

HILLYFIELD PRIMARY ACADEMY

(A COMPANY LIMITED BY GUARANTEE)

REPORT AND FINANCIAL STATEMENTS

PERIOD ENDED 31 AUGUST 2011



**Company Registration Number:
7470621 (England and Wales)**

HILLYFIELD PRIMARY ACADEMY

CONTENTS

	Page
Reference and Administrative Details	1
Governors' Report	2
Statement of Internal Control	6
Statement of Governors' Responsibilities	8
Independent Auditor's Report	9
Statement of Financial Activities incorporating Income and Expenditure Account	11
Balance Sheet	12
Cash Flow Statement	13
Notes to the Financial Statements, incorporating Statements of Accounting Policies	14

HILLYFIELD PRIMARY ACADEMY
REFERENCE AND ADMINISTRATIVE DETAILS

Governors (Trustees)	Roger Pryce* (Chair) Glenda Hardy * (Vice-Chair) Andrew Jacobs* Steve Lancashire (Principal and Executive Headteacher) Rohan Robinson Robert Markham Richard Thomas Becky MacKenzie-Young Michael Binnie (resigned January 2011) Danielle King (appointed March 2011) Reverend Anna Dollery Shane Tewes (Head of School) Ernestine Payne
----------------------	--

* Denotes director of the Charitable Company for the purposes of company law

Director of Finance And Administration	Heike King
Clerk to Governors	Janet Silvera
Registered Office	Higham Hill Road Walthamstow London E17 6ED
Auditors	Landau Baker Limited Mountcliff House 154 Brent Street London NW4 2DR
Bankers	Royal Bank of Scotland Sheffield Attercliffe Branch 747 Attercliffe Road Sheffield S9 3RF

HILLYFIELD PRIMARY ACADEMY

GOVERNORS' REPORT

The governors present their report together with the audited financial statements of the Academy for the period ended 31 August 2011. The governors have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in 2005 in preparing the annual report and financial statements of the charity.

Structure, Governance and Management

Constitution

The Academy is a company limited by guarantee and an exempt charity. It was set up on 15 December 2010 and in terms of a Funding Agreement entered into with the Secretary of State for Education, became an academy on 10 January 2011. The Charitable Company's memorandum and articles of association are the primary governing documents of the Academy.

The governors act as the trustees for the charitable activities of Hillyfield Primary Academy (the Academy) and some are also the directors of the Charitable Company for the purposes of company law.

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

Members' Liability

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

Governors Indemnities

Subject to the provisions of the Companies Act, every governor or other officer of the Charitable Company shall be indemnified out of the assets of the charitable company against any liability incurred by them in that capacity in defending any proceedings, whether civil or criminal, in which judgment is given in favour or in which they are acquitted or in connection with any application in which relief is granted to them by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Charitable Company.

Principal Activities

The principal activity of the Charitable Company is to advance, for the public benefit, education in Higham Hill and the surrounding area by maintaining and operating Hillyfield Primary Academy in Higham Hill, East London.

Method of Recruitment and Appointment or Election of Governors

The governors are appointed under the terms of the Academy's articles of association as follows:

- The Principal
- A minimum of two parent governors
- Any governors elected by the Secretary of State for Education
- Up to three co-opted governors

The term of office for any governor shall be four years. The Principal's term of office runs parallel with his contract of employment. Subject to remaining eligible to be a particular type of governor any governor may be reappointed or re-elected.

HILLYFIELD PRIMARY ACADEMY

GOVERNORS' REPORT *(continued)*

Policies and Procedures Adopted for the Induction and Training of Governors

During the period under review the governors held four meetings. The training and induction provided for new governors will depend on their existing experience. Where necessary an induction will provide training on charity and educational legal and financial matters. All new governors are given a tour of the Academy and the chance to meet with staff and students. All governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role and trustees and directors of the Charitable Company.

Organisational Structure

The Charitable Company has established a management structure to enable its efficient running. The structure consists of two levels: the governors and the executive who are the senior leadership team.

The governing body has considered its role thoughtfully and decided that the role of the governors is to approve the strategic direction and objectives of the Charitable Company and monitor its progress towards these objectives.

The governing body has approved a scheme of delegation which sets out a statement on the system of internal control, responsibilities, standing orders, a scheme of delegation and terms of reference.

Governors are responsible for setting general policy, adopting an annual plan and budget, monitoring the Charitable Company by use of budgets and making major decisions about the direction of the Charitable Company, including capital expenditure and senior staff appointments.

Risk Management

The governors have assessed the major risks to which the Academy is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Academy, and its finances. The governors have implemented a number of systems to assess risks that the school faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance. They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds) and internal financial controls (see below) in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover. The Academy has an effective system of internal financial controls and this is explained in more detail in the statement on internal control.

Connected Organisations, including Related Party Relationships

The Academy supports the work of Mission Grove Primary School through providing advice and coaching on leadership, teaching and learning.

It works in collaboration with Roger Ascham Primary School (Academy) and Yardley Primary School (Academy) to further its own aims and theirs of providing high quality education.

Objectives and Activities

Objects and Aims

The principal object and activity of the Charitable Company is the operation of the Academy to provide education in Higham Hill, East London.

In accordance with the articles of association the Charitable Company has adopted a "Scheme of Government" approved by the Secretary of State for Education. The Scheme of Government specifies, amongst other things, the basis for admitting students to the Academy, the catchment area from which the students are drawn, and that the curriculum should be broad and appropriately balanced.

HILLYFIELD PRIMARY ACADEMY

GOVERNORS' REPORT *(continued)*

Objectives and Activities *(continued)*

Objectives, Strategies and Activities

The main objectives of the Academy during the period ended 31 August 2011 are summarised below

- to ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care,
- to raise the standard of educational achievement of all pupils,
- to improve the effectiveness of the Academy by keeping the curriculum and organisational structure under continual review,
- to provide value for money for the funds expended,
- to comply with all appropriate statutory and curriculum requirements,
- to conduct the Academy's business in accordance with the highest standards of integrity, probity and openness

The Academy's vision is to create

- a strong ethos of achievement leading to improved standards
- personal confidence
- appropriate thinking skills

The Academy's rationale is to provide our pupils with the wherewithal to develop and achieve as responsible citizens. Our moral purpose is to encourage children to become independent thinkers while guiding them towards acting in the interests of others

This is achieved through developing

- a sense of personal identity
- a sense of belonging to an individual academy
- an emphasis on personal and community responsibility
- a positive learning climate in terms of the nature of courses offered and teaching styles utilised
- positive relationships with external partners

Public Benefit

In setting the objectives, the governors have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education

Achievements and Performance

The school continues to achieve the very best standards both in educational tests and in relation to its broader educational goals. The school is very well respected in the local community and is often used as an exemplar of excellent practice. Standards in the school continue to rise culminating in a very positive recent inspection.

Going Concern

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

HILLYFIELD PRIMARY ACADEMY

GOVERNORS' REPORT *(continued)*

Financial Review

The Charitable Company was incorporated on 15 December 2010 and commenced operating as an academy school on 10 January 2011. No activities were carried on by the company from the date of incorporation until 10 January 2011 when the net assets of the Hillyfield Primary School were transferred to the Charitable Company.

Most of the Academy's income is obtained from the Young People's Learning Agency (YPLA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the YPLA during the 8 month period ended 31 August 2011 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The Academy also received grants for fixed assets from the YPLA. In accordance with the Charities Statement of Recommended Practice, "Accounting for Reporting by Charities" (SORP 2005), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

Under the Charities SORP, it is necessary to charge projected deficits on the Local Government Pension Scheme, which is provided to support staff, to a restricted fund. This results in reducing reserves shown in the total funds of the Academy. It should be noted that this does not present the Academy with any current liquidity problem. The employer contributions are currently being assessed and it is expected that they will increase to bring a further reduction in this pension deficit in future, although this may not be achieved until stock market investment values start to recover.

Reserves Policy

The level of reserves held takes into account the nature of income and expenditure streams, the need to match them with commitments, including future capital projects, and the nature of reserves. The governors will keep this level of reserves under review.

Reserves at the end of the period amounted to £9,764,278.

Plans for Future Periods

The school is currently undergoing consultation on a proposed expansion, which will require the permission of the Secretary of State. This expansion would see the school double in size ultimately serving more than 1500 pupils. Governors have recently agreed to set up another company, REAch2, which will become a sponsor for underperforming schools. This will come into operation in September 2012. The school will continue its soft federation with Mission Grove Primary School for the next two years.

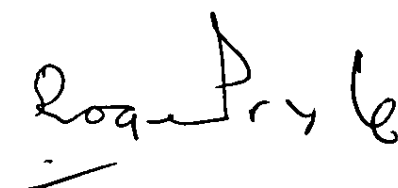
Auditor

In so far as the governors are aware

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

Approved by order of the members of the Governing Body on 26 January 2012 and signed on its behalf by

R Pryce
Chair



HILLYFIELD PRIMARY ACADEMY

STATEMENT ON INTERNAL CONTROL for the period ended 31 August 2011

Scope of Responsibility

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

The Governing Body 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 the Governing Body and the Secretary of State for Education. They are also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

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 the Charitable Company's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in the Academy for the period ended 31 August 2011 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Governing Body has reviewed the key risks to which the Charitable Company is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Governing Body is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks that has been in place for the period ending 31 August 2011 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Body.

The Risk and Control Framework

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

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

The Governing Body has considered the need for a specific internal audit function and had decided not to appoint an internal auditor. However, the governors have appointed Mr Graham Wise as Responsible Officer ("RO"). The RO's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. The RO reports on a quarterly basis to the Governing body on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities.

HILLYFIELD PRIMARY ACADEMY**STATEMENT ON INTERNAL CONTROL**
for the period ended 31 August 2011 *(continued)***Review of Effectiveness**

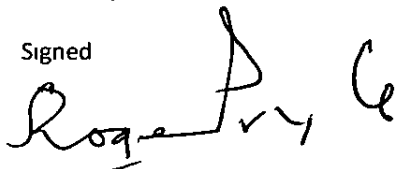
As Accounting officer, the Principal has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by

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

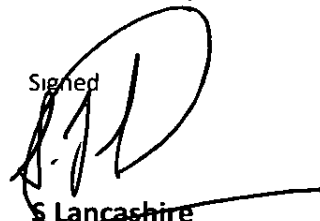
The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance Committee and a plan to address weaknesses and ensure continuous improvement if the system is in place

Approved by order of the members of the Governing Body on 26 January 2012 and signed on its behalf by

Signed


R Pryce
Chair

Signed


S Lancashire
Principal

HILLYFIELD PRIMARY ACADEMY

STATEMENT OF GOVERNORS' RESPONSIBILITIES

The governors (who act as trustees for charitable activities of Hillyfield Primary Academy and some of whom are also directors of the Charitable Company for the purposes of company law) are responsible for preparing the Governors' Report and the financial statements in accordance with the Annual Accounts Requirements issued by the Young People's Learning Agency (YPLA), United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations

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

- select suitable accounting policies and then apply them consistently,
- observe the methods and principles in the Charities SORP,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in business
- prepare the financial statements in accordance with the requirements of the "Annual Accounts Direction 2010/11" issued by the YPLA

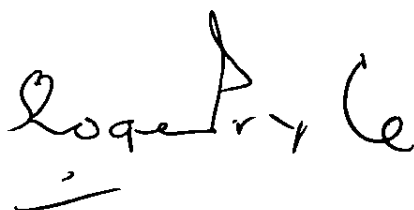
The governors are responsible for keeping adequate accounting records that are sufficient to show and explain the Charitable Company's transactions and disclose with reasonable accuracy at any time the financial position of the Charitable Company and enable them to ensure that the financial statements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

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

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

Approved by order of the members of the Governing Body on 26 January 2012 and signed on its behalf by

R Pryce
Chair



**INDEPENDENT AUDITOR'S REPORT TO THE GOVERNING BODY OF
HILLYFIELD PRIMARY ACADEMY
FOR THE PERIOD ENDED 31 AUGUST 2011**

We have audited the financial statements of Hillyfield Primary Academy (the Academy) on pages 11 to 30 for the period ended 31 August 2011 which comprise the Statement of Financial Activities, the Balance Sheet and Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Standards (United Kingdom Generally Accepted Accounting Practice), provisions of the Charities Statement of Recommended Practice, "Accounting for Reporting by Charities" (SORP 2005) and the requirements of the "Annual Accounts Direction 2010/11" issued by the Young People's Learning Agency (YPLA).

This report is made solely to the Governing Body of the Academy. Our audit work has been undertaken so that we might state to the Governing Body those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy and its Governing Body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of governors and auditor

As explained more fully in the statement of governors' responsibilities, the governors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), provisions of the Charities Statement of Recommended Practice, "Accounting for Reporting by Charities" (SORP 2005) and the requirements of the "Annual Accounts Direction 2010/11" issued by the Young People's Learning Agency (YPLA), 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 relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

We are not required to consider whether the Governing Body's statement on internal control covers all the risks and controls, or form an opinion on the effectiveness of the Academy's risk and control procedures.

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 other irregularity or error. This includes an assessment of the reasonableness of significant accounting estimates made by the governors, and the overall presentation of the financial statements. In addition we read all the financial and non-financial information in the Governors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion, the financial statements

- give a true and fair view of the state of the Academy's affairs as at 31 August 2011 and of its incoming resources and application of resources, including its income and expenditure, for the period then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, provisions of the Charities Statement of Recommended Practice, "Accounting for Reporting by Charities" (SORP 2005) and the provisions of the YPLA's "Annual Accounts Direction 2010/11", and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**INDEPENDENT AUDITOR'S REPORT TO THE GOVERNING BODY OF
HILLYFIELD PRIMARY ACADEMY
FOR THE PERIOD ENDED 31 AUGUST 2011** *(continued)*

Opinion on other matters

In our opinion, grants received by the Academy have been used for the purposes intended

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

- the information given in the Governors' Report is inconsistent in any material respect with the financial statements, or
- the Academy has not kept adequate accounting records, or
- disclosure of governors' remuneration has not been made, or
- the financial statements are not in agreement with the accounting records and returns, or
- we have not received all the information and explanations we require for our audit

 for Landau Baker Limited

Signed

M B DURST
(Senior Statutory Auditor)
For and on behalf of
LANDAU BAKER LIMITED
Chartered Accountants
& Statutory Auditor

Mountcliff House
154 Brent Street
London NW4 2DR
26 January 2012

HILLYFIELD PRIMARY ACADEMY**STATEMENT OF FINANCIAL ACTIVITIES FOR THE PERIOD ENDED 31 AUGUST 2011**

(INCLUDING INCOME AND EXPENDITURE ACCOUNT AND STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES)

	Notes	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2011 £
Incoming resources					
<i>Incoming resources from generated funds</i>					
Voluntary income	3	5,140	20,200	0	25,340
Assets transferred from predecessor school	3	383,225	(690,000)	9,701,985	9,395,210
Activities for generating funds	4	26,181	261,409	0	287,590
Investment income	5	545	0	0	545
<i>Incoming resources from charitable activities</i>					
Funding for the Academy's educational operations	6	0	2,714,361	11,324	2,725,685
Total incoming resources		415,091	2,305,970	9,713,309	12,434,370
Resources expended					
<i>Cost of generating funds</i>					
Costs of generating voluntary income	8	5,927	0	0	5,927
Cost of activities for generating funds	8	0	0	0	0
<i>Charitable activities</i>					
Academy's educational operations	8	0	2,646,015	0	2,646,015
Governance costs	9	0	39,150	0	39,150
Total resources expended	7	5,927	2,685,165	0	2,691,092
Net incoming/(outgoing) resources before transfers		409,164	(379,195)	9,713,309	9,743,278
Gross transfers between funds	17	0	0	0	0
Net income/(expenditure) for the period		409,164	(379,195)	9,713,309	9,743,278
Other recognised gains and losses					
Actuarial gains/(losses) on defined benefit pension schemes	17,27	0	21,000	0	21,000
Net movement in funds		409,164	(358,195)	9,713,309	9,764,278
Reconciliation of funds					
Funds brought forward at beginning of period		0	0	0	0
Funds carried forward at 31 August 2011		409,164	(358,195)	9,713,309	9,764,278

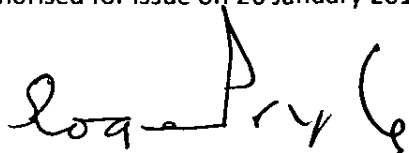
All of the activities of the company derive from continuing operations from the date of commencement

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

HILLYFIELD PRIMARY ACADEMY
BALANCE SHEET AS AT 31 AUGUST 2011

	Notes	2011 £
Fixed assets		
Tangible assets	13	9,639,500
Current assets		
Stock	14	0
Debtors	15	828,239
Cash at bank and in hand		517,156
		<u>1,345,395</u>
Creditors Amounts falling due within one year	16	<u>(551,617)</u>
Net current assets		<u>793,778</u>
Net assets excluding pension liability		10,433,278
 Pension scheme liability	27	<u>(669,000)</u>
Net assets including pension liability		<u>9,764,278</u>
Funds of the company:		
Restricted funds		
Fixed asset fund	17	9,713,309
General fund	17	310,805
Pension reserve		(669,000)
Total restricted funds		<u>9,355,114</u>
Unrestricted funds		
General fund	17	<u>409,164</u>
Total unrestricted funds		<u>409,164</u>
Total funds		<u>9,764,278</u>

The financial statements on pages 11 to 30 were approved by the Governors, and authorised for issue on 26 January 2012 and are signed on their behalf by



R PRYCE

Chair

Company Limited by Guarantee

Registration Number 7470621

HILLYFIELD PRIMARY ACADEMY**CASH FLOW STATEMENT FOR THE PERIOD ENDED 31 AUGUST 2011**

	Notes	2011 £
Net cash inflow from operating activities	21	518,998
Returns on investments and servicing of finance	22	545
Capital expenditure	23	(2,387)
(Decrease)/Increase in cash in the period	24	<u>517,156</u>
Reconciliation of net cash flow to movement in net funds		
Net fund at beginning of period		0
Net funds at 31 August 2011		<u>517,156</u>

HILLYFIELD PRIMARY ACADEMY

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2011

1. STATEMENT OF ACCOUNTING POLICIES

Basis of Preparation

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice Accounting and Reporting by Charities' ('SORP 2005'), the 'Academies Accounts Direction 2010/11' issued by the YPLA and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

Going Concern

The governors assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The governors make this assessment in respect of the period from 15 December 2010 to 26 January 2012, the date of approval of the financial statements.

Incoming Resources

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

- **Grants receivable**

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

- **Sponsorship income**

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

- **Donations**

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

- **Other income**

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

HILLYFIELD PRIMARY ACADEMY

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2011 *(continued)*

1. STATEMENT OF ACCOUNTING POLICIES *(continued)*

Incoming Resources *(continued)*

- **Donated Services and gifts in kind**

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

Where it has been ascertained that the risks and rewards of property subject to long lease agreements lie substantially with the Academy, a reasonable estimate of the gross value is included within fixed assets with an appropriate credit to voluntary income (gift in kind) within the restricted fixed asset fund. The valuation is an estimate by the governors of depreciated replacement cost on the basis that the assets represent specialised property and the open market value for existing use is not readily available.

Resources Expended

All expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to the 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**

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

- **Charitable activities**

There are costs incurred on the Academy's educational operations.

- **Governance costs**

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

All resources expended are inclusive of irrecoverable VAT.

HILLYFIELD PRIMARY ACADEMY

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2011 *(continued)*

1. STATEMENT OF ACCOUNTING POLICIES *(continued)*

Tangible Fixed Assets

Assets costing £2,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment

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

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost of each asset on a straight line basis over their expected useful lives, as follows:

Long leasehold buildings	125 years
Improvements to leasehold premises	20 years
Fixtures, fittings and equipment	5 years
ICT equipment	2 years

Assets in the course of construction are included at cost

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

Leased Assets

Rentals under operating leases are charged on a straight line basis over the lease term. Equipment held under these leases is not capitalised.

Stock

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

Taxation

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received with 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.

HILLYFIELD PRIMARY ACADEMY

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2011 *(continued)*

1. STATEMENT OF ACCOUNTING POLICIES *(continued)*

Pension Benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 27, the TPS is a multi-employer scheme and the Academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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

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 governors.

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

Restricted general funds comprise all other restricted funds received and include grants from the Young People's Learning Agency/Department for Education.

HILLYFIELD PRIMARY ACADEMY

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2011 *(continued)*

	2011 £
2 General Annual Grant (GAG)	
a Results and carry forward for the year	
GAG brought forward from previous period	0
GAG allocation for current period	2,142,225
Total GAG available to spend	<u>2,142,225</u>
Recurrent expenditure from GAG	(1,920,620)
Fixed asset purchases from GAG	0
GAG Carried forward to next year	<u>221,605</u>
 Maximum permitted GAG carried forward at end of current period (12% of allocation for current year)	 <u>(257,067)</u>
GAG to surrender to DfE	 <u>(35,462)</u>
 (12% rule breached if result is positive)	 no breach
 b. Use of GAG brought forward from previous period for recurrent purposes	
(Of the amount carried forward each year, a maximum of 2% of GAG can be used for recurrent purposes. Any balance, up to a maximum of 12%, can only be used for capital purposes)	
 Recurrent expenditure from GAG in current year	 0
GAG allocation for current year	0
GAG allocation for previous year x 2%	0
GAG b/fwd from previous year in excess of 2%, used on recurrent expenditure in current year	 <u>0</u>
(2% rule breached if result is positive)	no breach

3 Voluntary income

	Unrestricted Funds £	Restricted Funds £	Total 2011 £
Assets transferred from predecessor school			
Long leasehold property	0	9,551,707	9,551,707
Improvements to leasehold property	0	118,418	118,418
Equipment and ICT	0	31,860	31,860
Local government pension scheme deficit	0	(690,000)	(690,000)
Debtors, creditors and bank balances	383,225	0	383,225
	<u>383,225</u>	<u>9,011,985</u>	<u>9,395,210</u>
Other voluntary income			
Other donations	5,140	0	5,140
Sponsorship	0	20,200	20,200
	<u>5,140</u>	<u>20,200</u>	<u>25,340</u>

HILLYFIELD PRIMARY ACADEMY**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2011 (continued)**2011
£**4 Activities for generating funds**

	Unrestricted Funds £	Restricted Funds £	Total 2011 £
Insurance claims	0	6,163	6,163
Other income	26,181	206,610	232,791
Catering income	0	48,636	48,636
	<u>26,181</u>	<u>261,409</u>	<u>287,590</u>

5 Investment income

	Unrestricted Funds £	Restricted Funds £	Total 2011 £
Short term deposits	545	0	545
	<u>545</u>	<u>0</u>	<u>545</u>

6 Funding for educational operations

	Unrestricted Funds £	Restricted Funds £	Total 2011 £
DfE/YPLA capital grant			
Devolved formula capital	0	11,324	11,324
	<u>0</u>	<u>11,324</u>	<u>11,324</u>
DfE/YPLA revenue grants			
General Annual Grant (GAG)	0	2,142,225	2,142,225
Start up grant	0	36,476	36,476
Other DfE/YPLA grants	0	284,531	284,531
	<u>0</u>	<u>2,463,232</u>	<u>2,463,232</u>
Other government grants			
School standards funds	0	153,621	153,621
Early Years funds	0	74,860	74,860
SEN funds	0	22,648	22,648
	<u>0</u>	<u>251,129</u>	<u>251,129</u>
	<u>0</u>	<u>2,725,685</u>	<u>2,725,685</u>

HILLYFIELD PRIMARY ACADEMY**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2011** *(continued)*

				2011 £
7 Resources expended				
	Staff Costs £	Non Pay Expenditure Premises £	Other Costs £	Total 2011 £
Costs of generating voluntary income	0	0	5,927	5,927
Costs of activities for generating funds	0	0	0	0
Educational operations of the company				
Direct costs	1,614,507	0	270,439	1,884,946
Allocated support costs	140,423	461,726	158,920	761,069
	<u>1,754,930</u>	<u>461,726</u>	<u>435,286</u>	<u>2,651,942</u>
Governance costs including allocated support costs	0	0	39,150	39,150
	<u>0</u>	<u>0</u>	<u>39,150</u>	<u>39,150</u>

Incoming/outgoing resources for the period include:

	2011 £
Operating leases	5,099
Fees payable to auditor - audit	3,900
Fees payable to auditor - other services	300
Profit/(loss) on disposal of fixed assets	0
	<u> </u>

HILLYFIELD PRIMARY ACADEMY**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2011 (continued)****8 Charitable Activities - Academy Trust's educational operations**

	Unrestricted Funds £	Restricted Funds £	Total 2011 £
Direct costs			
Teaching and educational support staff costs	0	1,614,507	1,614,507
Depreciation	0	76,196	76,196
Educational supplies	0	63,705	63,705
Examination fees	0	0	0
Staff development	0	51,586	51,586
Educational consultancy	0	64,670	64,670
Other direct costs	0	14,282	14,282
	<u>0</u>	<u>1,884,946</u>	<u>1,884,946</u>
Allocated support costs			
Support staff costs	0	140,423	140,423
Depreciation	0	0	0
Recruitment and support	0	8,985	8,985
Maintenance of premises and equipment	0	461,726	461,726
Cleaning	0	0	0
Rent and rates	0	11,302	11,302
Water and energy costs	0	0	0
Insurance	0	12,799	12,799
Security and transport	0	0	0
Catering	0	52,668	52,668
Bank interest and charges	0	0	0
Other support costs	0	73,166	73,166
	<u>0</u>	<u>761,069</u>	<u>761,069</u>
	<u>0</u>	<u>2,646,015</u>	<u>2,646,015</u>

9 Governance costs

	Unrestricted Funds £	Restricted Funds £	Total 2011 £
Legal and professional fees	0	30,396	30,396
Auditor's remuneration			
Audit of financial statements	0	3,900	3,900
Advisory services	0	300	300
Support costs	0	4,554	4,554
Governors' reimbursed expenses	0	0	0
	<u>0</u>	<u>39,150</u>	<u>39,150</u>

HILLYFIELD PRIMARY ACADEMY**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2011** *(continued)*2011
£**10 Staff costs**

Staff costs during the period were

Wages and salaries	1,421,077
Social security costs	117,934
Pension costs	165,884
	<u>1,704,895</u>
Supply teacher costs	50,035
Compensation payments	0
	<u>1,754,930</u>

The average number of persons (including senior management team) employed by the Trust during the period expressed as full time equivalents were as follows

2011
No**Charitable Activities**

Teachers	33
Administration and support	65
Management	2
	<u>100</u>

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

£110,000 - £120,000	1
---------------------	---

The above employee participated in the Teachers' Pension Scheme. During the period ended 31 August 2011, pension contributions for this staff member amounted to £11,161.

11 Governors' remuneration and expenses

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 company in respect of their role as governors. The value of the Principal's remuneration was £116,820 in the period. The value of staff governor's remuneration was £67,243 in the period.

During the period ended 31 August 2011, travel and subsistence expenses totalling £140 was reimbursed to governors.

Related party transactions involving the trustees are set out in Note 28.

HILLYFIELD PRIMARY ACADEMY**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2011** *(continued)***12 Governors' and Officers' insurance**

In accordance with normal commercial practice the Trust has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on company business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the period ended 31 August 2011 was £1,333.

13 Tangible Fixed Assets

	Long Leasehold Buildings £	Leasehold Improve- ments £	Furniture and Equipment £	Computer Equipment £	Total 2011 £
Cost					
Donated to the Trust at inception	9,551,707	118,418	0	31,860	9,701,985
Additions	0	13,711	0	0	13,711
At 31 August 2011	9,551,707	132,129	0	31,860	9,715,696
Depreciation					
Charge for the period and balance at 31 August 2011	50,940	6,917	0	18,339	76,196
Net Book Value					
At 31 August 2011	9,500,767	125,212	0	13,521	9,639,500

14 Stock

	2011 £
Clothing	0
Catering	0
	<u>0</u>

15 Debtors

	2011 £
YPLA	379,198
HMRC - VAT	22,689
Predecessor school	269,183
LA - Rates refund due	49,636
LA - SEN and Early Years funding	97,508
Prepayments	10,025
	<u>828,239</u>

HILLYFIELD PRIMARY ACADEMY**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2011** *(continued)***16 Creditors amounts falling due within one year**

	2011 £
Trade creditors	50,686
Other taxation and social security	51,342
Other creditors	430,975
Accruals and deferred income	18,614
	<u>551,617</u>

Deferred income

Resources deferred in the period (included above)	<u>7,205</u>
---	--------------

17 Funds

	Balance at 30 September 2010 £	Incoming Resources £	Resources Expended £	Gains, Losses and Transfers £	Total 2011 £
Restricted general funds					
General Annual Grant (GAG)	0	2,142,225	(1,920,620)	0	221,605
Start up grant	0	36,476	(36,476)	0	0
Other DfE/YPLA grants	0	284,531	(284,531)	0	0
Other government grants	0	251,129	(251,129)	0	0
Other income	0	281,609	(192,409)	0	89,200
Pension reserve	0	(690,000)	21,000	0	(669,000)
	<u>0</u>	<u>2,305,970</u>	<u>(2,664,165)</u>	<u>0</u>	<u>(358,195)</u>
Restricted fixed asset funds					
Assets transferred from predecessor school	0	9,701,985	0	0	9,701,985
DfE/YPLA capital grants	0	11,324	0	0	11,324
Capital expenditure from GAG	0	0	0	0	0
Private sector capital	0	0	0	0	0
	<u>0</u>	<u>9,713,309</u>	<u>0</u>	<u>0</u>	<u>9,713,309</u>
Total restricted funds	<u>0</u>	<u>12,019,279</u>	<u>(2,664,165)</u>	<u>0</u>	<u>9,355,114</u>
Unrestricted funds					
Assets transferred from predecessor school	0	383,225	0	0	383,225
Unrestricted funds	0	31,866	(5,927)	0	25,939
	<u>0</u>	<u>415,091</u>	<u>(5,927)</u>	<u>0</u>	<u>409,164</u>
Total unrestricted funds	<u>0</u>	<u>415,091</u>	<u>(5,927)</u>	<u>0</u>	<u>409,164</u>
Total funds	<u>0</u>	<u>12,434,370</u>	<u>(2,670,092)</u>	<u>0</u>	<u>9,764,278</u>

The funds are to be applied in achieving the principal object of the Charitable Company

HILLYFIELD PRIMARY ACADEMY**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2011** *(continued)***18 Analysis of net assets between funds**

Fund balances at 31 August 2011 are represented by

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds £
Tangible fixed assets	0	0	9,639,500	9,639,500
Current assets	409,164	936,231	0	1,345,395
Current liabilities	0	(551,617)	0	(551,617)
Pension scheme liability	0	(669,000)	0	(669,000)
Total net assets	409,164	(284,386)	9,639,500	9,764,278

19 Capital commitments

	2011 £
Contracted for, but not provided in the financial statements	0
Authorised but not contracted for	0

20 Financial commitments***Operating leases***

At 31 August 2011 the company had annual commitments under non-cancellable operating leases as follows

Land and buildings

Expiring within one year	0
Expiring within two and five years	0
Expiring in over five years	0
	0

Other

Expiring within one year	0
Expiring within two and five years	25,092
Expiring in over five years	0
	25,092

HILLYFIELD PRIMARY ACADEMY**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2011 (continued)**

	2011 £
21 Reconciliation of net income to net cash inflow from operating activities	
Net income	9,743,278
Assets transferred from predecessor school	(9,395,210)
Bank balances, debtors and creditors transferred from predecessor school	383,225
Depreciation (Note 13)	76,196
Capital grants from DfE and other capital income	(11,324)
Interest receivable (Note 5)	(545)
Pension deficit in year	0
(Increase)/decrease in stocks	0
(Increase)/decrease in debtors	(828,239)
Increase/(decrease) in creditors	551,617
Net cash inflow from operating activities	518,998
22 Returns on investments and servicing of finance	
Interest received	545
Net cash inflow from returns on investment and servicing of finance	545
23 Capital expenditure and financial investment	
Purchase of tangible fixed assets	13,711
Capital grants from DfE/YPLA	(11,324)
Capital funding received from sponsors and others	0
Receipts from sale of tangible fixed assets	0
Net cash outflow from capital expenditure and financial investment	2,387

24 Analysis of changes in net funds

	Balance at 29 July 2010 £	Cash Flows £	At 31 August 2011 £
Cash at bank and in hand	0	517,156	517,156
	0	517,156	517,156

25 Contingent liabilities

There were no contingent liabilities to be provided or disclosed in the financial statements

26 Members' liability

Each member of the Trust has undertaken to contribute to the assets of the Trust 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

HILLYFIELD PRIMARY ACADEMY**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2011** *(continued)***27 Pension and similar obligations**

The Trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff, and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by the Cambridgeshire 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 was 31 March 2004 and of the LGPS 31 March 2010.

All contributions payable to the schemes at 31 August 2011 had been paid before the period end.

Teachers' Pension Scheme

The TPS is an unfunded defined benefit scheme. Contributions on a "pay-as-you-go" basis are credited to the Exchequer under arrangements governed by the Superannuation Act 1972. A notional asset value is ascribed to the scheme for the purpose of determining contribution rates.

The pension cost is normally assessed no less than every four years in accordance with the advice of the Government Actuary. The assumptions and other data that have the most significant effect on the determination of the contribution levels are as follows:

Latest actuarial valuation (under the new provisions)	31 March 2004
Actuarial method	Prospective benefits
Investment returns per annum	6.5% per annum
Salary scale increases per annum	5.0% per annum
Notional value of assets at date of last valuation	£162,650 million
Proportion of members' accrued benefits covered by the notional value of the assets	98.88%

Following the implementation of Teachers' Pension (Employers' Supplementary Contributions) Regulations 2000, the Government Actuary carried out a further review on the level of employer contributions. For the period from 1 September 2010 to 31 August 2011 the employer contribution was 14.1%. The employee rate was 6.4% for the same period.

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The Trust is unable to identify its share of the underlying assets and liabilities of the scheme.

Accordingly, the Trust has taken advantage of the exemption in FRS17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Trust has set out above the information available on the scheme and the implications for the Trust in terms of the anticipated contribution rates.

HILLYFIELD PRIMARY ACADEMY**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2011** *(continued)***27 Pension and similar obligations** *(continued)***Local Government Pension Scheme**

The LGPS is a funded defined benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the period ended 31 August 2011 was £83,260 of which employer's contributions totalled £64,964 and employees' contributions totalled £18,296. The agreed contribution rate for future years is 17.5% for employers.

Principal actuarial assumptions

	At 31 August 2011
Rate of increase in salaries	4.20%
Rate of increase for pensions in payment/inflation	2.70%
Discount rate for scheme liabilities	5.30%
Inflation assumption (CPI)	2.70%
Expected return on assets	-5.38%

An allowance is included for 50% of future retirements to elect to take maximum cash and 50% to take 3/80th's of the maximum tax free cash up to HMRC limits.

Sensitivity analysis

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

	Change in assumptions at period ended 31 August 2011	Approximate % increase to Employer Liability	Approximate monetary amount £'000
Increase in real discount rate	0.10%	-2.30%	(17)
Increase in member life expectancy	1 year	2.10%	16
Increase in the salary increase rate	0.10%	1.20%	9
Increase in expected return on equities	0.10%	0.00%	0

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

	At 31 August 2011 Years
<i>Retiring today</i>	
Males	21.3
Females	24.1
<i>Retiring in the future</i>	
Males	22.7
Females	25.6

HILLYFIELD PRIMARY ACADEMY**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2011** *(continued)***27 Pension and similar obligations** *(continued)***Local Government Pension Scheme**

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

	Expected return at 31 August 2011	Fair value at 31 August 2011 £'000
Equities	7.0%	63
Bonds	4.8%	11
Property	6.0%	5
Other	7.0%	2
Total market value of assets		81
Present value of scheme liabilities - funded		(750)
(Deficit) in the scheme		(669)

The expected return on assets is based on the long-term future expected investment return for each asset class as at the date of joining the fund

The actual return on scheme assets was (£2,000)

Amounts recognised in the statement of financial activities

	2011 £'000
Current service cost (net of employee contributions)	51
Past service cost	0
Total operating charge	51

Analysis of pension finance income/(costs)

Expected return on pension scheme assets	(2)
Interest on pension liabilities	25
Pension finance income/(costs)	23

The actuarial gains and losses for the current year are recognised in the statement of financial activities

The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS17 is a £669,000 deficit

HILLYFIELD PRIMARY ACADEMY**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2011** *(continued)***27 Pension and similar obligations** *(continued)***Local Government Pension Scheme**

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

	2011 £'000
At 31 December 2010	690
Current service cost	51
Interest cost	25
Employee contributions	18
Actuarial gain/(loss)	(34)
Benefits paid	0
Past service cost	0
Curtailments and settlements	0
At 31 August 2011	750

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

	2011 £'000
At 31 December 2010	0
Expected return on assets	2
Actuarial gain/(loss)	(4)
Employer contributions	65
Employee contributions	18
Benefits paid	0
At 31 August 2011	81

The estimated value of employer contributions for the year ended 31 August 2012 is £71,000

28 Related party transactions

Owing to the nature of the Trust's operations and the composition of the board of governors being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the board of governors or a member of staff with financial responsibilities may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Trust's financial and normal procurement procedures.

There have been no transactions with any organisation in which any member of the governing body or staff with financial responsibilities have declared any interest in the Register of Pecuniary Interests.