Registered number: 07470621

HILLYFIELD PRIMARY ACADEMY

(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2017

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HILLYFIELD PRIMARY ACADEMY
(A Company Limited by Guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS FOR THE YEAR ENDED 31 AUGUST 2017

Members	Roger pryce Robert Markham Andrew Jacobs
Trustees	Roger Pryce, Chair[1] Robert Markham, Vice Chair[1] Andrew Jacobs[1] Rohan Robinson Richard Thomas Becky Mackenzie-Young David Gribble Anna Mackenzie (resigned) Fatima Ba-Alawi Lisa Bradley Rebacca Lyons Tim Bowden (resigned 31 March 2017) Pauline Casbolt Charlotte Hickman Helen Emara Oliver Benjamin-Lowin [1] Director of the Charitable Company
Company registered number	07470621
Company name	Hillyfield Primary Academy
Registered office	101 Higham Hill Road Walthamstow London E17 6ED
Principal operating office	101 Higham Hill Road Walthamstow London E17 6ED
Company secretary	Heike King
Executive Headteacher	Anna Mackenzie
Senior management team	A Mackenzie, Head Teacher T Bowden, Head of School P Casbolt, Head of School
Independent auditors	Landau Baker Limited Chartered Accountants Mountcliff House 154 Brent Street London NW4 2DR

REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2017

Advisers (continued)

Bankers	Royal Bank of Scotland 747 Attercliffe Road Sheffield S9 3RF
Director of Finance and Administration	Heike King
Clerk to Governors	Victoria Mitchell

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2017

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2016 to 31 August 2017. The Annual Report serves the purposes of both a Trustees' Report, and a Directors' report under company law.

Structure, governance and management

a. CONSTITUTION

The academy trust is a charitable 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 Hillyfield Primary Academy are also the directors of the charitable company for the purposes of company law.

The charitable company is known as Hillyfield Primary Academy.

Details of the Trustees who served during the are included in the Reference and administrative details on page 1.

b. 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.

c. TRUSTEES' INDEMNITIES

Subject to the provisions of the Companies Act, every trustee or other officer of the academy shall be indemnified out of the assets of the academy 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 academy.

d. METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF TRUSTEES

The management of the academy is the responsibility of the Governors who are elected and co-opted under the terms of the Articles of Association and funding agreement as follows:

- The Executive Head Teacher
- Up to 4 parent governors, appointed by the members
- Up to 5 community governors, appointed by the members
- Up to 3 staff governors appointed by the members, provided that the maximum number of staff governors does not exceed one third of the total number of governors
- Any governors appointed by the Secretary of State for Education

The term of office for any governor is 4 years. The Head Executive Teacher's term of office runs parallel with her term of appointment. Subject to remaining eligible to be a particular type of governor, any governor may be reappointed or re-elected.

e. POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES

During the period under review, the Governors held 4 full governing body meetings. In addition there were regular meetings covering finance, curriculum, premises and personnel. The training and induction provided for new governors will depend on their 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, budgets, plans and other documents that they will need to understand their role as trustees and directors of the academy.

f. ORGANISATIONAL STRUCTURE

The academy 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 academy 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. The Executive Head Teacher is directly responsible for the day to day running of the academy and is assisted by a senior leadership team.
Governors are responsible for setting general policy, adopting an annual plan and budget, monitoring the academy by use of budgets and making major decisions about the direction of the academy, including capital expenditure and senior staff appointments.
The Executive Head Teacher assumes the accounting officer role.

g. CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS

The academy is the founding member of the REAch2 Academy Trust which is a separate Trust where Hillyfield Academy is the only member. The Trust undertakes educational support activities.

Objectives and Activities

a. OBJECTS AND AIMS

The principal object and activity of the academy is the operation of Hillyfield Primary Academy to provide a broad and balanced education for pupils of all abilities. The governors have referred to the guidance issued by the Charity Commission in respect of public benefit when reviewing the aims and objectives of the academy.

In accordance with the articles of association, the academy has adopted a "Scheme of Governmencet" approved by the Secretary of State for Education. The Scheme of Governmence specifies, amongst other things, that the Academy will be at the heart of the community promoting community cohesion and sharing facilities; the basis for admitting students to the academy that the curriculum should be broad and balanced; there will be an emphasis on the needs of individual pupils including pupils with SEN.

b. OBJECTIVES, STRATEGIES AND ACTIVITIES

The academy has undertaken self evaluation activities to correctly identify objectives for the next year. These objectives are:

- To develop more effective relationships between all stakeholders to positively impact on the ethos of the academy and behaviour of pupils within the academy.
- The academy seeks to develop its approach to creativity & engagement so that this positively impacts on the quality of teaching and learning in the school.
- The academy will strengthen its accountability structure through a review of the effectiveness of leadership and management. It will achieve this through developing a more effective appraisal framework.
- Achieve consistently high standards of teaching and learning.
- Provide local leadership capacity and support.
- Develop cost effective curriculum design and collaboration which optimises opportunities for pupils and students and provides added value progress for them.
- Achieve best value in service delivery especially where partnership working can add value.

The Academy's main strategy is encompassed in the Academy's Aims, which are to develop students who are:

- Active Citizens

- Prepared for their future
- Happy, healthy and safe
- Caring individuals
- Responsible learners

The Academy's vision is to build an ethos of:

- Brilliance in every child, Excellence every day.
- For any child to realise their inner potential they need an environment and adult role models that support their love and enjoyment of learning.
- Every child has an absolute right to an equal opportunity to flourish in the academy.
- Our pupils will develop the skills, knowledge and attitudes to realise their own dreams through a positive contribution to their community and wider society.
- Self-realisation and positive contribution stem from a confidence and strength in one's own identity that allows us to embrace and respect the identity of other individuals and groups in our community and wider society.
- The long-term well-being of our pupils is dependent on a sustainable economy, society and environment. We need to teach our children to be able to contribute to achieving that sustainability as adults.
- It is the responsibility of all of the adult staff in HILLYFIELD academy to remove the barriers to each individual child's development and create the conditions in which they are able to love and enjoy learning.

The main activities for achieving objectives the academy will undertake will be:

- Developing a new teaching and learning policy and implementing this effectively.
- The academy will review and develop its curriculum provision to enhance creativity and engagement.
- The accountability of the academy will be strengthened by the development of new policies and procedures and implementation of a new self-evaluation framework.
- Active Citizens
- Participate in a range of community activities.
- Have opportunities for leadership in all Key Stages of their time at the school.
- Create cultural social and economic links with the local and wider communities.
- Understand the importance of and contribute to student voice activities.
- Demonstrate local, national and global social awareness.
- Demonstrate environmental awareness in school and wider communities.
- Understand democracy and the importance of voting.
- Understand that in any society there are limits to individual freedom for the wellbeing of the society as a whole.
- Prepared for their future
- Develop the ability to adapt to change.
- Develop a broad range of transferable skills.
- Develop a broad knowledge of the world of work
- Have real experience of the next Key Stage before making their choices of subjects to study.
- Have a broad knowledge of post school options to make informed choices.
- Develop life skills and academic and personal independence.
- Understand the economic realities of their and others lives and ways to manage financial responsibilities.
- Happy, Healthy and Safe
- Understand the importance of healthy eating for physical and mental wellbeing.
- Understanding the importance of exercise for physical and mental wellbeing.
- Act on awareness of healthy lifestyle choices.
- Take advantage of and enjoy a range of extra-curricular activities.
- Develop a knowledge of health issues, including sexual, mental and drug related, to enable informed decisions and choices.
- Safely enjoy new technologies, experiences and environments.
- Caring Individuals
- Respect everyone and welcome differences.
- Be aware of the consequences of our actions, however small, for ourselves and others.
- Provide social and academic support for all members of our community.
- Learn to be good listeners and communicators.

- Respect other's opinions and beliefs.
- Respect oneself.
- Responsible Learners
- Recognise that making mistakes is a key part of successful learning and develop perseverance.
- Enjoy and cultivate a positive approach to, and accept responsibility for their learning.
- Be able to and enjoy applying knowledge & understanding to a wide range of situations.
- Work successfully in teams and as individuals.
- Supported to take responsibility to achieve beyond their potential.
- Reflect on both achievements and setbacks and learn from their experiences.
- Think and learn creatively.

c. 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.

Strategic report

Achievements and performance

a. GOING CONCERN

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

Financial review

a. 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.

Total reserves at the end of the period amounted to £17,730,523 (2016: £17,049,011). This balance includes unrestricted funds (free reserves) of £589,486 (2016: £534,750), which is considered appropriate for the Academy Trust, and restricted funds of £1,585,590 (2016: £1,494,635).

b. PRINCIPAL RISKS AND UNCERTAINTIES

The Companies Act 2006 s417(3b) requires disclosure of the principal risks and uncertainties facing a company. The academy is exposed to a number of financial risks including credit, cash flow and liquidity risks. Given the academy's exposure to financial instruments being limited, the exposure principally relates to bank balances, cash and trade creditors, with limited trade (and other) debtors. The academy's system of internal controls ensures risk is minimal in these areas.

c. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Most of the Academy's income is obtained from the Education Funding Agency (EFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the EFA during the 12 month period ended 31 August 2016 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 EFA. In accordance with the Charities Statement of Recommended Practice, "Accounting for Reporting by Charities" (SORP 2015), 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.
Overall, the academy has a healthy balance sheet and cash flow and will be using the reserves to maintain the current assets and also to invest back into the school in the form of additional resources and facilities both in the long term and short short term in conjuction with the school development plan and school aims.
The Governors through the Resource Committee and Head Teacher receive financial progress reports throughout the year and compare against budgets submitted to the Education Funding Agency. The Finance Committee also review longer term financial models (up to 5 years) to plan and organise resources most effectively to fulfil the aims of the academy.

Plans for future periods

a. FUTURE DEVELOPMENTS

Hillyfield Primary Academy has undertaken the third phase of its expansion programme. The academy is now a seven form entry and as the additional forms work their way through the school, the numbers on roll will gradually increase.

DISCLOSURE OF INFORMATION TO AUDITORS

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustees have taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

The Trustees' Report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 19 December 2017 and signed on its behalf by:

Roger Pryce, Chair 

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As trustees, 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 board of trustees has delegated the day-to-day responsibility to the Executive Head Teacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Hillyfield Primary Academy 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 Statement of Trustees' Responsibilities. The board of trustees has formally met 4 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
Roger Pryce, Chair	4	4
Robert Markham, Vice Chair	2	4
Andrew Jacobs	3	4
Rohan Robinson	4	4
Richard Thomas	1	4
Becky Mackenzie-Young	2	4
David Gribble	2	4
Anna Mackenzie	4	4
Fatima Ba-Alawi	4	4
Lisa Bradley	1	4
Rebacca Lyons	3	4
Tim Bowden	1	2
Pauline Casbolt	3	4
Charlotte Hickman	2	4
Helen Emara	2	4
Oliver Benjamin-Lowin	2	4

In order to further increase the effectiveness of the Governing Body, governors will all take part in training delivered by REAch2. In addition, the Governing Body has undertaken a restructure to increase and deepen all governors' knowledge of the school through attendance at all committee meetings.

The Resources Committee is a sub-committee of the main board of trustees. Its purpose is to monitor the finances of the academy and to ensure that resources are used for the purposes intended and that the academy is following the EFA's financial regulations.

No significant issues to note were dealt with during the period.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Robert Markham	1	5
Richard Thomas	1	5
Rohan Robinson	4	5
Charlotte Hickman	4	5

Roger Pryce	2	5
Tim Bowden	1	3
Pauline Casbolt	2	5
David Gribble	3	5
Rohan Robinson	4	5
Anna Mackenzie	5	5
Andrew Jacobs	2	5
Helen Emara	3	5
Oliver Benjamin-Lowin	2	5
Fatima Ba-Alawi	4	5
Rebacca Lyons	3	5

REVIEW OF VALUE FOR MONEY

As Accounting Officer, the Executive Head Teacher 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 academy 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 appropriate. The Accounting Officer for the academy trust has delivered improved value for money during the year by:

- Further developing and expanding staff appraisal so all members of staff are accountable for their performance
- Continuing to refine school development planning to ensure that resources more closely match development priorities
- Enhancing the rigour of the financial management policy and scheme of delegation, including greater input input from the Responsible Officer

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 Hillyfield Primary Academy for the year 1 September 2016 to 31 August 2017 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 2016 to 31 August 2017 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:

GOVERNANCE STATEMENT (continued)

- 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 resources 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 Trish Cain, 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:

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
- testing of purchase systems
- testing of control account/ bank reconciliations

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

REVIEW OF EFFECTIVENESS

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

- the work of the 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 resources 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 19 December 2017 and signed on their behalf, by:

Roger Pryce, Chair

Anna Mackenzie
Accounting Officer

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Hillyfield Primary Academy I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2016.

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 2016.

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 ESFA.



Anna Mackenzie
Accounting Officer

Date: 19/12/2017

STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE YEAR ENDED 31 AUGUST 2017

The trustees (who act as governors of Hillyfield Primary Academy and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Annual Accounts Direction issued by the Education and Skills 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:

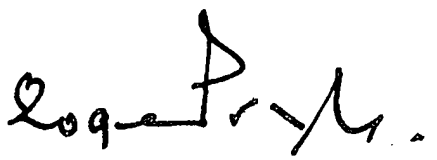
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 ESFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the board of trustees on 19 December 2017 and signed on its behalf by:



Roger Pryce, Chair

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF HILLYFIELD PRIMARY ACADEMY

OPINION

We have audited the financial statements of Hillyfield Primary Academy (the 'academy') for the year ended 31 August 2017 which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

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

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2017 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, the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the academy in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the academy's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

OTHER INFORMATION

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF HILLYFIELD PRIMARY ACADEMY

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report including the Strategic Report for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of our knowledge and understanding of the academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report including the Strategic Report.

We have nothing to report in respect of the following matters in relation to which 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' remunerations specified by law not made; or
- we have not received all the information and explanations we require for our audit.

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees (who are also the directors of the academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the academy's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the academy or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF HILLYFIELD PRIMARY ACADEMY

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

Michael Durst (Senior Statutory Auditor)

for and on behalf of

Landau Baker Limited

Chartered Accountants
Statutory Auditors

Mountcliff House
154 Brent Street
London
NW4 2DR
19 December 2017

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO HILLYFIELD PRIMARY ACADEMY AND THE EDUCATION AND SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 28 November 2011 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Hillyfield Primary Academy during the year 1 September 2016 to 31 August 2017 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 Hillyfield Primary Academy and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Hillyfield Primary Academy and the ESFA 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 Hillyfield Primary Academy and the ESFA, for our work, for this report, or for the conclusion we have formed.

RESPECTIVE RESPONSIBILITIES OF HILLYFIELD PRIMARY ACADEMY'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The Accounting Officer is responsible, under the requirements of Hillyfield Primary Academy's funding agreement with the Secretary of State for Education dated 10 January 2011, and the Academies Financial Handbook extant from 1 September 2016, 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 2016 to 2017. 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 2016 to 31 August 2017 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 2016 to 2017 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- review of management reporting documents.
- review of Trustees meeting minutes.
- confirming compliance with the Academy Trust's Scheme of Delegation.
- compliance with delegated authorities.
- consideration of whether any personal benefit has been derived from the Academy Trust's transactions

by staff or related parties.
• adherence to tendering policies.

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 2016 to 31 August 2017 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Reporting Accountant

Landau Baker Limited

Chartered Accountants
Statutory Auditors

Mountcliff House
154 Brent Street
London
NW4 2DR

19 December 2017

STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2017

	Note	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	*Total funds 2016 £*
INCOME FROM:						
Donations and capital grants	2	**12,023**	-	**15,567**	**27,590**	*3,101,314*
Charitable activities	3	-	**6,740,258**	-	**6,740,258**	*6,400,751*
Other trading activities	4	**60,990**	**306,238**	-	**367,228**	*629,588*
Investments	5	**8,162**	-	-	**8,162**	*6,790*
TOTAL INCOME		**81,175**	**7,046,496**	**15,567**	**7,143,238**	*10,138,443*
EXPENDITURE ON:						
Raising funds		**26,439**	-	-	**26,439**	*22,028*
Charitable activities		-	**7,156,700**	**197,587**	**7,354,287**	*7,324,520*
TOTAL EXPENDITURE	6	**26,439**	**7,156,700**	**197,587**	**7,380,726**	*7,346,548*
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS		**54,736**	**(110,204)**	**(182,020)**	**(237,488)**	*2,791,895*
Transfers between Funds	18	-	**(101,841)**	**101,841**	-	-
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES		**54,736**	**(212,045)**	**(80,179)**	**(237,488)**	*2,791,895*
Actuarial gains/(losses) on defined benefit pension schemes	24	-	**919,000**	-	**919,000**	*(1,360,000)*
NET MOVEMENT IN FUNDS		**54,736**	**706,955**	**(80,179)**	**681,512**	*1,431,895*
RECONCILIATION OF FUNDS:						
Total funds brought forward		**534,750**	**(668,365)**	**17,182,626**	**17,049,011**	*15,617,116*
TOTAL FUNDS CARRIED FORWARD		**589,486**	**38,590**	**17,102,447**	**17,730,523**	*17,049,011*

HILLYFIELD PRIMARY ACADEMY
(A Company Limited by Guarantee)
REGISTERED NUMBER: 07470621

BALANCE SHEET
AS AT 31 AUGUST 2017

	Note	£	2017 £	£	2016 £
FIXED ASSETS					
Tangible assets	15		17,102,447		16,226,090
CURRENT ASSETS					
Debtors	16	194,422		410,288	
Cash at bank and in hand		2,943,844		3,660,001	
		3,138,266		4,070,289	
CREDITORS: amounts falling due within one year	17	(963,190)		(1,084,368)	
NET CURRENT ASSETS			2,175,076		2,985,921
TOTAL ASSETS LESS CURRENT LIABILITIES			19,277,523		19,212,011
Defined benefit pension scheme liability	24		(1,547,000)		(2,163,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			17,730,523		17,049,011
FUNDS OF THE ACADEMY					
Restricted income funds:					
Restricted income funds	18	1,585,590		1,494,635	
Restricted fixed asset funds	18	17,102,447		17,182,626	
Restricted income funds excluding pension liability		18,688,037		18,677,261	
Pension reserve		(1,547,000)		(2,163,000)	
Total restricted income funds			17,141,037		16,514,261
Unrestricted income funds	18		589,486		534,750
TOTAL FUNDS			17,730,523		17,049,011

The financial statements on pages 19 to 41 were approved by the Trustees, and authorised for issue, on 19 December 2017 and are signed on their behalf, by:

Roger Pryce, Chair

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2017

	Note	2017 £	*2016 £*
Cash flows from operating activities			
Net cash provided by operating activities	20	**334,058**	*637,323*
Cash flows from investing activities:			
Interest received		**8,162**	*6,790*
Purchase of tangible fixed assets		**(1,073,944)**	*(2,143,169)*
Capital grants from DfE/ESFA		**15,567**	*3,099,705*
Net cash (used in)/provided by investing activities		**(1,050,215)**	*963,326*
Change in cash and cash equivalents in the year		**(716,157)**	*1,600,649*
Cash and cash equivalents brought forward		**3,660,001**	*2,059,352*
Cash and cash equivalents carried forward		**2,943,844**	*3,660,001*

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Hillyfield Primary Academy constitutes a public benefit entity as defined by FRS 102.

1.2 Going concern

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the academy to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

1. ACCOUNTING POLICIES (continued)

1.3 Income

All income is recognised once the academy has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Statement of Financial Activities incorporating Income and Expenditure Account 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 Statement of Financial Activities incorporating Income and Expenditure Account in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

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

Sponsorship income provided to the academy which amounts to a donation is recognised in the Statement of Financial Activities incorporating Income and Expenditure Account in the period in which it is receivable, where receipt is probable and it is measurable.

Donations are recognised on a receivable basis where receipt is probable 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.

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on raising funds includes all expenditure incurred by the academy to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities are costs incurred on the academy's educational operations, including support costs and those costs relating to the governance of the academy appointed to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

1. ACCOUNTING POLICIES (continued)

1.5 Tangible fixed assets and depreciation

All assets costing more than £xxx are capitalised 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. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities incorporating Income and Expenditure Account and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities incorporating Income and Expenditure Account. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

Long leasehold buildings	-	125 years
Improvements to leasehold premises	-	20 - 50 years
Fixtures and fittings	-	5 years
Computer equipment	-	2 years
Assets under construction	-	Not depreciated until brought into use

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 incorporating Income and Expenditure Account.

1.6 Operating leases

Rentals under operating leases are charged to the Statement of Financial Activities incorporating Income and Expenditure Account on a straight line basis over the lease term.

1.7 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.8 Cash at Bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1. ACCOUNTING POLICIES (continued)

1.9 Liabilities and provisions

Liabilities and provisions are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.10 Financial instruments

The academy only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy and their measurement basis are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 16. Prepayments are not financial instruments. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in note 17. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment.

1.11 Taxation

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

1.12 Pensions

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Governments Pension Scheme ("LGPS"). These are defined benefit schemes.

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 quadrennial valuations using a prospective unit credit method. As stated in note 24, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

1. ACCOUNTING POLICIES (continued)

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 credit 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 the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities incorporating Income and Expenditure Account and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

1.13 Fund accounting

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

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

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

1. ACCOUNTING POLICIES (continued)

1.14 Critical accounting estimates and areas of judgment

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The academy trust makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 August 2017 has been used by the actuary in valuing the pensions liability at 31 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	*Total funds 2016 £*
Donations	**12,023**	-	-	**12,023**	*1,609*
Capital Grants	-	-	**15,567**	**15,567**	*3,099,705*
	12,023	-	**15,567**	**27,590**	*3,101,314*
Total 2016	*1,609*	-	*3,099,705*	*3,101,314*	

3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

Hillyfield Primary Academy

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	*Total funds 2016 £*
DfE/ESFA grants				
GAG	-	**5,015,865**	**5,015,865**	*4,565,112*
Other YPLA/EFA grants	-	**604,021**	**604,021**	*582,121*
	-	**5,619,886**	**5,619,886**	*5,147,233*
Other government grants				
Other government grants	-	**1,120,372**	**1,120,372**	*1,131,651*
	-	**1,120,372**	**1,120,372**	*1,131,651*
Other funding				
Insurance claims	-	-	-	*121,867*
	-	-	-	*121,867*
	-	**6,740,258**	**6,740,258**	*6,400,751*
Total 2016	-	*6,400,751*	*6,400,751*	

4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	*Total funds 2016 £*
Catering income	-	**103,212**	**103,212**	*92,587*
Music services income	**60,990**	-	**60,990**	*62,656*
Staff consultancy	-	-	-	*230,617*
Facilities & services	-	**203,026**	**203,026**	*243,728*
	60,990	**306,238**	**367,228**	*629,588*
Total 2016	*62,656*	*566,932*	*629,588*	

5. INVESTMENT INCOME

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	*Total funds 2016 £*
Investment income	**8,162**	**-**	**8,162**	*6,790*
Total 2016	*6,790*	*-*	*6,790*	

6. EXPENDITURE

	Staff costs 2017 £	Premises 2017 £	Other costs 2017 £	Total 2017 £	*Total 2016 £*
Expenditure on raising voluntary income	-	-	**26,439**	**26,439**	*22,028*
Educational operations:					
Direct costs	**4,496,077**	**699,279**	**4,658**	**5,200,014**	*5,283,041*
Support costs	**905,883**	**1,217,777**	**30,613**	**2,154,273**	*2,041,479*
	5,401,960	**1,917,056**	**61,710**	**7,380,726**	*7,346,548*
Total 2016	*5,078,177*	*860,896*	*1,407,475*	*7,346,548*	

7. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2017 £	Support costs 2017 £	Total 2017 £	*Total 2016 £*
Educational operations	**5,200,014**	**2,154,273**	**7,354,287**	*7,324,520*
Total 2016	*5,283,041*	*2,041,479*	*7,324,520*	

8. DIRECT COSTS

	Educational operations £	Total 2017 £	*Total 2016 £*
Educational supplies	**226,291**	**226,291**	*263,102*
Staff development	**34,750**	**34,750**	*43,523*
Educational consultancy	**200,017**	**200,017**	*137,267*
Other direct costs	**45,292**	**45,292**	*65,855*
Agency supply teaching	**295,233**	**295,233**	*214,386*
Wages and salaries	**3,541,494**	**3,541,494**	*3,456,508*
National insurance	**274,896**	**274,896**	*264,820*
Pension cost	**384,454**	**384,454**	*394,911*
Depreciation	**197,587**	**197,587**	*442,669*
	5,200,014	**5,200,014**	*5,283,041*
At 31 August 2016	*5,283,041*	*5,283,041*	

9. SUPPORT COSTS

	Educational operations £	Total 2017 £	*Total 2016 £*
Pension finance costs	**46,000**	**46,000**	*23,000*
Recruitment and support	**67,397**	**67,397**	*27,553*
Maintenance of premises and equipment	**732,414**	**732,414**	*816,134*
Rent and rates	**22,625**	**22,625**	*22,637*
Insurance	**19,956**	**19,956**	*22,125*
Other support costs	**152,696**	**152,696**	*124,809*
Governance costs	**14,488**	**14,488**	*19,467*
Catering expenditure	**192,814**	**192,814**	*238,202*
Wages and salaries	**534,573**	**534,573**	*543,187*
National insurance	**26,342**	**26,342**	*37,106*
Pension cost	**344,968**	**344,968**	*167,259*
	2,154,273	**2,154,273**	*2,041,479*
At 31 August 2016	*2,041,479*	*2,041,479*	

10. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2017	2016
	£	£
Depreciation of tangible fixed assets:		
- owned by the charity	**197,587**	*442,669*
Auditors' remuneration	**4,000**	*4,000*
Auditors' remuneration- non audit	**2,196**	*3,731*

11. STAFF COSTS

Staff costs were as follows:

	2017	2016
	£	£
Wages and salaries	**4,067,761**	*3,999,695*
Social security costs	**301,238**	*301,926*
Operating costs of defined benefit pension schemes	**729,422**	*562,170*
	5,098,421	*4,863,791*
Apprenticeship levy	**8,306**	-
Supply teacher costs	**295,233**	*214,386*
	5,401,960	*5,078,177*

The average number of persons employed by the academy during the year was as follows:

	2017	2016
	No.	No.
Teachers	**54**	*54*
Administration and support	**150**	*137*
Management	**13**	*14*
	217	*205*

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2017	2016
	No.	No.
In the band £60,001 - £70,000	**2**	*0*
In the band £70,001 - £80,000	**2**	*2*
In the band £90,001 - £100,000	**1**	*1*
In the band £200,001 - £300,000	**0**	*1*

The key management personnel of the academy comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy was £263,404 (2016:486,921)

11. STAFF COSTS (continued)

12. TRUSTEES' REMUNERATION AND EXPENSES

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

		2017 £'000	*2016* *£'000*
Mr S Lancashire (Executive Head)	Remuneration	**NIL**	*200-205*
	Pension contributions paid	**NIL**	*30-35*
Ms A Mackenzie (Executive Head Teacher)	Remuneration	**100-105**	*65-70*
	Pension contributions paid	**15-20**	*10-15*
Sally Carpenter (Staff Trustee)	Remuneration	**NIL**	*30-35*
	Pension contributions paid	**NIL**	*0-5*
Tiffany Luckett (Staff Trustee)	Remuneration	**40-45**	*40-45*
	Pension contributions paid	**5-10**	*5-10*
Tim Bowden (Head of School)	Remuneration	**45-50**	*75-80*
	Pension contributions paid	**5-10**	*10-15*
Pauline Casbolt (Staff Trustee)	Remuneration	**70-75**	*70-75*
	Pension contributions paid	**10-15**	*10-15*
E Brutnall (Staff Trustee)	Remuneration	**20-25**	*NIL*
	Pension contributions paid	**0-5**	*NIL*

During the year ended 31 August 2017, expenses totalling £2,400 (2016 - £NIL) were reimbursed to 1 Trustee (2016 - 0).

13. TRUSTEES' AND OFFICERS' INSURANCE

The academy trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000. It is not possible to quantify the Trustees and officers indemnity element from the overall cost of the RPA scheme.

14. PENSION FINANCE CHARGES

	2017 £	*2016 £*
Interest income on pension scheme assets	31,000	*41,000*
Interest on pension scheme liabilities	(77,000)	*(64,000)*
	(46,000)	*(23,000)*

15. TANGIBLE FIXED ASSETS

	L/Term Leasehold Property £	Improvements to Leasehold Property £	Fixtures and fittings £	Computer equipment £	Assets under construction £	Total £
Cost						
At 1 September 2016	9,551,707	5,377,587	147,720	367,515	2,073,174	17,517,703
Additions	-	7,668	25,305	53,715	987,256	1,073,944
Transfer between classes	-	3,060,430	-	-	(3,060,430)	-
At 31 August 2017	9,551,707	8,445,685	173,025	421,230	-	18,591,647
Depreciation						
At 1 September 2016	433,007	407,465	108,720	342,421	-	1,291,613
Charge for the year	76,414	76,505	32,855	11,813	-	197,587
At 31 August 2017	509,421	483,970	141,575	354,234	-	1,489,200
Net book value						
At 31 August 2017	9,042,286	7,961,715	31,450	66,996	-	17,102,447
At 31 August 2016	*9,118,700*	*4,970,122*	*39,000*	*25,094*	*2,073,174*	*16,226,090*

16. DEBTORS

	2017 £	*2016 £*
Trade debtors	1,619	*245,952*
VAT repayable	45,703	*72,781*
Other debtors	4,047	*1,655*
Prepayments and accrued income	143,053	*89,900*
	194,422	*410,288*

17. CREDITORS: Amounts falling due within one year

	2017 £	*2016 £*
Trade creditors	**162,098**	*220*
Other taxation and social security	**87,680**	*92,579*
Other creditors	**-**	*5,932*
Accruals and deferred income	**713,412**	*985,637*
	963,190	*1,084,368*

18. STATEMENT OF FUNDS

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
Unrestricted funds						
General Funds - all funds	**534,750**	**81,175**	**(26,439)**	**-**	**-**	**589,486**
Restricted funds						
Restricted Funds - all funds	**1,494,635**	**7,046,496**	**(6,853,700)**	**(101,841)**	**-**	**1,585,590**
Pension reserve	**(2,163,000)**	**-**	**(303,000)**	**-**	**919,000**	**(1,547,000)**
	(668,365)	**7,046,496**	**(7,156,700)**	**(101,841)**	**919,000**	**38,590**
Restricted fixed asset funds						
Restricted Fixed Asset Funds - all funds	**17,182,626**	**15,567**	**(197,587)**	**101,841**	**-**	**17,102,447**
Total restricted funds	**16,514,261**	**7,062,063**	**(7,354,287)**	**-**	**919,000**	**17,141,037**
Total of funds	**17,049,011**	**7,143,238**	**(7,380,726)**	**-**	**919,000**	**17,730,523**

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 September 2015 £	*Income £*	*Expenditure £*	*Transfers in/out £*	*Gains/ (Losses) £*	*Balance at 31 August 2016 £*
Unrestricted funds						
General Funds - all funds	*471,963*	*84,815*	*(22,028)*	**-**	**-**	*534,750*
	471,963	*84,815*	*(22,028)*	**-**	**-**	*534,750*

18. STATEMENT OF FUNDS (continued)

Restricted funds

Restricted Funds - all funds	*1,315,563*	*6,953,923*	*(6,774,851)*	-	-	*1,494,635*
Pension reserve	*(696,000)*	-	*(107,000)*	-	*(1,360,000)*	*(2,163,000)*
	619,563	*6,953,923*	*(6,881,851)*	-	*(1,360,000)*	*(668,365)*

Restricted fixed asset funds

Restricted Fixed Asset Funds - all funds	*14,525,590*	*3,099,705*	*(442,669)*	-	-	*17,182,626*
	14,525,590	*3,099,705*	*(442,669)*	-	-	*17,182,626*
Total restricted funds	*15,145,153*	*10,053,628*	*(7,324,520)*	-	*(1,360,000)*	*16,514,261*
Total of funds	*15,617,116*	*10,138,443*	*(7,346,548)*	-	*(1,360,000)*	*17,049,011*

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

All funds originated from assets gifted by the predecessor school. In addition:

Restricted fixed asset funds have been increased by capital grants provided by the DfE and reduced by depreciation charges.

Restricted general funds have been increased by revenue grants provided by the DfE and reduced by expenditure incurred in the operation of the academy.

The restricted funds can only be used in terms of limitations imposed the the Funding Agreement with the DfE and the terms of any specific grant.

Unrestricted funds have been increased by voluntary contributions by parents and reduced by expenditure iincurred in the operation of the academy.

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2017.

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	17,102,447	17,102,447
Current assets	589,486	2,548,780	-	3,138,266
Creditors due within one year	-	(963,190)	-	(963,190)
Provisions for liabilities and charges	-	(1,547,000)	-	(1,547,000)
	589,486	38,590	17,102,447	17,730,523

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2016 £	*Restricted funds 2016 £*	*Restricted fixed asset funds 2016 £*	*Total funds 2016 £*
Tangible fixed assets	-	-	*16,226,090*	*16,226,090*
Current assets	*534,750*	*2,579,003*	*956,536*	*4,070,289*
Creditors due within one year	-	*(1,084,368)*	-	*(1,084,368)*
Provisions for liabilities and charges	-	*(2,163,000)*	-	*(2,163,000)*
	534,750	*(668,365)*	*17,182,626*	*17,049,011*

20. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2017 £	*2016 £*
Net (expenditure)/income for the year (as per Statement of Financial Activities)	(237,488)	*2,791,895*
Adjustment for:		
Depreciation charge	197,587	*442,669*
Returns on investment and servicing of finance	(8,162)	*(6,790)*
Decrease/(increase) in debtors	215,866	*39,542*
(Decrease)/increase in creditors	(121,178)	*362,712*
Capital grants from DfE and other capital income	(15,567)	*(3,099,705)*
FRS102 pension adjustments	303,000	*107,000*
Net cash provided by operating activities	334,058	*637,323*

21. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2017 £	*2016 £*
Cash in hand	**2,943,844**	*3,660,001*
Total	**2,943,844**	*3,660,001*

22. CONTINGENT LIABILITIES

The academy faces a potential claim by a former employee seeking compensation on the grounds of unfair dismisssal. The employee is seeking a settlement sum totalling £30,000. This liability has not been provided for in the accounts.

23. CAPITAL COMMITMENTS

At 31 August 2017 the academy had capital commitments as follows:

	2017 £	*2016 £*
Authorised and contracted at 31 August 2017	-	*1,004,618*

24. PENSION COMMITMENTS

The academy's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by London Borough of Waltham Forest Pension Fund. Both are Multi-Employer Defined Benefit Pension Schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 August 2017.

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

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

24. PENSION COMMITMENTS (continued)

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:

- 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 previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £229,257 *(2016 - £252,968)*.

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx).

Under the definitions set out in FRS 102, the TPS is a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2017 was £318,000 *(2016 - £303,000)*, of which employer's contributions totalled £231,000 *(2016 - £221,000)* and employees' contributions totalled £87,000 *(2016 - £82,000)*. The agreed contribution rates for future years are 14.4% for employers and 5.5% to 12.5% 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.
London Borough of Waltham Forest Pension Fund

Principal actuarial assumptions:

	2017	*2016*
Discount rate for scheme liabilities	**2.50 %**	*2.20 %*
Rate of increase in salaries	**3.70 %**	*3.40 %*
Rate of increase for pensions in payment / inflation	**2.20 %**	*1.90 %*
Inflation assumption (CPI)	**1.90 %**	*2.20 %*

24. 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:

	2017	*2016*
Retiring today		
Males	**22.4**	*23.2*
Females	**25.4**	*23.1*
Retiring in 20 years		
Males	**24.6**	*25.5*
Females	**27.7**	*25.4*

The academy's share of the assets in the scheme was:

	Fair value at 31 August 2017 £	*Fair value at 31 August 2016 £*
Equities	**838,000**	*818,000*
Debt instruments	**160,000**	*189,000*
Property	**120,000**	*88,000*
Cash/liquidity	**80,000**	*25,000*
Other	**133,000**	*138,000*
Total market value of assets	**1,331,000**	*1,258,000*

The actual return on scheme assets was £124,000 *(2016 - £92,000).*

The amounts recognised in the Statement of Financial Activities incorporating Income and Expenditure Account are as follows:

	2017 £	*2016 £*
Current service cost	**(473,000)**	*(295,000)*
Interest income	**31,000**	*41,000*
Interest cost	**(77,000)**	*(64,000)*
Admin expenses	**(15,000)**	*(10,000)*
Total	**(534,000)**	*(328,000)*
Actual return on scheme assets	**124,000**	*92,000*

24. PENSION COMMITMENTS (continued)

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

	2017 £	*2016 £*
Opening defined benefit obligation	**3,421,000**	*1,575,000*
Current service cost	**473,000**	*295,000*
Interest cost	**77,000**	*64,000*
Employee contributions	**87,000**	*82,000*
Actuarial (gains)/losses	**(1,169,000)**	*1,411,000*
Benefits paid	**(11,000)**	*(6,000)*
Closing defined benefit obligation	**2,878,000**	*3,421,000*

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

	2017 £	*2016 £*
Opening fair value of scheme assets	**1,258,000**	*879,000*
Interest income	**31,000**	*41,000*
Actuarial gains/(losses	**(250,000)**	*51,000*
Employer contributions	**231,000**	*221,000*
Employee contributions	**87,000**	*82,000*
Benefits paid	**(11,000)**	*(6,000)*
Administration expenses	**(15,000)**	*(10,000)*
Closing fair value of scheme assets	**1,331,000**	*1,258,000*

25. OPERATING LEASE COMMITMENTS

At 31 August 2017 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2017 £	*2016 £*
Amounts payable:		
Within 1 year	**21,256**	*9,934*
Between 1 and 5 years	**42,512**	*19,869*
Total	**63,768**	*29,803*

26. OTHER FINANCIAL COMMITMENTS

The academy trust is committed to a PFI agreement to provide the buildings and services on one of the sites from where the academy trust carries out its operations until 30 April 2036. The payment due in 1 year is £339,144, the amount due between 1 and 5 years is £1,549,628, and the balance of £3,785,119 is due after 5 years.

27. MEMBERS' LIABILITY

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while 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.

28. RELATED PARTY TRANSACTIONS

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

There were no related party transactions in the period.