b>392,620</b>	<b>5,714,493</b>	<b>5,929,884</b>
<b>NET INCOMING / (OUTGOING) RESOURCES BEFORE TRANSFERS</b>						
		6,632	(227,469)	(370,952)	(591,789)	484,024
Transfers between Funds	18	-	(7,860)	7,860	-	-
<b>NET INCOME / (EXPENDITURE) FOR THE YEAR</b>						
		6,632	(235,329)	(363,092)	(591,789)	484,024
Actuarial gains and losses on defined benefit pension schemes		-	(37,000)	-	(37,000)	(62,000)
<b>NET MOVEMENT IN FUNDS FOR THE YEAR</b>		<b>6,632</b>	<b>(272,329)</b>	<b>(363,092)</b>	<b>(628,789)</b>	<b>422,024</b>
Total funds at 1 September		774,333	(1,909,638)	13,016,653	11,881,348	11,459,324
<b>TOTAL FUNDS AT 31 AUGUST</b>		<b>780,965</b>	<b>(2,181,967)</b>	<b>12,653,561</b>	<b>11,252,559</b>	<b>11,881,348</b>

All activities relate to acquired operations.

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

The notes on pages 26 to 43 form part of these financial statements.

**HAYGROVE SCHOOL**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**REGISTERED NUMBER: 07665225**

**BALANCE SHEET**  
**AS AT 31 AUGUST 2015**

	Note	£	2015 £	£	2014 £
<b>FIXED ASSETS</b>					
Tangible assets	15		<b>13,182,152</b>		12,947,929
<b>CURRENT ASSETS</b>					
Debtors	16	<b>143,384</b>		528,570	
Cash at bank and in hand		<b>429,959</b>		733,375	
			<u><b>573,343</b></u>	<u>1,261,945</u>	
<b>CREDITORS:</b> amounts falling due within one year	17	<b>(242,936)</b>		(248,526)	
<b>NET CURRENT ASSETS</b>			<u><b>330,407</b></u>		1,013,419
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u><b>13,512,559</b></u>		13,961,348
Defined benefit pension scheme liability	25		<u><b>(2,260,000)</b></u>		(2,080,000)
<b>NET ASSETS INCLUDING PENSION SCHEME LIABILITY</b>			<u><u><b>11,252,559</b></u></u>		<u><u>11,881,348</u></u>
<b>FUNDS OF THE ACADEMY</b>					
Restricted funds:					
General funds	18	<b>78,033</b>		170,362	
Fixed asset funds	18	<b>12,653,561</b>		13,016,653	
			<u><b>12,731,594</b></u>	<u>13,187,015</u>	
Restricted funds excluding pension liability					
Pension reserve		<b>(2,260,000)</b>		(2,080,000)	
			<u><b>10,471,594</b></u>	<u>11,107,015</u>	
Total restricted funds					
Unrestricted funds	18		<u><b>780,965</b></u>		774,333
<b>TOTAL FUNDS</b>			<u><u><b>11,252,559</b></u></u>		<u><u>11,881,348</u></u>

The financial statements were approved by the Trustees, and authorised for issue, on 8 December 2015 and are signed on their behalf, by:

**T Stoel-Walker**  
**Chair of Trustees**

The notes on pages 26 to 43 form part of these financial statements.

**HAYGROVE SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)**

**CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 AUGUST 2015**

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	<b>Note</b>	<b>2015 £</b>	<b>2014 £</b>
Net cash flow from operating activities	20	<b>(117,928)</b>	267,787
Returns on investments and servicing of finance	21	<b>926</b>	928
Capital expenditure and financial investment	21	<b>(186,414)</b>	(150,211)
<b>(DECREASE)/INCREASE IN CASH IN THE YEAR</b>		<b><u>(303,416)</u></b>	<b><u>118,504</u></b>

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**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS  
FOR THE YEAR ENDED 31 AUGUST 2015**

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	<b>2015 £</b>	<b>2014 £</b>
(Decrease)/Increase in cash in the year	<b><u>(303,416)</u></b>	<b><u>118,504</u></b>
<b>MOVEMENT IN NET FUNDS IN THE YEAR</b>	<b>(303,416)</b>	118,504
Net funds at 1 September 2014	<b><u>733,375</u></b>	<b><u>614,871</u></b>
<b>NET FUNDS AT 31 AUGUST 2015</b>	<b><u><u>429,959</u></u></b>	<b><u><u>733,375</u></u></b>

The notes on pages 26 to 43 form part of these financial statements.

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

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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 2014 to 2015 issued by EFA, applicable accounting standards and the Companies Act 2006.

**1.2 FUND ACCOUNTING**

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

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

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

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

**1.3 INCOMING RESOURCES**

All incoming resources are included in the Statement of financial activities when the Academy Trust 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.

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

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.

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

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**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 Trust's educational operations.

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

All resources expended are inclusive of irrecoverable VAT.

**1.5 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 Trust 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. The Trustees conclude that it is appropriate to prepare accounts on the going concern basis for the year ended 31 August 2015.

**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 Trust's depreciation policy.

Freehold land is not depreciated.

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:

Freehold property	-	10/20/50 years straight line
Motor vehicles	-	5 years straight line
Computer equipment	-	3 years straight line

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

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**1. ACCOUNTING POLICIES (continued)**

**1.7 OPERATING LEASES**

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

**1.8 TAXATION**

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

**1.9 PENSIONS**

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 25, the TPS is a multi-employer scheme and the Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the Academy Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on 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.

**2. GENERAL ANNUAL GRANT (GAG)**

Under the funding agreement with the Secretary of State the Academy Trust was subject to limits at 31 August 2015 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes.

The Academy Trust has not exceeded these limits during the year ended 31 August 2015.

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**3. VOLUNTARY INCOME**

	<b>Unrestricted funds 2015 £</b>	<b>Restricted funds 2015 £</b>	<b>Total funds 2015 £</b>	<b>Total funds 2014 £</b>
Donations	<u>29,406</u>	<u>26,547</u>	<u>55,953</u>	<u>61,067</u>

**4. ACTIVITIES FOR GENERATING FUNDS**

	<b>Total funds 2015 £</b>	<b>Total funds 2014 £</b>
Lettings	13,495	14,266
Copy Shop	-	13
Other	21,783	28,363
	<u>35,278</u>	<u>42,642</u>

**5. INVESTMENT INCOME**

	<b>Total funds 2015 £</b>	<b>Total funds 2014 £</b>
Bank interest	<u>926</u>	<u>928</u>

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**6. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS**

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
<b>DfE/EFA grants</b>				
Capital Grants	-	21,668	21,668	961,816
General Annual Grant	-	4,718,977	4,718,977	5,084,112
Other DfE/EFA grants	-	193,115	193,115	178,271
	<u>-</u>	<u>4,933,760</u>	<u>4,933,760</u>	<u>6,224,199</u>
<b>Other Government grants</b>				
High Needs	-	26,433	26,433	31,978
Other Government grants non capital	-	26,922	26,922	36,025
	<u>-</u>	<u>53,355</u>	<u>53,355</u>	<u>68,003</u>
<b>Other funding</b>				
Sales to students	-	9,082	9,082	11,948
Other	7,136	27,214	34,350	5,121
	<u>7,136</u>	<u>36,296</u>	<u>43,432</u>	<u>17,069</u>
	<u>7,136</u>	<u>5,023,411</u>	<u>5,030,547</u>	<u>6,309,271</u>

**7. RESOURCES EXPENDED**

	Staff costs 2015 £	Non Pay Premises 2015 £	Expenditure Other 2015 £	Total 2015 £	Total 2014 £
Costs of activities for generating funds	2,854	-	-	2,854	2,357
<b>COSTS OF GENERATING FUNDS</b>	<u>2,854</u>	<u>-</u>	<u>-</u>	<u>2,854</u>	<u>2,357</u>
Direct costs	3,736,767	343,646	348,758	4,429,171	4,654,951
Support costs	690,835	150,075	423,506	1,264,416	1,255,958
<b>CHARITABLE ACTIVITIES</b>	<u>4,427,602</u>	<u>493,721</u>	<u>772,264</u>	<u>5,693,587</u>	<u>5,910,909</u>
<b>GOVERNANCE</b>	<u>5,050</u>	<u>-</u>	<u>13,002</u>	<u>18,052</u>	<u>16,618</u>
	<u>4,435,506</u>	<u>493,721</u>	<u>785,266</u>	<u>5,714,493</u>	<u>5,929,884</u>

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**8. DIRECT COSTS**

	<b>Total 2015 £</b>	<b>Total 2014 £</b>
Pension finance costs	61,000	76,000
Educational supplies	225,452	247,642
Examination fees	83,650	84,389
Supply teachers	89,752	131,348
Wages and salaries	2,924,661	3,005,640
National insurance	224,870	231,642
Pension cost	476,140	514,329
Depreciation	343,646	363,961
	<u>4,429,171</u>	<u>4,654,951</u>

**9. SUPPORT COSTS**

	<b>Total 2015 £</b>	<b>Total 2014 £</b>
Other costs	14,889	17,256
Supply teachers	21,344	380
Recruitment and support	53,434	43,068
Maintenance of premises and equipment	113,205	99,060
Cleaning	26,100	24,683
Rent and rates	29,051	26,778
Energy costs	70,210	71,674
Insurance	30,756	53,254
Security and transport	7,007	9,383
Catering	24,188	24,793
Technology costs	20,988	51,099
Office overheads	65,624	57,511
Legal and professional	30,262	45,803
Bank interest and charges	362	387
Loss on disposal of fixed assets	-	807
Wages and salaries	566,432	549,203
National insurance	29,094	27,901
Pension cost	95,309	84,947
Depreciation	66,161	67,971
	<u>1,264,416</u>	<u>1,255,958</u>

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**10. GOVERNANCE COSTS**

	<b>Total funds 2015 £</b>	<b>Total funds 2014 £</b>
Auditors' remuneration	7,420	7,200
Auditors' non audit costs	1,235	1,925
Responsible Officer Costs	2,144	700
Legal and Professional	1,380	3,513
Other costs	823	880
Wages and salaries	5,050	2,400
	<u>18,052</u>	<u>16,618</u>

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

This is stated after charging:

	<b>2015 £</b>	<b>2014 £</b>
Depreciation of tangible fixed assets:		
- owned by the charity	409,808	431,933
Auditors' remuneration	7,420	7,200
Auditors' remuneration - non-audit	1,235	1,925
Operating lease rentals:		
- plant and machinery	27,320	15,322
	<u>27,320</u>	<u>15,322</u>

**12. STAFF**

**a. Staff costs**

Staff costs were as follows:

	<b>2015 £</b>	<b>2014 £</b>
Wages and salaries	3,491,430	3,547,935
Social security costs	254,132	259,543
Pension costs	571,507	599,276
	<u>4,317,069</u>	<u>4,406,754</u>
Supply teacher costs	111,096	141,986
Staff restructuring costs	7,341	11,650
	<u>4,435,506</u>	<u>4,560,390</u>

**b. Staff severance payments**

Included in staff restructuring costs is one non-statutory/non-contractual severance payment totalling £7,341 (2014: £11,650).

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**12. STAFF (continued)**

**c. Staff numbers**

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

	<b>2015</b>	2014
	<b>No.</b>	No.
Teachers	<b>59</b>	59
Administration and support	<b>53</b>	60
Management	<b>7</b>	8
	<u><b>119</b></u>	<u>127</u>

**d. Higher paid staff**

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

	<b>2015</b>	2014
	<b>No.</b>	No.
In the band £60,001 - £70,000	<b>1</b>	1
In the band £80,001 - £90,000	<b>1</b>	1

The above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2015 pension contributions for these staff amounted to £21,024 (2014: £21,924).

**13. TRUSTEES' REMUNERATION AND EXPENSES**

During the year, no Trustees received any benefits in kind (2014: £NIL).

During the year, no Trustees received any reimbursement of expenses (2014: £NIL).

Principal and 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, other than expenses, from the academy in respect of their role as governors. The value of governors' remuneration for the year was as follows: K Canham: Remuneration £85,000 - £90,000 (2014: £85,000 - £90,000), Employer's pension contributions £10,000 - £15,000 (2014: £10,000 - £15,000), L Woodley: Remuneration £20,000 - £25,000 (2014: £10,000 - £15,000), Employer's pension contributions £NIL - £5,000 (2014: £NIL - £5,000) and J Witts: Remuneration £20,000 - £25,000 (2014: £20,000 - £25,000), Employer's pension contributions £NIL - £5,000 (2014: £NIL - £5,000).

Other related party transactions involving the trustees are set out in note 27.

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**14. TRUSTEES' AND OFFICERS' INSURANCE**

In accordance with normal commercial practice the Academy Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2015 the cover was provided through the Education Funding Agency's Risk Protection Arrangement. Accordingly, the cost of the trustee indemnity element is not separately identifiable (2014: £1,417).

**15. TANGIBLE FIXED ASSETS**

	Freehold property £	Motor vehicles £	Office equipment £	Computer equipment £	Total £
<b>COST</b>					
At 1 September 2014	13,407,219	29,121	313,903	344,239	14,094,482
Additions	600,223	-	-	43,808	644,031
At 31 August 2015	<u>14,007,442</u>	<u>29,121</u>	<u>313,903</u>	<u>388,047</u>	<u>14,738,513</u>
<b>DEPRECIATION</b>					
At 1 September 2014	772,934	16,643	90,029	266,947	1,146,553
Charge for the year	296,216	6,625	32,197	74,770	409,808
At 31 August 2015	<u>1,069,150</u>	<u>23,268</u>	<u>122,226</u>	<u>341,717</u>	<u>1,556,361</u>
<b>NET BOOK VALUE</b>					
At 31 August 2015	<u>12,938,292</u>	<u>5,853</u>	<u>191,677</u>	<u>46,330</u>	<u>13,182,152</u>
At 31 August 2014	<u>12,634,285</u>	<u>12,478</u>	<u>223,874</u>	<u>77,292</u>	<u>12,947,929</u>

Included in land and buildings is freehold land at valuation of £1,880,270 (2014: £1,880,270).

**16. DEBTORS**

	2015 £	2014 £
Trade debtors	1,546	11,334
VAT recoverable	51,085	32,521
Other debtors	20,554	15,306
Prepayments and accrued income	70,199	469,409
	<u>143,384</u>	<u>528,570</u>

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**17. CREDITORS:**  
**AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2015 £	2014 £
Other taxation and social security	74,697	77,137
Other creditors	87,839	88,747
Accruals and deferred income	80,400	82,642
	<u>242,936</u>	<u>248,526</u>
		£

**DEFERRED INCOME**

Deferred income at 1 September 2014	22,106
Resources deferred during the year	8,973
Amounts released from previous years	<u>(22,106)</u>
Deferred income at 31 August 2015	<u>8,973</u>

At the balance sheet date the Academy was holding funds received in advance for educational visits.

**18. STATEMENT OF FUNDS**

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
<b>UNRESTRICTED FUNDS</b>						
General funds	221,169	71,437	(47,618)	-	-	244,988
Fixed assets	553,164	-	(17,187)	-	-	535,977
	<u>774,333</u>	<u>71,437</u>	<u>(64,805)</u>	<u>-</u>	<u>-</u>	<u>780,965</u>

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

**RESTRICTED FUNDS**

General Annual Grant (GAG)	154,852	4,718,976	(4,802,194)	(7,860)	-	63,774
Insurance claim	-	23,584	(23,584)	-	-	-
High Needs	-	26,433	(26,433)	-	-	-
Donations	-	164	(164)	-	-	-
Pupil premium	-	173,365	(173,365)	-	-	-
Other DfE/EFA grant	-	19,750	(19,750)	-	-	-
Other restricted funds	15,510	33,480	(34,731)	-	-	14,259
Other government grants	-	24,809	(24,809)	-	-	-
Sales to students	-	9,038	(9,038)	-	-	-
Pension reserve	(2,080,000)	-	(143,000)	-	(37,000)	(2,260,000)
	<u>(1,909,638)</u>	<u>5,029,599</u>	<u>(5,257,068)</u>	<u>(7,860)</u>	<u>(37,000)</u>	<u>(2,181,967)</u>

**RESTRICTED FIXED ASSET FUNDS**

Fixed assets transferred on conversion	10,903,527	-	(227,374)	-	-	10,676,153
Fixed assets purchased from GAG	413,162	-	(110,281)	7,860	-	310,741
DfE/EFA Capital grants	78,232	21,668	(9,843)	-	-	90,057
Academy Capital Maintenance Fund	1,456,868	-	(40,362)	-	-	1,416,506
Donation	164,864	-	(4,760)	-	-	160,104
	<u>13,016,653</u>	<u>21,668</u>	<u>(392,620)</u>	<u>7,860</u>	<u>-</u>	<u>12,653,561</u>
Total restricted funds	<u>11,107,015</u>	<u>5,051,267</u>	<u>(5,649,688)</u>	<u>-</u>	<u>(37,000)</u>	<u>10,471,594</u>
Total of funds	<u>11,881,348</u>	<u>5,122,704</u>	<u>(5,714,493)</u>	<u>-</u>	<u>(37,000)</u>	<u>11,252,559</u>

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

**Restricted funds**

**General Annual Grant** - Income from the EFA which is to be used for the normal running costs of the Academy, including education and support costs.

**High Needs** - Funding received by the Local Authority to fund further support for students with additional needs.

**Pupil Premium** - Pupil premium represents funding received from the EFA for children that qualify for free school meals to enable the academy to address the current underlying inequalities between those children and their wealthier peers.

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

**Other DfE funding** - This Includes Year 7 catch up grant.

**Other restricted funds** - This includes PFSA income, family support advisor and a project ability grant which aims to create competitive opportunities for young disabled people within the school games and to increase opportunities for young disabled people.

**Other government grants** - This relates to income received from the local government.

**Pension reserve** – This represents the academy’s share of the assets and liabilities in the Local Government Pension Scheme.

**Fixed Asset Funds**

**Fixed assets transferred on conversion** – This represents the buildings and equipment donated to the school from the Local Authority on conversion to an academy.

**DfE/EFA Capital grants** – These funds were received for expenditure on fixed asset projects. The balance at the year end represents the NBV of assets.

**Academy Capital Maintenance Fund** - These funds were received for expenditure on specific fixed asset projects.

**Donations** - These funds were received from the Yew Wah Foundation based in China for an extension to the school.

**OTHER INFORMATION**

Under the funding agreement with the Secretary of State, the Academy Trust was subject to a limit on the amount of GAG that it could carry forward at 31 August 2015. Note 2 discloses whether the limit was exceeded.

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

	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	Total funds 2014 £
Tangible fixed assets	528,591	-	12,653,561	13,182,152	12,947,929
Current assets	252,374	320,969	-	573,343	1,261,945
Creditors due within one year	-	(242,936)	-	(242,936)	(248,526)
Pension scheme liability	-	(2,260,000)	-	(2,260,000)	(2,080,000)
	<u>780,965</u>	<u>(2,181,967)</u>	<u>12,653,561</u>	<u>11,252,559</u>	<u>11,881,348</u>

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

	2015 £	2014 £
Net incoming resources before revaluations	(591,789)	484,024
Returns on investments and servicing of finance	(926)	(928)
Net assets transferred on conversion	-	(525,867)
Depreciation of tangible fixed assets	409,808	431,933
Capital grants from DfE	(457,617)	-
Decrease/(increase) in debtors	385,186	(332,840)
(Decrease)/increase in creditors	(5,590)	28,465
FRS17 pension finance (income)/cost	61,000	76,000
FRS17 pension costs less contributions paid	82,000	107,000
<b>NET CASH IN/(OUTFLOW) FROM OPERATING ACTIVITIES</b>	<b>(117,928)</b>	<b>267,787</b>

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

	2015 £	2014 £
<b>RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>		
Interest received	926	928
	<u>926</u>	<u>928</u>
	2015 £	2014 £
<b>CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT</b>		
Purchase of tangible fixed assets	(644,031)	(676,078)
Capital grants from DfE	457,617	525,867
<b>NET CASH OUTFLOW FROM CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT</b>	<b>(186,414)</b>	<b>(150,211)</b>

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

	1 September 2014 £	Cash flow £	Other non-cash changes £	31 August 2015 £
Cash at bank and in hand:	733,375	(303,416)	-	429,959
<b>NET FUNDS</b>	<b>733,375</b>	<b>(303,416)</b>	<b>-</b>	<b>429,959</b>

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**23. MEMBERS' LIABILITY**

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

**24. CAPITAL COMMITMENTS**

At 31 August 2015 the Academy Trust had capital commitments as follows:

	<b>2015</b>	2014
	<b>£</b>	£
Contracted for but not provided in these financial statements	<b>7,386</b>	621,888

The above commitment will be funded by the ACMF unspent grant carried forward for the construction of a new music block.

**25. PENSION COMMITMENTS**

The Academy Trust'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 Somerset 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 2012 and of the LGPS 31 March 2013.

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

**Teachers' Pension Scheme**

**Introduction**

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

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

**Valuation of the Teachers' Pension Scheme**

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

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**25. PENSION COMMITMENTS (continued)**

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

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

The pension costs paid to TPS in the period amounted to £574,056 (2014: £581,252).

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

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The Academy Trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Academy Trust 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 2015 was £203,000, of which employer's contributions totalled £153,000 and employees' contributions totalled £50,000. The agreed contribution rates for future years are 15.1% for employers and 5.5 - 7.5% 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.

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**FOR THE YEAR ENDED 31 AUGUST 2015**

**25. PENSION COMMITMENTS (continued)**

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

	<b>Expected return at 31 August 2015 %</b>	<b>Fair value at 31 August 2015 £</b>	<b>Expected return at 31 August 2014 %</b>	<b>Fair value at 31 August 2014 £</b>
Equities	5.90	1,006,000	6.70	872,000
Gilts	5.90	96,000	3.00	80,000
Other bonds	5.90	149,000	3.60	143,000
Property	5.90	144,000	5.90	121,000
Cash	5.90	25,000	2.90	25,000
Total market value of assets		<u>1,420,000</u>		<u>1,241,000</u>
Present value of scheme liabilities		<u>(3,680,000)</u>		<u>(3,321,000)</u>
Deficit in the scheme		<u><u>(2,260,000)</u></u>		<u><u>(2,080,000)</u></u>

The amounts recognised in the Balance sheet are as follows:

	<b>2015 £</b>	<b>2014 £</b>
Present value of funded obligations	<b>(3,680,000)</b>	(3,321,000)
Fair value of scheme assets	<u>1,420,000</u>	<u>1,241,000</u>
Net liability	<u><u>(2,260,000)</u></u>	<u><u>(2,080,000)</u></u>

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

	<b>2015 £</b>	<b>2014 £</b>
Current service cost	<b>(235,000)</b>	(251,000)
Interest on obligation	<b>(138,000)</b>	(142,000)
Expected return on scheme assets	<u>77,000</u>	<u>66,000</u>
Total	<u><u>(296,000)</u></u>	<u><u>(327,000)</u></u>

**HAYGROVE SCHOOL**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
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**25. PENSION COMMITMENTS (continued)**

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

	<b>2015</b>	2014
	£	£
Opening defined benefit obligation	<b>3,321,000</b>	2,865,000
Current service cost	<b>235,000</b>	251,000
Interest cost	<b>138,000</b>	142,000
Contributions by scheme participants	<b>50,000</b>	52,000
Actuarial Losses	-	25,000
Benefits paid	<b>(64,000)</b>	(14,000)
Liability transferred on conversion	-	-
	<hr/>	<hr/>
Closing defined benefit obligation	<b>3,680,000</b>	3,321,000
	<hr/> <hr/>	<hr/> <hr/>

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

	<b>2015</b>	2014
	£	£
Opening fair value of scheme assets	<b>1,241,000</b>	1,030,000
Expected return on assets	<b>77,000</b>	66,000
Actuarial gains and (losses)	<b>(37,000)</b>	(37,000)
Contributions by employer	<b>153,000</b>	144,000
Contributions by employees	<b>50,000</b>	52,000
Benefits paid	<b>(64,000)</b>	(14,000)
	<hr/>	<hr/>
	<b>1,420,000</b>	1,241,000
	<hr/> <hr/>	<hr/> <hr/>

The cumulative amount of actuarial gains and losses recognised in the Statement of financial activities was £606,000 loss (2014: £569,000 loss).

The Academy Trust expects to contribute £156,000 to its Defined benefit pension scheme in 2016.

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

	<b>2015</b>	2014
Equities	<b>71.00 %</b>	70.00 %
Gilts	<b>7.00 %</b>	6.00 %
Other bonds	<b>10.00 %</b>	12.00 %
Property	<b>10.00 %</b>	10.00 %
Cash	<b>2.00 %</b>	2.00 %

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

	<b>2015</b>	2014
Discount rate for scheme liabilities	<b>4.00 %</b>	4.00 %
Expected return on scheme assets at 31 August	<b>5.90 %</b>	5.90 %
Rate of increase in salaries	<b>4.50 %</b>	4.50 %
Rate of increase for pensions in payment / inflation	<b>2.70 %</b>	2.70 %

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

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

	<b>2015</b>	2014
Retiring today		
Males	<b>23.7</b>	23.6
Females	<b>26.1</b>	26.0
Retiring in 20 years		
Males	<b>26.0</b>	25.8
Females	<b>28.4</b>	28.3

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

Defined benefit pension schemes

	<b>2015</b>	2014	2013
	£	£	£
Defined benefit obligation	<b>(3,680,000)</b>	(3,321,000)	(2,865,000)
Scheme assets	<b>1,420,000</b>	1,241,000	1,030,000
Deficit	<b>(2,260,000)</b>	(2,080,000)	(1,835,000)
Experience adjustments on scheme liabilities	-	(25,000)	(168,000)
Experience adjustments on scheme assets	<b>(37,000)</b>	(37,000)	71,000

**26. OPERATING LEASE COMMITMENTS**

At 31 August 2015 the Academy Trust had annual commitments under non-cancellable operating leases as follows:

	<b>Other</b>	Other
	<b>2015</b>	2014
	£	£
<b>EXPIRY DATE:</b>		
Between 2 and 5 years	<b>27,320</b>	27,320

**27. RELATED PARTY TRANSACTIONS**

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

No related party transactions took place in the period of accounts.