

Company Registration No. 08803858 (England and Wales)

VIEWLEY HILL ACADEMY
(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT AND AUDITED ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2015

VIEWLEY HILL ACADEMY

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VIEWLEY HILL ACADEMY

REFERENCE AND ADMINISTRATIVE DETAILS

Trustees

Rev K Stone (Chair)
J Measor
G Dorman-Smith
L Robson
H Turley
H Malbon (Accounting Officer)
G Oakley (Resigned 3 March 2015)
K Maughan
R Moffat
Rev R Desics
C Birchenough (Resigned 22 September 2014)
L Sinclair
P Cowley (Appointed 1 June 2015)
A Rice (Appointed 15 May 2015)

Members

K Stone
R Desics
K Maughan
J Bruce
C Moore

Senior management team

- Headteacher	H Malbon
- Deputy Headteacher	S Gardiner
- KS2 Leader	C Scaife
- EY/KS1 Leader	L Robson

Company registration number

08803858 (England and Wales)

Registered office

Andover Way
Middlesbrough
TS8 9HL

Independent auditor

Evolution Business and Tax Advisors LLP
Wynyard Park House
Wynyard Avenue
Wynyard
TS22 5TB

Bankers

Lloyds Bank plc
St James House
137 Albert Road
Middlesbrough
TS1 2PD

VIEWLEY HILL ACADEMY

REFERENCE AND ADMINISTRATIVE DETAILS

Solicitors

Muckle LLP
Time Central
32 Gallowgate
Newcastle upon Tyne
NE1 4BF

VIEWLEY HILL ACADEMY

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2015

The trustees present their annual report together with the financial statements and auditor's reports of the charitable company for the 1st September 2014 to 31 August 2015. The annual report serves the purpose of both a trustees' report, and a directors' report under company law.

The trust operates an academy for pupils aged 3 to 11 serving a catchment in Middlesbrough in the north east of England. It has a pupil capacity of 273 with a 26 FTE nursery and a roll of 202 and 18.5 FTE in the school census dated October 2014.

Structure, governance and management

Constitution

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

Details of the trustees who served during the year are included in the Reference and Administrative Details on page 1.

Members' liability

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

Trustees' indemnities

The academy has purchased insurance to protect Trustees from claims arising from damages, judgements or settlements, defence costs and expenses awarded to any claimant.

Method of recruitment and appointment or election of trustees

The term of office for any Trustee shall be four years. The Headteacher of the academy is a Trustee. The Members appoint up to six community trustees. Staff Trustees are elected by staff of the academy. The Parent Trustees are elected by parents of registered pupils at the academy and must be a parent of a registered pupil at the academy at the time of appointment. There is Trust Governor nominated by the Umbrella Trust, The Discovery Alliance. Subject to remaining eligible to be a particular type of Trustee, any Trustee may be re-appointed or re-elected.

Policies and procedures adopted for the induction and training of trustees

The training and induction provided for new Trustees depends on their existing experience. All new Trustees are directed to central induction training delivered by the Local Authority Trustee Development Service. In addition to this, specific training and orientation on educational, legal and financial matters is provided by the headteacher, business manager or Chair of Trustees as appropriate. All new Trustees are given a tour of the academy, provided with copies of key policies, procedures, plans and other relevant documents to inform their role. As there are normally only one or two new Trustees a year, induction can be tailored carefully to skills and experience.

VIEWLEY HILL ACADEMY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

Organisational structure

During the period 1st September 2014 to 31st August 2015 the academy operated a two layer management structure: the Board of Trustees and the Senior Leadership Team. The aim of the management structure is to devolve responsibility and to encourage involvement in decision making at all levels.

The Trustees are responsible for: setting general policy, influencing the school improvement plan and overseeing the budget forecast, monitoring the academy's financial operations and academic standards and making major decisions about the direction of the academy, capital expenditure and senior staff appointments.

The Senior Leadership Team consists of the headteacher, deputy headteacher, School Business Manager and two team leaders who manage the academy on a day to day basis implementing policies laid down by the Trustees and reporting back to them. The spending control is devolved to the headteacher and business manager for authorisation of spending within agreed budgets. Any spending above agreed limits must be referred to the Board of Trustees of the trust.

Related parties and other connected charities and organisations

Viewley Hill Academy is part of the Discovery Alliance, an Umbrella Trust, established by five neighbouring primary academies and one secondary academy. The Discovery Alliance Umbrella Trust is a company registered in England and Wales. The Discovery Alliance was created to facilitate a closer working relationship between the six schools in order to raise standards, improve the educational experiences for children, promote consistency and improve transition between phases. The Head Teachers of the six schools, together with special advisors, form the Raising Achievement Panel (RAP) which meets termly to further the objectives of the Alliance through collaborative working and sharing best practice. Unlike a Multi Academy Trust, the Umbrella Trust and the six schools therein remain autonomous to ensure the best educational outcomes for each, whilst still being able to promote efficiency and effectiveness through a collaborative approach.

Objectives and activities

Objects and aims

- Viewley Hill Academy serves an area of high social and economic deprivation; school deprivation factor 0.52 compared to national of 0.24.
- Average SEN at SA+ and Statement: 7.6% compared to national 7.7%
- Significantly above average percentage of free school meals; 68.1% compared to 26.6% nationally.

To assist academic study and support good attendance, the academy runs a breakfast club, small group and individual interventions for identified pupils and maintains a high staffing ratio to meet our children's often complex pastoral needs. The academy also offers its pupils a wide range of activities and experiences beyond the academic, with coaching in various sports, participation in musical activities, educational visits and residential outdoor experience.

The Academy's objectives are specifically restricted to the following:

- To advance for the public benefit education in the United Kingdom in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum, and

VIEWLEY HILL ACADEMY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

Objectives, strategies and activities

The main objectives of the academy for the period 1st September 2014 to 31st August 2015 are summarised below:

- Raise attainment at the end of KS2, particularly in reading at L4+ so that standards in English and maths in line with national averages
- Raise attainment at the end of KS1, at L2b+, to be closer to the national averages
- Further improve the quality of teaching across the school so that pupils in all year groups make at least expected progress
- Review and refine financial procedures in line with financial handbook updates

The academy's main objectives are captured in its vision statement which articulates the academy's ethos and strategies for achieving its objectives – see below:

- Our vision sees Viewley Hill at the heart of our community where every family is valued and welcomed.
- We aim to inspire each child to believe in their own potential and provide them with life skills they need for their future.
- We will promote independence, curiosity and resilience; skills which will encourage our children to become life-long learners.
- We will provide a curriculum that is engaging and challenging and which responds to the needs of our children and enriches their experience of the world.
- We will support our children in becoming responsible and considerate young people. We will ensure their voice is heard and encourage them to contribute fully to the life of our school.

The activities undertaken to achieve these objectives are all intended to provide the highest quality of education in the public sector for students between the ages of 3 and 11.

Public benefit

The charity's aims and achievements are set out within this report. The activities set out in this report have been to further the charity's charitable purposes for public benefit. The Trustees have complied with the duty under Section 4 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charities Commission and the Trustees have paid due regard to the guidance in deciding what activities the charity should undertake.

Strategic report

Achievements and performance

The academy is increasingly popular with an increased intake into Reception class in 2013, 2014 and again in 2015. Autumn census 2014 shows a FT roll increase to 202 children from 187 at this point in 2013. Autumn census 2015 shows a FFT roll increase again to 223. The academy has a three year trend of improving results which evidences achievement against the stated objective of raising attainment in KS2. There has been a rise in attainment across school including in outcomes for KS1 and foundation stage.

VIEWLEY HILL ACADEMY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

Key performance indicators

VHA Performance	National 2013	VHA 2013	National 2014	VHA 2014	National 2015	VHA 2015
EYFS: % GLD	52%	32%	60%	47%	66%	59%
PHONICS: Met the standard at end of Y1	69%	70%	74%	82%	77%	76%
PHONICS: Met the standard at end of Y2	69%	85%	88%	100%	90%	50% (2/4)
KS1: Achieving Level 2b+ in Reading	79%	68%	81%	59%	82%	72%
KS1: Achieving Level 2b+ in Writing	67%	56%	70%	55%	72%	72%
KS1: Achieving Level 2b+ in Maths	78%	64%	80%	64%	82%	69%
KS1: Achieving Level 3 in Reading	29%	8%	31%	14%	32%	14%
KS1: Achieving Level 3 in Writing	15%	0%	16%	9%	18%	10%
KS1: Achieving Level 3 in Maths	23%	0%	24%	0%	26%	10%
KS2: Achieving Level 4+ in Reading	86%	71%	89%	80%	89%	89%
KS2: Achieving Level 4+ in Writing	83%	80%	85%	88%	87%	93%
KS2: Achieving Level 4+ in Maths	85%	83%	86%	92%	87%	89%
KS2: Achieving Level 4+ in GPS	74%	66%	76%	64%	80%	70%
KS2 L4+ Combined RWM floor standard	75%	66%	79%	76%	80%	85%

VIEWLEY HILL ACADEMY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

KS2: Achieving Level 5+ in Reading	44%	29%	50%	32%	48%	30%
KS2: Achieving Level 5+ in Writing	30%	17%	33%	28%	36%	26%
KS2: Achieving Level 5+ in Maths	41%	26%	42%	32%	42%	41%
KS2: Achieving Level 5+ in GPS	47%	26%	52%	40%	56%	37%
KS2 L5+ combined RWM	21%	11%	24%	12%	24%	15%
2+ level progress KS1-KS2 in Reading	88%	69%	91%	92%	91%	93%
2+ level progress KS1-KS2 in Writing	91%	83%	93%	100%	94%	100%
2+ level progress KS1-KS2 in Maths	88%	89%	89%	96%	90%	100%
3 level progress KS1-KS2 in Reading	30%	29%	35%	32%	33%	26%
3 level progress KS1-KS2 in Writing	30%	20%	33%	44%	36%	30%
3 level progress KS1-KS2 in Maths	31%	23%	35%	32%	34%	37%

The school is showing a continuing 3 year upward trend

Going concern

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

VIEWLEY HILL ACADEMY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

Financial review

Most of the academy's income is obtained from the DfE in the form of recurrent grants disbursed via the Education Funding Agency (EFA), the use of which is restricted to particular purposes. The grants received during the period ended 31 August 2015 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 and other funding bodies. In accordance with Charities Statement of Recommended Practice, 'Accounting and Reporting 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.

During the period ended 31 August 2015, total expenditure of £1,527,827 (excluding depreciation) was more than covered by recurrent grant funding from the DfE together with other incoming resources. The excess of income over expenditure for the period (excluding restricted fixed asset funds and before transfers) was £49,115.

At 31 August 2015 the net book value of fixed assets was £2,692,444 and movements in tangible fixed assets are shown in note 10 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the academy.

At 31 August 2014 the LGPS deficit of the academy was £120,000. At 31 August 2015 the pension scheme deficit was £133,000. The employer's contribution rate will be adjusted to reflect the increase in the pension deficit.

Reserves policy

The trustees review the reserve levels of the academy trust annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves.

The academy's reserves policy:

- Assists in strategic planning by considering how new projects or activities will be funded.
- Informs the budget process by considering whether reserves need to be used during the financial year or built up for future projects.
- Informs the budget and risk management process by identifying any uncertainty in future income streams.

When considering an appropriate level of reserves, the trustees consider:

- The risk of unforeseen emergency or other unexpected need for funds.
- Covering unforeseen day-to-day operational costs, for example employing temporary staff to cover a long-term sick absence.
- A fall in a source of income, such as lettings.
- Planned commitments, or designations, that cannot be met by future income alone, for example plans for a major capital project.
- The need to fund potential deficits in a cash budget, for example money may need to be spent before a funding grant is received.

The financial risks identified determine the amount of reserves the academy targets to hold.

Viewley Hill Academy has decided that the reserves level for 2014-15 will be £50,000 based on analysis of the points above and the likelihood that they may occur and the amount of funding that would be required if they did.

General, non-fixed, asset funds at 31st August 2015 amount to £197,395 and has reached the above policy objective.

VIEWLEY HILL ACADEMY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

Investment policy and powers

The Academy keeps the necessary funds in the main bank account for daily operations and hold surpluses on deposit making transfers as necessary. However, there are limited amount on deposit and the interest on them is negligible.

Principal risks and uncertainties

The Trustees have assessed the major risks to which the academy is exposed, in particular those relating specifically to teaching, provision of facilities and other operational areas of the academy and its finances. The Trustees 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, school visits) and in relation to the control of finance. Where significant financial risk still remains they have ensured they have adequate insurance cover. The academy has an effective system of internal financial control and this is explained in more detail in the Governance Statement.

The trustees believe that the academy's risk management procedures mitigate as far as reasonably possible the principal risks and uncertainties facing it. The academy does not have significant trade debtors. Cash flow is monitored daily by the academy and budgets are presented to the board of trustees who consider cash flow and liquidity in detail.

Through the academy's risk management procedures, it has considered its principal risks and uncertainties and planned mitigating action wherever possible. The principal risks and uncertainties identified by the board of trustees are:

- Change in government funding regime
- Changes to Teacher's Pension Scheme and LGPS
- Reduction in student numbers either through competition or a damaged reputation
- Reduction in standards/poor Ofsted grading

Key controls that the academy has in place to mitigate these risks include:

- Participation via academy HT representation in LA SMF to keep up to date with and influence as far as possible academy funding methodology
- Regular challenge and support on standards and performance between related Umbrella Trust academies
- Use of external consultants to monitor, develop and improve school standards.

VIEWLEY HILL ACADEMY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

Plans for future periods

Prior to conversion the academy was two years into a three to five year refurbishment programme plan to upgrade the teaching areas and technology both educational and operational. At the point of conversion 4 classrooms and 2 link rooms had been completed and benefited from new ceiling insulation, grids and tiles, new carpets, new heating and lights throughout. A new IT suite had been installed comprising 30 new machines and new interactive whiteboard. Partitions to separate open plan areas had been installed and a comprehensive redecorating programme had been completed.

Since conversion the academy has installed Wi-Fi throughout the site, refurbished a further 2 classrooms and link corridor. Since the first phase we have moved to LED lighting, a new option, which offers both financial and environmental savings.

During the period 1st September 2014 to 31st August 2015 pupil toilet upgrades have been completed for curriculum year groups Y1 – Y6. In addition, a CIF grant was successfully awarded which has paid for a complete roof refurbishment. Further teaching areas have been upgraded to the same standard as prior upgrades (including insulation, ceiling grids, tiles and LED lighting.) A successful National Lottery bid has funded the development of inner courtyards to provide outdoor learning areas and the improvement of KS1 playground equipment.

Our review of the staffing profile based on pupil numbers led to teacher appointments and the creation of an additional classroom.

The Academy has identified the following areas for future development 2015-16:

- Review of staffing profile based on increasing pupil roll
- Review of teaching spaces to accommodate increasing roll
- Refurbishment of remaining teaching areas to same standard including replacing old lighting with LED lighting
- Refurbishment of building previously let to other School to provide a multi-use training room and break out space for teaching groups.

Auditor

Insofar as the Trustees are aware:

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

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on11/12/15..... and signed on its behalf by:



Rev K Stone
Chair

VIEWLEY HILL ACADEMY

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2015

Scope of responsibility

As Trustees we acknowledge we have overall responsibility for ensuring that Viewley Hill 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 headteacher 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 Viewley Hill 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 3 times during the year. In addition each committee has met 3 times.

The full governing body met on three occasions (17 December 2014, 25 March 2015 and 8 July 2015) during the period of the 2014/2015 academic year.

Attendance during the year at meetings of the board of trustees was as follows:

Trustees	Meetings attended	Out of possible
Rev K Stone (Chair)	3	3
J Measor	2	3
G Dorman-Smith	2	3
L Robson	3	3
H Turley	3	3
H Malbon (Accounting Officer)	3	3
G Oakley (Resigned 3 March 2015)	0	1
K Maughan	2	3
R Moffat	3	3
Rev R Desics	2	3
C Birchenough (Resigned 22 September 2014)	0	0
L Sinclair	2	3
P Cowley (Appointed 1 June 2015)	1	1
A Rice (Appointed 15 May 2015)	1	1

- Mrs S Gardiner, Deputy Head Teacher attended one meeting (8 July 2015) in an advisory capacity
- Mrs G Oakley, Parent Governor resigned with effect from 3 March 2015
- Mrs Lowe, School Business Manager attended one meeting (17 December 2015) in an advisory capacity
- Mrs C Birchenough resigned as Community Governor with effect from 22 September 2014
- Mr Cowley was appointed as Community Governor with effect from 1 June 2015
- Mr Rice was appointed as a Parent Governor with effect from 15 May 2015.

VIEWLEY HILL ACADEMY

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

The Finance and Resources Committee met on three occasions (15 October 2014, 11 February 2015 and 15 June 2015) during the 2014/2015 academic year.

Trustees	Meetings attended	Out of possible
Rev K Stone (Chair)	3	3
J Measor	3	3
L Robson	3	3
H Malbon (Accounting Officer)	3	3
K Maughan	2	3
Rev R Desics	0	3
L Sinclair	2	2

- Mrs Lowe, School Business Manager attends meetings in an advisory capacity

The School Improvement Committee met on three occasions (12 November 2014, 4 March 2015 and 24 June 2015) during the 2014/2015 academic year

Trustees	Meetings attended	Out of possible
Rev K Stone (Chair)	3	3
G Dorman-Smith	3	3
H Turley	3	3
H Malbon (Accounting Officer)	3	3
G Oakley (Resigned 3 March 2015)	0	1
R Moffat	3	3

- Mrs G Oakley, Parent Governor resigned with effect from 3 March 2015

Review of value for money

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

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

1. Improving Educational Outcomes

Achievement has continued to rapidly improve over the last three years to ensure that school now meets and in some measures now exceeds national averages. This is as a result of careful strategic financial planning that has supported staff recruitment and training to impact on standards.

Outcomes at end of Foundation stage have risen by 12% this year and the gap with national has narrowed from 13% to 6%. From starting points that are below average this indicates good progress. At the end of KS1 we have seen a significant increase in reading and writing outcomes to 72% in each from 55% and 59% and here our increases are greater than the national increase. Our maths, whilst improved, is slightly below at 69% which in effect is the difference of one child.

VIEWLEY HILL ACADEMY

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

The Academy is again pleased with end of Key Stage 2 outcomes in 2015. Our progress rates are above national averages in reading, writing and maths and our combined attainment is above national at 85% (national 80%) for the first time.

2. Financial Governance and oversight of Academy's finances

The Academy benefits from the provision of a suitably qualified Internal Auditor. The IA ensures a robust programme of monitoring is carried out over three full on-site days. This process interrogates internal systems and controls which ensure the appropriate management of financial procedures in the academy meet the criteria stated in the Academy's Financial Handbook. The outcomes of this audit have been reviewed by the accounting officer and the Finance and Resources Governor sub-committee and the Academy is found to be compliant in all areas.

Further to this, the Academy has completed year end accounts through an external audit carried out over four full on-site days and additional remote assessment. All systems and controls have again been found to be compliant.

Any large expenditure items are presented to the Board of Governors who decide the appropriateness of the spending suggested. They recently consulted on a significant upgrade to classroom ceiling, insulation and lighting and three relevant quotes were obtained. Governors based their decision on cost, quality and long term savings over time. The decision to install LED lights was an initial increased expenditure however, cost savings are projected to be significant over time.

The Academy's Governors approve the budget each year and also receive and approve the annual accounts and the External Auditors Management Report. Governors regularly review expenditure against budget and receive a termly report from the Academy Business Manager. Minutes reflect robust challenge and questions regarding expenditure and income.

3. Better Purchasing

Viewley Hill Academy operates a best value strategy for purchasing provision. Contracts and Service Level Agreements are reviewed on a yearly basis to ensure that a competitive pricing structure is in place. Quality of service received is also continually reviewed and providers are challenged to deliver the highest standards. This identifies any areas requiring improvement or change with competitive comparisons carried out with local suppliers. For example, the Academy has recently changed cyclic maintenance, refuse collection and telecom providers based on the above decision making process.

An approved insurance broker is used for transparency and best value purposes to ensure the most appropriate insurance cover for the academy.

The Academy submitted a successful bid to the EFA to improve the condition of the school roof; the work was started in May 2015 is due to be completed in October 2015. We are constantly investigating any other possible areas of income streams. For example, this year the Academy received a grant from the National Lottery to develop the playground areas, build a chicken coop and construct allotment beds and a potting shed.

The Academy works closely with other academies in The Discovery Alliance to source strong procurement. This year we have collaborated on joint CPD costs and our insurance provider. Both of these measures have created significant savings to individual academies.

VIEWLEY HILL ACADEMY

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

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 on-going process designed to identify and prioritise the risks to the achievement of academy 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 Viewley Hill Academy for the period 1st September 2014 to 31 August 2015 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The board of Trustees has reviewed the key risks to which the academy 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 on-going process for identifying, evaluating and managing the academy's significant risks that has been in place for the period 1st September 2014 to 31 August 2015 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Trustees.

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of Trustees;
- regular reviews by the finance and 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 appointed Sean Hogg, finance officer for Kier Education Services as the academy's internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the academy's financial systems. The IA reports to the accounting officer who in turn reports to the board of Trustees on the operation of the systems of control and on the discharge of the board of Trustees' financial responsibilities. The areas covered by this work programme are: Leadership & Governance, People Management, Policy and Strategy, Partnership and Resources, and Processes. The IA prepares a full written report annually. Actions arising from last period's recommendations include the compiling of a simple user guide to the SAGE50 procedures and ensuring that new Trustees are appropriately briefed on financial data during induction as appropriate.

Recommendations to be actioned during the period 1st September 2015 to 31st August 2016:

- Further integrate the financial plan and school improvement plan (future possible financial expenditure linked to premises and staffing needs)

VIEWLEY HILL ACADEMY

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

Review of effectiveness

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

- the work of the internal auditor
- the work of the external auditor
- the financial management and governance self-assessment process
- the work of the leadership team within the academy trust who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the finance and resources committee and a plan to ensure continuous improvement of the system is in place.

Approved by order of the board of trustees on9/12/15..... and signed on its behalf by:



Rev K Stone
Chair



H Malbon
Accounting Officer

VIEWLEY HILL ACADEMY

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who act as governors of Viewley Hill Academy Trust 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 published by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP 2015
- make judgments and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the board of trustees on 9/12/15 and signed on its behalf by:



Rev K Stone
Chair

VIEWLEY HILL ACADEMY

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2015

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

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

I confirm that the following instances of material irregularity, impropriety or funding non-compliance discovered to date have been notified to the board of trustees and EFA. If any instances are identified after the date of this statement, these will be notified to the board of trustees and EFA:

- **Financial issues**

We are aware that a business owned by one of the company members, who is therefore a connected party, has supplied services to the academy and as a result we believe there to have been a breach of the EFA's not for profit rules. A declaration of interest had been completed at the time of this member's appointment which was at the point of conversion.

The company concerned is a recruitment agency that provides supply staff on a day to day and longer term basis to schools across the north east. The academy had routinely used the services of this company for several years prior to conversion. At the point of conversion the school was in an established open ended contract with the agency although this company was not, and never has been, used exclusively. Decisions regarding which agency to use are based on the quality of the staff available to meet the particular need in school and the value for money the service provides at that time.

The Member concerned who owns the company was appointed as a member but not a trustee of the academy.

The agency supplied staff to the academy during 2014-15 to address sickness and maternity leave. The amount paid to the company during the year totalled £35 700. The vast majority of charges were in turn paid directly to the supply staff who were working in the academy and the rates were in line with the STPCD. The company made a profit of £7296 from this service.

At the point that I, as the accounting officer, became aware through the audit process in 2015, that this was a probable breach, the company member resigned with immediate effect. Further details are provided in note 21 of the financial statements.

Approved on 9/12/15 and signed by:



H Malbon
Accounting Officer

VIEWLEY HILL ACADEMY

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF VIEWLEY HILL ACADEMY

We have audited the accounts of Viewley Hill Academy for the year ended 31 August 2015 set out on pages 22 to 41. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2014 to 2015 issued by the EFA.

This report is made solely to the charitable company'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 charitable company's members those matters we are required to state to them in an auditor's 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 charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the Trustees' Responsibilities Statement set out on page 17, the trustees, who are also the directors of Viewley Hill Academy for the purposes of company law, are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view.

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

Scope of the audit of the accounts

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

Opinion on accounts

In our opinion the accounts:

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

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Report for the financial year for which the accounts are prepared is consistent with the accounts.

VIEWLEY HILL ACADEMY

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF VIEWLEY HILL ACADEMY

Matters on which we are required to report by exception

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

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



Graham Fitzgerald BA FCA DChA (Senior Statutory Auditor)
Evolution Business and Tax Advisors LLP

Chartered Accountants

Statutory Auditor

Wynyard Park House

Wynyard Avenue

Wynyard

TS22 5TB

Dated:10/12/15.....

VIEWLEY HILL ACADEMY

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO VIEWLEY HILL ACADEMY AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 25 August 2015 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Viewley Hill Academy during the period 1 September 2014 to 31 August 2015 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Viewley Hill Academy and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Viewley Hill Academy and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Viewley Hill Academy and the EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Viewley Hill Academy's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Viewley Hill Academy's funding agreement with the Secretary of State for Education dated 18 December 2013 and the Academies Financial Handbook, extant from 1 September 2014, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

The work undertaken to draw to our conclusion includes:

- completion of self assessment questionnaire by Accounting Officer
- discussions with the accounting officer and finance team
- review of termly responsible officer reports
- review of governing body and committee minutes
- review of finance and other relevant policies
- review of purchases and expenses on a sample basis
- review of credit and debit card transactions
- review of leases
- consideration of transactions with related parties
- review of register of business interests and consideration of related party transactions.

VIEWLEY HILL ACADEMY

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO VIEWLEY HILL ACADEMY AND THE EDUCATION FUNDING AGENCY (CONTINUED)

Conclusion

In the course of our work, except for the matters listed below, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2014 to 31 August 2015 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

During the year the academy engaged a business owned by one of the trust's members to provide services in breach of the EFA's Academies Financial Handbook. Full details are provided in the Accounting Officer's statement on page 16.

Evolution

Reporting Accountant

Evolution Business and Tax Advisors LLP

Dated:10/12/15.....

VIEWLEY HILL ACADEMY

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2015

		Unrestricted funds £	Restricted funds £	Fixed Asset funds £	Total 2015 £	Total 2014 £
<u>Incoming resources</u>	Notes					
<i>Resources from generated funds</i>						
- Inherited on conversion		4,659	-	-	4,659	2,701,355
- Activities for generating funds	2	36,311	2,225	-	38,536	23,273
- Investment income	3	247	-	-	247	101
<i>Resources from charitable activities</i>						
- Funding for educational operations	4	13,820	1,264,778	285,455	1,564,053	883,762
Total incoming resources		55,037	1,267,003	285,455	1,607,495	3,608,491
<u>Resources expended</u>						
<i>Costs of generating funds</i>						
- Fundraising trading	5	33,352	-	-	33,352	21,901
<i>Charitable activities</i>						
- Educational operations	6	13,820	1,461,216	75,939	1,550,975	759,152
Governance costs	7	-	19,439	-	19,439	38,328
Total resources expended	5	47,172	1,480,655	75,939	1,603,766	819,381
Net incoming/(outgoing) resources before transfers		7,865	(213,652)	209,516	3,729	2,789,110
Gross transfers between funds		-	254,902	(254,902)	-	-
Net income/(expenditure) for the year		7,865	41,250	(45,386)	3,729	2,789,110
<u>Other recognised gains and losses</u>						
Actuarial gains/(losses) on defined benefit pension scheme	16	-	(4,000)	-	(4,000)	(32,000)
Net movement in funds		7,865	37,250	(45,386)	(271)	2,757,110
Fund balances at 1 September 2014		43,328	(24,048)	2,737,830	2,757,110	-
Fund balances at 31 August 2015		51,193	13,202	2,692,444	2,756,839	2,757,110

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006. A statement of total recognised gains and losses is not required as all gains and losses are included in the statement of financial activities.

All of the academy's activities derive from continuing operations during the two financial periods above.

VIEWLEY HILL ACADEMY

BALANCE SHEET

AS AT 31 AUGUST 2015

	Notes	2015 £	£	2014 £	£
Fixed assets					
Tangible assets	10		2,692,444		2,743,178
Current assets					
Debtors	11	103,127		64,816	
Cash at bank and in hand		244,140		181,159	
		<u>347,267</u>		<u>245,975</u>	
Current liabilities					
Creditors: amounts falling due within one year	12	<u>(149,872)</u>		<u>(112,043)</u>	
Net current assets			197,395		133,932
Net assets excluding pension liability			2,889,839		2,877,110
Defined benefit pension liability	16		<u>(133,000)</u>		<u>(120,000)</u>
Net assets			<u>2,756,839</u>		<u>2,757,110</u>
Funds of the academy trust:					
Restricted funds	14				
- Fixed asset funds			2,692,444		2,737,830
- General funds			146,202		95,952
- Pension reserve			<u>(133,000)</u>		<u>(120,000)</u>
Total restricted funds			2,705,646		2,713,782
Unrestricted income funds	14		51,193		43,328
Total funds			<u>2,756,839</u>		<u>2,757,110</u>

The accounts were approved by order of the board of trustees and authorised for issue on 9/12/15



Rev K Stone
Chair

Company Number 08803858

VIEWLEY HILL ACADEMY

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2015

	Notes	2015 £	2014 £
Net cash inflow/(outflow) from operating activities	17	(197,516)	161,388
Cash funds transferred on conversion		-	41,855
Returns on investments and servicing of finance			
Investment income	247		101
Net cash inflow/(outflow) from returns on investments and servicing of finance		247	101
		(197,269)	203,344
Capital expenditure and financial investments			
Capital grants received	285,455		20,544
Payments to acquire tangible fixed assets	(25,205)		(42,729)
Net cash flow from capital activities		260,250	(22,185)
Increase/(decrease) in cash	18	62,981	181,159

VIEWLEY HILL ACADEMY

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

1 Accounting policies

1.1 Basis of preparation

The accounts 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 2014 to 2015 issued by the Education Funding Agency and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

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 company to continue as a going concern. The trustees make this assessment in respect of a period of one year from the date of approval of the accounts.

1.3 Conversion to an academy trust

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

The assets and liabilities transferred on conversion from the maintained school to an academy trust have been valued at their fair value being a reasonable estimate of the current market values that the trustees would expect to pay in an open market for an equivalent item. Their fair value is in accordance with the accounting policies set out for Viewley Hill Academy. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in voluntary income as a gift in the SOFA and analysed under unrestricted, restricted general and restricted fixed assets funds.

1.4 Incoming resources

All incoming resources are recognised when the academy trust 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.

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

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

Sponsorship income

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

Donations

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

VIEWLEY HILL ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

1 Accounting policies

(Continued)

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.

Donated services and gifts in kind

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

1.5 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 that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Costs of generating funds

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

Charitable activities

These are costs incurred on the academy trust'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 trustees' meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

1.6 Tangible fixed assets and depreciation

Assets costing £1,000 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 trust's depreciation policy.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Land	Not depreciated
Buildings	50 years
Computer equipment	2 years
Fixtures, fittings and equipment	4 years

VIEWLEY HILL ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2015

1 Accounting policies

(Continued)

The trust's land and buildings are occupied on a 125 year lease from the local authority. In the view of the trustees, the risks and rewards of occupying the site have been substantially transferred to the trust and therefore the land and buildings have been recognised as a donation on conversion and capitalised within the restricted fixed assets fund. The basis of valuation has been disclosed within the fixed assets note.

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.

1.7 Leasing and hire purchase commitments

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

1.8 Taxation

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

1.9 Pensions benefits

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes and the assets are held separately from those of the academy trust.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 16, the TPS is a multi-employer scheme and the academy trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions are recognised as they are paid each year.

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

VIEWLEY HILL ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2015

1 Accounting policies

(Continued)

1.10 Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Education Funding 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 Education Funding Agency/Department for Education.

2 Activities for generating funds

	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £
Hire of facilities	9,852	-	9,852	4,554
Catering income	10,133	-	10,133	7,895
Trips	4,268	-	4,268	1,354
Other income	12,058	2,225	14,283	9,470
	<u>36,311</u>	<u>2,225</u>	<u>38,536</u>	<u>23,273</u>

3 Investment income

	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £
Short term deposits	247	-	247	101
	<u>247</u>	<u>-</u>	<u>247</u>	<u>101</u>

VIEWLEY HILL ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

4 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £
DfE / EFA grants				
General annual grant (GAG)	-	944,422	944,422	660,354
Start up grants	-	-	-	25,000
Capital grants	-	285,455	285,455	20,544
Other DfE / EFA grants	-	207,747	207,747	113,744
	-	1,437,624	1,437,624	819,642
Other government grants				
Local authority grants	-	112,609	112,609	59,680
Other funds				
Other incoming resources	13,820	-	13,820	4,440
Total funding	13,820	1,550,233	1,564,053	883,762

5 Resources expended

	Staff costs £	Premises & equipment £	Other costs £	Total 2015 £	Total 2014 £
Academy's educational operations					
- Direct costs	815,789	-	86,234	902,023	533,400
- Allocated support costs	116,698	355,352	176,902	648,952	225,752
	932,487	355,352	263,136	1,550,975	759,152
Other expenditure					
Costs of activities for generating funds	9,170	-	24,182	33,352	21,901
Governance costs	-	-	19,439	19,439	38,328
	9,170	-	43,621	52,791	60,229
Total expenditure	941,657	355,352	306,757	1,603,766	819,381

VIEWLEY HILL ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2015

5	Resources expended	(Continued)		
	Net income/(expenditure) for the year includes:	2015	2014	
		£	£	
	Operating leases			
	- Plant and machinery	5,525	3,059	
	Fees payable to auditor			
	- Audit	5,000	5,000	
	- Other services	7,260	5,850	
6	Charitable activities			
		Unrestricted funds	Restricted funds	Total
		£	£	2015
				£
	Direct costs			
	Teaching and educational support staff costs	13,820	792,463	806,283
	Technology costs	-	20,152	20,152
	Educational supplies and services	-	60,952	60,952
	Staff development	-	9,506	9,506
	Other direct costs	-	5,130	5,130
		13,820	888,203	902,023
				533,400
	Allocated support costs			
	Support staff costs	-	116,698	116,698
	Depreciation	-	75,939	75,939
	Technology costs	-	20,980	20,980
	Maintenance of premises and equipment	-	279,413	279,413
	Cleaning	-	26,697	26,697
	Energy costs	-	23,889	23,889
	Rates and water	-	8,158	8,158
	Insurance	-	24,519	24,519
	Security and transport	-	1,147	1,147
	Catering	-	64,954	64,954
	Interest and finance costs	-	(4,000)	(4,000)
	Other support costs	-	10,558	10,558
		-	648,952	648,952
				225,752
	Total costs	13,820	1,537,155	1,550,975
				759,152

VIEWLEY HILL ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2015

7 Governance costs

	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £
Legal and professional fees	-	7,179	7,179	24,290
Auditor's remuneration				
- Audit of financial statements	-	5,000	5,000	5,000
- Other costs	-	7,260	7,260	9,038
	-	19,439	19,439	38,328

8 Staff costs

	2015 £	2014 £
Wages and salaries	708,910	451,543
Social security costs	46,462	26,360
Other pension costs	113,310	69,594
	868,682	547,497
Supply teacher costs	57,657	16,579
Compensation payments	5,812	14,800
Staff development and other staff costs	9,506	3,007
Total staff costs	941,657	581,883

The average number of persons (including senior management team) employed by the academy trust during the year expressed as full time equivalents was as follows:

	2015 Number	2014 Number
Teachers	24	23
Administration and support	4	5
Management	1	1
	29	29

There were no employees whose annual remuneration was £60,000 or more.

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £5,812 (2014: £nil). Individually, the payments were: £5,812.

VIEWLEY HILL ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2015

9 Trustees' remuneration and expenses

The headteacher and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of headteacher and staff, and not in respect of their services as trustees. Other trustees did not receive any payments, other than expenses, from the academy trust in respect of their role as trustees. During the year, no travel and subsistence payments were made trustees.

The value of trustees' remuneration in the period was as follows:

H Malbon (headteacher)

Remuneration £55,001 - £60,000 (2014: £35,001 - £40,000)

Employer's pension contributions £ 5,001 - £10,000 (2014: £5,001 - £10,000)

L Robson (staff governor and trustee)

Remuneration £40,001 - £45,000 (2014: £25,001 - £30,000)

Employer's pension contributions £5,001 - £10,000 (2014: £1 - £5,000)

H Turley (staff governor and trustee)

Remuneration £10,001 - £15,000 (2014: £5,001 - £10,000)

Employer's pension contribution £1 - £5,000 (2014: £1 - £5,000)

The comparative figures relate to an eight month period.

Other related party transactions involving the trustees are set out within the related parties note.

Trustees' and officers' insurance

In accordance with normal commercial practice, the academy trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The insurance provides cover up to £1,000,000 on any one claim and the cost for the year ended 31 August 2015 was £572 (2014: £504).

10 Tangible fixed assets

	Land and buildings	Computer equipment	Fixtures, fittings and equipment	Total
	£	£	£	£
Cost				
At 1 September 2014	2,732,165	27,430	25,634	2,785,229
Additions	11,450	3,985	9,770	25,205
At 31 August 2015	2,743,615	31,415	35,404	2,810,434
Depreciation				
At 1 September 2014	35,560	6,491	-	42,051
Charge for the year	53,379	15,541	7,019	75,939
At 31 August 2015	88,939	22,032	7,019	117,990
Net book value				
At 31 August 2015	2,654,676	9,383	28,385	2,692,444
At 31 August 2014	2,696,605	20,939	25,634	2,743,178

VIEWLEY HILL ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2015

10 Tangible fixed assets

(Continued)

Land and buildings were valued using the Depreciation Replacement Cost Method on 29 November 2013 by Martin Catley MRICS on behalf of Mouchel.

11 Debtors	2015 £	2014 £
Trade debtors	-	2,340
VAT recoverable	32,392	18,734
Prepayments and accrued income	70,735	43,742
	<u>103,127</u>	<u>64,816</u>
12 Creditors: amounts falling due within one year	2015 £	2014 £
Trade creditors	96,854	70,879
Taxes and social security costs	11,638	10,129
Other creditors	13,117	12,226
Accruals	18,576	11,934
Deferred income	9,687	6,875
	<u>149,872</u>	<u>112,043</u>
13 Deferred income	2015 £	2014 £
Deferred income is included within:		
Creditors due within one year	<u>9,687</u>	<u>6,875</u>
Total deferred income at 1 September 2014	6,875	-
Amounts credited to the statement of financial activities	(6,875)	-
Amounts deferred in the year	<u>9,687</u>	<u>6,875</u>
Total deferred income at 31 August 2015	<u>9,687</u>	<u>6,875</u>

Included in deferred income is universal infants free school meals funding received in advance.

VIEWLEY HILL ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2015

14 Funds

	Balance at 1 September 2014 £	Incoming resources £	Resources expended £	Gains, losses & transfers £	Balance at 31 August 2015 £
Restricted general funds					
General Annual Grant	92,273	944,422	(1,149,074)	258,581	146,202
Start up grants	3,679	-	-	(3,679)	-
Other DfE / EFA grants	-	207,747	(207,747)	-	-
Other government grants	-	112,609	(112,609)	-	-
Other restricted funds	-	2,225	(2,225)	-	-
	<u>95,952</u>	<u>1,267,003</u>	<u>(1,471,655)</u>	<u>254,902</u>	<u>146,202</u>
Funds excluding pensions	(120,000)	-	(9,000)	(4,000)	(133,000)
Pension reserve	<u>(24,048)</u>	<u>1,267,003</u>	<u>(1,480,655)</u>	<u>250,902</u>	<u>13,202</u>
Restricted fixed asset funds					
DfE / EFA capital grants	-	285,455	-	(285,455)	-
Inherited fixed asset fund	2,706,940	-	(58,412)	-	2,648,528
Capital expenditure from GAG or other funds	30,890	-	(17,527)	30,553	43,916
	<u>2,737,830</u>	<u>285,455</u>	<u>(75,939)</u>	<u>(254,902)</u>	<u>2,692,444</u>
Total restricted funds	<u>2,713,782</u>	<u>1,552,458</u>	<u>(1,556,594)</u>	<u>(4,000)</u>	<u>2,705,646</u>
Unrestricted funds					
General funds	43,328	55,037	(47,172)	-	51,193
Total funds	<u>2,757,110</u>	<u>1,607,495</u>	<u>(1,603,766)</u>	<u>(4,000)</u>	<u>2,756,839</u>

VIEWLEY HILL ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

14 Funds

(Continued)

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

General Annual Grant must be used for the normal running costs of the academy. Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2015.

Start up grant was received to fund costs relating to the formation of the academy.

Other DfE/EFA grants includes pupil premium funding targeted at disadvantaged pupils, universal infant free school meal funding and the PE and sport grant.

Other government grants includes early years funding for three and four year old children and funding for pupils with special educational needs.

DfE/EFA capital grants represent Devolved Formula Capital and Academies Capital Maintenance Fund receivable during the period. This has been spent on maintenance and is reflected in the gains, losses and transfers column.

The pension reserve reflects the LGPS transactions. The costs and income associated with the defined benefit pension scheme have been recorded in the restricted fund. Staff costs are paid from this fund, including contributions to the LGPS, and the pension liability has therefore been aligned with these funds.

The inherited fixed asset fund reflects the fixed assets acquired from Middlesbrough Council on conversion. Depreciation on these assets is charged against this fund.

Capital expenditure has also been funded by GAG. Transfers between these funds are reflected in the gains, losses and transfers column.

Unrestricted funds may be used for any purpose, at the discretion of the trustees, within the objects of the academy trust.

The academy's restricted general and unrestricted funds were £197,395 at 31 August 2015.

15 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Fixed asset funds £	Total funds £
Fund balances at 31 August 2015 are represented by:				
Tangible fixed assets	-	-	2,692,444	2,692,444
Current assets	51,193	296,074	-	347,267
Creditors falling due within one year	-	(149,872)	-	(149,872)
Defined benefit pension liability	-	(133,000)	-	(133,000)
	<u>51,193</u>	<u>13,202</u>	<u>2,692,444</u>	<u>2,756,839</u>

VIEWLEY HILL ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2015

16 Pensions and similar obligations

The academy 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 Teesside Pension Fund. Both are multi-employer defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and that of the LGPS related to the period ended 31 March 2013.

Contributions amounting to £12,893 (2014: £12,116) were payable to the schemes at 31 August 2015 and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014.

The key elements of the valuation and subsequent consultation are:

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

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

The pension costs paid to the TPS in the period amounted to £65,924 (2014: £40,348).

VIEWLEY HILL ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2015

16 Pensions and similar obligations

(Continued)

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

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The 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 the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 15.4% for employers and 5.5 - 12.5% for employees. The estimated value of employer contributions for the forthcoming year is £35,000.

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.

Contributions made	2015 £	2014 £
Employer's contributions	34,000	23,000
Employees' contributions	13,000	9,000
Total contributions	47,000	32,000

Principal actuarial assumptions	2015 %	2014 %
Rate of increase in salaries	3.5	3.6
Rate of increase for pensions in payment	2.0	2.1
Discount rate for scheme liabilities	3.8	3.7
Inflation assumption (CPI)	2.0	2.1

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

	2015 Years	2014 Years
Retiring today		
- Males	23.0	22.9
- Females	25.5	25.4
Retiring in 20 years		
- Males	25.2	25.1
- Females	27.8	27.7

VIEWLEY HILL ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2015

16 Pensions and similar obligations

(Continued)

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

	2015 Expected return %	2015 Fair value £	2014 Expected return %	2014 Fair value £
Equities		258,422	7.5	206,071
Government bonds		5,338	2.9	4,769
Corporate bonds		5,024	3.3	11,044
Cash		20,096	1.1	9,789
Property		19,468	6.8	13,554
Other assets		5,652	7.5	5,773
		<u>314,000</u>		<u>251,000</u>
Total market value of assets		314,000		251,000
Present value of scheme liabilities - funded		(447,000)		(371,000)
		<u>(133,000)</u>		<u>(120,000)</u>
Net pension asset / (liability)		(133,000)		(120,000)

The adoption of FRS 102 in the next accounting period removes the requirement to recognise an expected return on assets item in the profit and loss charge. This item will be replaced with a net financing charge which is based on the discount rate assumption. As the expected return on assets is based on the assumption at the start of the accounting period, assumptions for the expected return on assets are not required at 31 August 2015.

Amounts recognised in the statement of financial activities

	2015 £	2014 £
Operating costs/(income)		
Current service cost (net of employee contributions)	47,000	29,000
Past service cost	-	-
	<u>47,000</u>	<u>29,000</u>
Total operating charge	47,000	29,000
Finance costs/(income)		
Expected return on pension scheme assets	(19,000)	(10,000)
Interest on pension liabilities	15,000	9,000
	<u>(4,000)</u>	<u>(1,000)</u>
Net finance costs/(income)	(4,000)	(1,000)
	<u>43,000</u>	<u>28,000</u>
Total charge/(income)	43,000	28,000

VIEWLEY HILL ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2015

16 Pensions and similar obligations

(Continued)

Actuarial gains and losses recognised in the statement of financial activities

	2015 £	2014 £
Actuarial (gains)/losses on assets: actual return less expected	23,000	(1,000)
Experience (gains)/losses on liabilities	(19,000)	33,000
(Gains)/losses arising from changes in assumptions	-	-
Total (gains)/losses	4,000	32,000

Cumulative (gains)/losses to date	36,000	32,000
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Movements in the present value of defined benefit obligations

	2015 £	2014 £
Obligations at 1 September 2014	(371,000)	-
Obligations acquired on conversion	-	(291,000)
Current service cost	(47,000)	(29,000)
Interest cost	(15,000)	(9,000)
Contributions by employees	(13,000)	(9,000)
Actuarial gains/(losses)	19,000	(33,000)
Benefits paid	(20,000)	-
At 31 August 2015	(447,000)	(371,000)

Movements in the fair value of scheme assets

	2015 £	2014 £
Assets at 1 September 2014	251,000	-
Assets acquired on conversion	-	208,000
Expected return on assets	19,000	10,000
Actuarial gains/(losses)	(23,000)	1,000
Contributions by employers	34,000	23,000
Contributions by employees	13,000	9,000
Benefits paid	20,000	-
At 31 August 2015	314,000	251,000

VIEWLEY HILL ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2015

16	Pensions and similar obligations	(Continued)			
	History of experience gains and losses				
			2015	2014	
			£	£	
	Present value of defined benefit obligations		(447,000)	(371,000)	
	Fair value of share of scheme assets		314,000	251,000	
	Surplus / (deficit)		(133,000)	(120,000)	
	Experience adjustment on scheme assets		(23,000)	1,000	
	Experience adjustment on scheme liabilities		19,000	(33,000)	
17	Reconciliation of net income to net cash inflow/(outflow) from operating activities		2015	2014	
			£	£	
	Net income		3,729	2,789,110	
	Capital grants and similar income		(285,455)	(20,544)	
	Net deficit/(surplus) transferred on conversion		(4,659)	(2,701,355)	
	Investment income		(247)	(101)	
	Defined benefit pension costs less contributions payable		13,000	6,000	
	Defined benefit pension finance costs/(income)		(4,000)	(1,000)	
	Depreciation of tangible fixed assets		75,939	42,051	
	(Increase)/decrease in debtors		(38,311)	(64,816)	
	Increase/(decrease) in creditors		37,829	112,043	
	Stocks, debtors and creditors transferred on conversion		4,659	-	
	Net cash inflow/(outflow) from operating activities		(197,516)	161,388	
18	Reconciliation of net cash flow to movement in net funds		2015	2014	
			£	£	
	Increase/(decrease) in cash		62,981	181,159	
	Net funds at 1 September 2014		181,159	-	
	Net funds at 31 August 2015		244,140	181,159	
19	Analysis of net funds				
		At 1 September 2014	Cash flows	Non-cash changes	At 31 August 2015
		£	£	£	£
	Cash at bank and in hand	181,159	62,981	-	244,140

VIEWLEY HILL ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2015

20 Commitments under operating leases

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

	2015 £	2014 £
Expiry date:		
- Between two and five years	10,333	5,244

21 Related parties

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

Cornerstones - a company in which the daughter of L Sinclair (trustee) has a majority interest:

- The trust purchased services from Cornerstones totalling £360 (2014: £3,805) during the period. There were no amounts outstanding at 31 August 2015 (2014: £nil).
- The trust made the purchase at arms' length following a competitive tendering exercise, brokered by Middlesbrough Schools Teaching Alliance, in accordance with its financial regulations, which Mrs Sinclair neither participated in, nor influenced. This decision was made prior to academy conversion.
- In entering into the transaction the trust has complied with the requirements of the EFA's Academies Financial Handbook.

School House Recruitment - a company in which C Moore (member) owns:

- The trust purchased services from School House Recruitment totalling £35,700 (2014: £14,938) during the period. There were no amounts outstanding at 31 August 2015 (2014: £nil).
- The trust made the purchase at arms' length following a competitive tendering exercise.
- In entering into the transaction the trust did not comply with the requirements of the EFA's Academies Financial Handbook. Further details are included on page 16 of the financial statements.

22 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 or she is a member, or within one year after he or she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he or she ceases to be a member.