

**HUNSLEY TRUST (A Company Limited by Guarantee)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**YEAR ENDED 31 AUGUST 2015**

**Company Registration No. 7542211 (England)**

# HUNSLEY TRUST

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# HUNSLEY TRUST

## REFERENCE AND ADMINISTRATIVE INFORMATION OF THE ACADEMY – MEMBERS, TRUSTEES AND ADVISORS

Members	Mr D Gilmour Mr R Swain Mrs T Beasley
Trustees (*members of the Board of Directors (including Finance) Committee), # members of the audit committee)	Miss C Abbott* (Executive Principal and Accounting Officer) Mr D Gilmour (Chairperson – resigned 16/5/15)* Mr R Swain (Chairperson)* # Mr P Ness *# Mr D Starr (resigned 4/3/15)* Mr P Hall (Vice Chairperson)* Miss N Hornsby* Mr P Nicholson* (Responsible Officer) Mrs N Wicks* Mr P Wong* Mrs T Beasley (appointed 9/10/14)
Company Secretary Company Clerk	Mrs H Giddings (resigned 8/10/15) Mrs L Pipes (appointed 8/10/15)
Senior Management Team (which also includes the Company Secretary/Clerk above): <ul style="list-style-type: none"><li>- Executive Principal</li><li>- Head of School</li><li>- Head of School</li><li>- Finance Director</li><li>- Human Resources Director</li><li>- Premises Director</li></ul>	Miss C Abbott Mr J Uttley Mrs L Hudson Mrs J Jewitt Mrs L Pipes Mr K Beedie
Principal and Registered Office	East Dale Road, Melton North Ferriby, HU14 3HS
Company Registration Number	7542211 (England and Wales)
Independent Auditor	Forrester Boyd 26 South Saint Mary's Gate Grimsby DN31 1LW
Bankers	HSBC Bank plc Merit House Priory Park West Saxon Way Hessle HU13 9PB
Solicitors	Eversheds Solicitors LLP Bridgewater Place WaterLane Leeds LS11 5DR

# **HUNSLEY TRUST**

## **TRUSTEES' REPORT**

The Trustees present their annual report together with the financial statements and auditor's reports of the charitable company for the year ended 31 August 2015. The annual report serves the purpose of both a trustees' report (including a strategic report), and a directors' report under company law.

The trust operates an academy for pupils aged 11 to 18 serving a catchment area in the East Riding of Yorkshire. It has a pupil capacity of 1877 and had a roll of 2126 in the school census on 2 October 2015.

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

#### **Constitution**

The Academy Trust is a private 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 are also the directors of the charitable company for the purposes of company law. The charitable company is known as the Hunsley Trust and trades as South Hunsley School and Sixth Form College and Hunsley Primary School (which opened as a Free School in September 2015).

Details of the Members and Trustees who served throughout the year are included in the Reference and Administrative Information details on page 2.

#### **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 whilst 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 cease to be a member.

#### **Trustees' Indemnity**

During the year the Academy Trust had in place third party indemnity provisions for the benefit of the Academy Trust's Members and Trustees.

#### **Method of Recruitment and Appointment or Election of Trustees**

As stated above all new Trustees are appointed by the Members and current Trustees and are responsible for the day to day management of the Academy Trust, exercising all the powers of the Members as stated in Article 94. Any changes to Trustees are listed on page 2.

Full details relating to the appointment and removal of Trustees are contained in the Articles of Association with a brief summary given below.

The Members may appoint up to 10 Trustees with their term of office being 4 years (except for the Executive Principal). Subject to remaining eligible any Trustee may be re-appointed or re-elected. Staff Trustees (including the Executive Principal) may be appointed by such processes as the Members may determine providing that the number of Staff Trustees does not exceed one third of the total number of Trustees (including the Executive Principal). The Executive Principal is treated as an ex officio Trustee.

A minimum of 2 Parent Trustees shall, if necessary, be appointed according to articles 53-56. The Trustees may appoint Co-opted Trustees including employees of the Academy providing that the number of Staff Trustees does not exceed one third of the total number of Trustees (including the Executive Principal).

# **HUNSLEY TRUST**

## **TRUSTEES' REPORT (continued)**

The Secretary of State may also appoint additional Trustees if he feels it appropriate and ultimately has the power to in effect take over the Governance of the Academy. The Secretary of State has not appointed any additional Trustees.

During the year under review the Trustees held 9 formal meetings in October 2014, November 2014, December 2014, January 2015, March 2015 x 2, May 2015, July 2015 and August 2015.

### **Policies and Procedures Adopted for the Induction and Training of Trustees**

All new Trustees are inducted into their role by the Chair of the Board of Directors and the Executive Principal along with the support of the Secretary to the Board of Directors and the Trust HR Director (who at date of signing the accounts was the same individual) to ensure that they understand their Trustee responsibilities and duties as a Director.

Trustee training is provided as required either on request by the Directors or on the recommendation of the Executive Principal, or by agreement of the Chair of the Board of Directors.

### **Organisational Structure**

The Trustee Body has established Academy Local Governing Bodies to help it carry out its work effectively. The Local Governing Bodies are delegated responsibility for holding the Heads of School to account and providing support and challenge to improve the educational outcomes for all students at each Trust school. The Trustee Body retains responsibility for monitoring academy educational and financial performance and ensuring the effective management and governance of the Trust.

In addition a number of ad-hoc Committees and Panels meet to deliver specific tasks as set out in the Trust's Scheme of Delegation.

### **Connected Organisations, including Related Party Relationships**

The Academy Trust currently has no connected organisations or related party relationships.

## **Objectives and Activities**

### **Objects and Aims**

The Academy Trust's objectives are set to reflect the educational aims and ethos of each Trust school. In setting the objectives and planning the activities the Trustees 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 and on fee-charging.

The main objects of the Academy Trust are:

- (a) Advancing 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
- (b) Promoting for the benefit of the inhabitants of Melton, North Ferriby and surrounding area the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

# **HUNSLEY TRUST**

## **TRUSTEES' REPORT (continued)**

### **Objectivities, Strategies and Activities**

The main objectives between 1 September 2014 and 31 August 2015 were:

- To develop a system of governance that ensures effective operation of all parts of the Academy Trust and builds capacity to bring other schools into the Trust.
- To develop structures and infrastructure to continue to provide high quality educational provision and ensure the long term financial sustainability of the Trust.
- To develop the site(s) to ensure that the Academy Trust is able to meet the educational needs of a growing population.
- Review and introduce new Health and Safety policies and procedures
- To develop the KPIs for the Executive work of the Trust and build a robust risk management reporting set of procedures.
- Ensure the Wolds Teaching School Alliance operates across the region to recruit, train and develop staff and raise standards and aspirations in schools.
- To ensure outstanding progress is made by the Hunsley Primary school, across all areas in its first year of operation.

### **Public Benefit**

We have referred to the public benefit guidance contained in the Charity Commission general guidance when reviewing the Academy's aims and objectives and in planning future activities. The availability and access to the public of the Academy Trust's facilities is a key object within the Articles of Association.

### **Equal Opportunities Policy**

The Trustees recognise that equal opportunities should be an integral part of good practice within the workplace. The Academy aims to maintain equal opportunity in all areas of its activities including creating a working environment in which the contribution and needs of all people are fully valued.

### **Disabled Persons**

The policy of the Academy Trust is to support recruitment and retention of students and employees with disabilities. The Academy Trust supports this by adapting the physical environment wherever possible, by making support resources available and through training and career development. New buildings and improvements to existing buildings all recognise the need to be fully DDA compliant.

### **Strategic report**

#### **Achievements and Performance**

GCSE results in the summer of 2015 were outstanding, continuing the trend for outstanding academic achievement. 74% of students achieved 5 or more GCSEs graded A\*-C including English and Maths. Using the Department for Education's new gold standard Progress 8 measure, results were exceptionally good. The school achieved a score of 0.51, meaning all students achieved, on average, more than half a grade higher than expected nationally across 8 GCSE subjects.

At A-level, the 2015 results were among the highest set of results achieved by the Sixth Form College and reflect consolidated the upward trend of recent years.. The students taking A Levels achieved a 100% pass rate, the percentage of A\* and A grades was 2 %; A\*-B grades were 52% and A\*-C grades were 82%. The average points per entry were 213.8, which is above both national and the local authority average. The progress students made from the end of key stage 4 places the Sixth Form College in the top 30% of A level providers nationally.

# HUNSLEY TRUST

## TRUSTEES' REPORT (continued)

### Key Financial Performance Indicators

The Academy Trust produces monthly budget to actual reports to monitor its on-going progress against target. At the year ended 31 August 2015 income was 10% higher than expected, staff costs were 0.4% more than expected and overheads were 16.7% more than expected. The majority of the higher income and overheads expenditure relates to the set-up of the Free School that opened in September 2015.

The Academy Trust understands that its biggest expense is staff costs and that this must be carefully monitored. The academy expects that staff costs should be less than 80% of income in order to remain efficient. In the year to 31 August 2015 staff costs were 67.6% (2014: 67.9%) of incoming resources.

### Going Concern

After making appropriate enquiries on the academy trust's ability to continue to operate as a going concern is required as best practice, the trustee body 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.

### Financial Review

#### Financial report for the year

The financial results for the year were as expected.

The Academy's main source of income (the General Annual Grant (GAG)) consists mainly of the funding for pupils aged between 11 and 16. This income is based on the "replication model" of the Local Authority's funding formula; the funding for post 16 pupils which is based on a formula administered by the EFA; and ESGG (Education Services Grant) which is a grant to cover responsibilities transferred from the Local Authority to the Academy Trust.

In addition to the educational operations of the Academy Trust, four other related operations have been performed, these are:

- Outreach work at other schools
- The Catering Service, which provides meals to students and staff as well as conference/venue hire for the public
- The Sports Centre and facilities, which when not used by the Academy Trust, are made available to the public, and
- The Academy Trust acts as administrative agent for a number of schools for the Schools Sports Partnership (this ceased on 31 December 2014 and transferred to Cottingham High School Academy Trust who now act as administrators).

Careful financial management had enabled the Academy Trust to operate with a surplus balance. At 31 August 2015 balances on the restricted and unrestricted funds of £2,748,000 surplus (2014: £2,240,000 surplus) and £2,361,000 surplus (2014: £2,176,000 surplus) were carried forward.

The Academy Trust needs to increase classroom capacity due to residential developments within the catchment area and option appraisal work commenced in autumn 2012. A 10 classroom expansion and a large refurbishment programme which commenced in September 2015 will utilise a large amount of the Academy's carried forward resources.



# HUNSLEY TRUST

## TRUSTEES' REPORT (continued)

The Academy Trust's non-teaching staff are entitled to membership of the Local Government Pension Scheme (LGPS). The balance at 31 August 2015 was a net liability of £2,799,000 this had increased from the balance 31 August 2014 which was £2,624,000. We are currently reviewing our long term LGPS position and what safeguards, if any, we would be able to adopt to reduce the current market volatility is having on the financial results. The employers' contribution rate is currently 23.9%. The LGPS pension liability is underwritten by the DfE.

### Reserves policy

The Trustees review the reserve levels of the Academy Trust annually. The review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The educational obligations that the Academy Trust has on a day-to-day basis are funded from its restricted reserves that were provided for this purpose. The Trustees need to ensure that the Academy Trust has sufficient working capital to cover delays between receipt of grants and spending, and are able to deal with unexpected emergencies that may arise such as emergency maintenance. The Academy Trust's current level of general reserves is £2,310,000 (2014: £1,792,000). Taking into account the nature of the Academy Trust's income streams, the Trustees are of the view that reserves at this level are sufficient to cover its working capital needs.

### Investment policy

The Academy Trust aims to manage its cash balances to provide for the day-to-day working capital requirements of its operations, whilst protecting the real long term value of any surplus cash balances against inflation. In addition, the Academy Trust aims to invest surplus cash funds to optimise returns, but ensuring the investment instruments are such that there is minimal risk to the loss of these cash funds.

The main purpose of the Academy Trust's investment policy is to;

- ensure adequate cash balances are maintained in the current account to cover day to day working capital requirements
- ensure there is no risk of loss in the capital value of any cash funds invested
- protect the capital value of any invested funds against inflation
- optimise returns on invested funds.

### Principal Risks and uncertainties

The Academy Trust has identified principal risks and uncertainties including:

- Income reduction as a result of changes to the national funding.
- On-going national curriculum changes and educational reforms.
- Future LGPS actuarial losses.
- Depreciation costs on the land and buildings
- Significant growth in projected student numbers over the next 10 years due to housing developments within the catchment area and potential effects on education provision.

The Trustees are reviewing a number of systems to assess risks that the school faces and they have introduced systems and internal financial controls in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover. The Academy Trust has an effective system of internal financial controls and this is explained in more detail in the following statement.



# HUNSLEY TRUST

## TRUSTEES' REPORT (continued)

### Principal Risks and Uncertainties (continued)

The Trustees have reviewed current examples of best practice and have:

- set policies on internal controls which cover the following:
  - the type of risks the Academy Trust faces;
  - the level of risks which they regard as acceptable;
  - the likelihood of the risks materialising;
  - the Academy Trust's ability to reduce the incidence and impact on the Academy Trust's operations of risks that do materialise;
  - the costs of operating particular controls relative to the benefits obtained.
- clarified the responsibility of the Senior Leadership Team to implement the Trustees' policies and to identify and evaluate risks for the Trustees' consideration;
- explained to employees that they have responsibility for internal control as part of their accountability for achieving objectives;
- embedded the control system in the Academy Trust's operations so that it becomes part of the culture of the Academy Trust;
- developed systems to respond quickly to evolving risks arising from factors within the Academy Trust and to changes in the external environment; and
- included procedures for reporting failings immediately to appropriate levels of management and the Trustees together with details of corrective action being undertaken.

### Plans for future periods

In order to continue to develop with consistency and coherence, we have agreed the following three key themes for school development planning over the next year:

- Distinction and high achievement  
Securing outstanding outcomes for all our young people at all stages of their school career and continuing to create a culture that encourages and celebrates achievements of all kinds.
- Limitless potential  
Continuing to create systems of support to ensure that all young people are able to aspire to greatness and thrive in all areas of their lives.
- Learning for its own sake  
Working relentlessly to develop a love of learning in our young people through focusing on outstanding classroom practice, assessment, differentiation and challenge.

Key activities include:

- To complete the first phase of a the site development plan, including a 10 classroom extension and major refurbishment programme
- To develop and grow the new Wolds Teaching School Alliance
- To develop and grow Hunsley Primary School and achieve an Outstanding OFSTED rating
- Further to improve the quality of pastoral and academic support and guidance for all young people

Hunsley Trust converted to a multi-academy trust on 1 January 2015 to enable Hunsley Primary to become part of the trust alongside South Hunsley School and Sixth Form College. Hunsley Primary opened with a reception class in September 2015.

Hunsley Trust has also successfully submitted a sponsor application to the DfE and is now eligible to bring in and support underperforming schools within the multi-academy trust. Hunsley Trust has developed, and is continuing to develop, the knowledge, skills and expertise of its central team to ensure there is capacity for the trust to expand in both the primary and secondary education sectors.

## HUNSLEY TRUST

### TRUSTEES' REPORT (continued)

The Hunsley Trust have been providing support to Malet Lambert Academy following the loss of their Head Teacher. This close working relationship has led to the Board of Directors of the Hunsley Trust and the Board of Directors of Malet Lambert Academy appraising the opportunity for Malet Lambert Academy to join the Multi Academy Trust. Discussions are still ongoing, however, the transfer is expected to take place on 1 January 2016.

#### Auditor

So far 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 the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

Trustees' report, incorporating a strategic report, approved by order of the board of Trustees, as the company directors, on 10 December 2015 and signed on the board's behalf by:



Mr R Swain  
Chair of Trustees

# HUNSLEY TRUST

## GOVERNANCE STATEMENT

### Scope of Responsibility

As Trustees we acknowledge we have overall responsibility for ensuring that Hunsley Trust 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 Principal, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Hunsley Trust and the Secretary of State for Education. They are also responsible for reporting to the governing body any material weaknesses or breakdowns in internal control.

### Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of the Trustees' Responsibilities. The Board of Trustees has formally met 9 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
D Gilmour (Chairperson – resigned 16/05/15)	7	7
R Swain (Chairperson)	8	9
P Nicholson (Responsible Officer)	6	9
P Ness	5	9
D Starr (resigned 4/3/15)	4	4
P Hall (Vice Chairperson)	8	9
N Hornsby	6	9
N Wicks	5	9
P Wong	9	9
T Beasley (appointed 9/10/14)	6	8
C Abbott (Executive Principal and accounting officer)	9	9

There is no separate Finance Committee and therefore all financial oversight of the Trust is through the Board of Directors or the Audit Committee (see below).

The Board of Trustees established a separate Audit Committee to maintain oversight of the Trust's governance, risk management, internal control and value for money framework. The membership of the Audit Committee includes Mr R Swain and Mr P Ness as trustees of Hunsley Trust along with Mr C Wicks as an external representative to the Trust. This committee will meet at least four times per year.

During the year R Swain was appointed as Chair of the Board of Directors and therefore stepped down from his position on the Audit Committee. P Ness was subsequently appointed as Chair of the Audit Committee.

Trustee/individual	Meetings attended	Out of a possible
R Swain (resigned 16/7/15)	4	4
P Ness	4	4
C Wicks (external representative)	2	4
N Hornsby (appointed 9/10/14)	3	3

# HUNSLEY TRUST

## GOVERNANCE STATEMENT (continued)

### Governance reviews

There have been no Governance Reviews during this period. However, when Malet Lambert Academy joins the Hunsley Trust there will be reviews of the scheme of delegation, Governance structure, skills matrix and any required training will be delivered.

### Review of Value for Money

As accounting Officer the Executive Principal has responsibility for ensuring that the Academy Trust delivers good value in the use of its 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 considered how the Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Directors where value for money can be improved, including the use of benchmarking data where available. The accounting officer for the Academy Trust has delivered value for money during the year by:

- Completing a detailed tendering process for the appointment of Professional Services connected to the expansion and refurbishment programme
- Set up and utilised an OJEU compliant framework for the procurement of furniture and building works under £5,000,000
- Reviewed the timetable structure and implemented a two week timetable from September 2015 in order to reduce curriculum costs
- Continually reviewing staffing costs and monitoring staff costs as a percentage of income
- Undertaken a review of the sports centre opening hours, with the hours of opening being reduced in 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 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 at Hunsley Trust for the year ended 31 August 2015 and up to the date of approval of the annual report and financial statements.

### Capacity to Handle Risk

The Board of Trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the 1 September 2014 to 31 August 2015 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

# HUNSLEY TRUST

## GOVERNANCE STATEMENT (continued)

### The Risk and Control Framework (continued)

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the governing body;
- regular reviews by the Board of Directors of reports which indicate financial performance against the forecasts;
- 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 P Nicholson, a Trustee, 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. The testing element of the RO work is carried out on behalf of the RO by a firm of chartered accountants and is delivered in line with the EFA requirements.

On a quarterly basis, the RO works with the external accountants (who are independent from the external auditor) to produce a report to the Board of Trustees and the Audit Committee regarding the operation of the systems of control and on the discharge of the governing body's financial responsibilities. There have been no material control issues identified by the RO or the external accountants during the year. Any non-material recommendations have been addressed on a timely basis by the Academy Trust's finance director.

The role of the RO is currently under review by the Audit Committee.

### Review of Effectiveness

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

- the work of the Responsible Officer and external accountants;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the senior leadership team and executive board 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 Board of Directors and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the governing body on 10 December 2015 and signed on its behalf by:

  
**R Swain**  
Chair

**C Abbott**  
Accounting officer

## **HUNSLEY TRUST**

### **STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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

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

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

**C Abbott**

Accounting officer  
10 December 2015



# HUNSLEY TRUST

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who act as governors of the Hunsley Trust and are also the directors of the Charitable Company for the purposes of company law) are responsible for preparing the Trustees' Report (incorporating the Strategic Report) and the financial statements in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2005;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in business.

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

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

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

Approved by order of the members of the Board of Trustees on 10 December 2015 and signed on its behalf by:



**Mr R Swain**  
Chair



## **HUNSLEY TRUST**

### **INDEPENDANT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF HUNSLEY TRUST**

We have audited the financial statements of Hunsley Trust for the year ended 31 August 2015, which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, Balance Sheet, Cash Flow Statement and the related notes. 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 Education Funding Agency.

This report is made solely to the academy trust 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 charity'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 academy trust 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 Statement of Trustees responsibilities (set out on page 14 ), the Trustees (who act as Governors and are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

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

#### **Opinion on the financial statements**

In our opinion the financial statements:

- 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 period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## HUNSLEY TRUST

### INDEPENDANT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF HUNSLEY TRUST (continued)

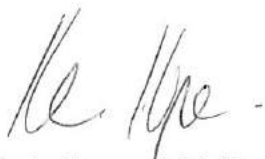
#### Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual Report (incorporating the strategic report) for the financial period for which the financial statements are prepared is consistent with the financial statements.

#### Matters on which we are required to report by exception

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

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



Kevin Hopper ACA (Senior Statutory Auditor)  
For and on behalf of Forrester Boyd, Statutory Auditor

26 South St Mary's Gate  
Grimsby  
N E Lincolnshire  
DN31 1LW

10 December 2015

## **HUNSLEY TRUST**

### **INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO HUNSLEY TRUST AND THE EDUCATION FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 10 September 2014 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 Hunsley Trust during the year ended 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 the Hunsley Trust and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we may state to the Hunsley Trust 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 Hunsley Trust and the EFA, for our work, for this report, or for the conclusion we have formed.

#### **Respective responsibilities of the Hunsley Trust's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of the Hunsley Trust's funding agreement with the Secretary of State for Education dated 16 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 year ended 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 Education Funding Agency. 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:

- Evaluating the systems and control environment;
- Assessing the risk of irregularity, impropriety and non-compliance;
- Confirming that the activities of the Academy Trust are in keeping with the Academy's framework and the charitable objectives;
- Obtaining representations from the Accounting Officer and Key Management personnel.

## HUNSLEY TRUST

### INDEPENDENT REPORTING AUDITORS' ASSURANCE REPORT ON REGULARITY TO HUNSLEY TRUST AND THE EDUCATION FUNDING AGENCY

#### 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 ended 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.



Kevin Hopper ACA (Reporting Accountant)  
For and on behalf of Forrester Boyd, Chartered Accountants

26 South St Mary's Gate  
Grimsby  
N E Lincolnshire  
DN31 1LW

10 December 2015

# HUNSLEY TRUST

## STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2015 (including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Notes	Unrestricted Funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Funds £'000	Total 2015 £'000	Total 2014 £'000
<b>Incoming resources</b>						
Incoming resources from generated funds:						
Voluntary income	2	49	-	-	49	-
Voluntary income – transfer from local authority		-	-	-	-	16,148
Activities for generating funds	3	1,659	-	-	1,659	1,491
Investment income	4	39	-	-	39	40
Incoming resources from charitable activities:						
Funding for the Academy's educational operations	5	-	9,478	2,944	12,422	9,702
<b>Total incoming resources</b>		<b>1,747</b>	<b>9,478</b>	<b>2,944</b>	<b>14,169</b>	<b>27,381</b>
<b>Resources expended</b>						
Cost of generating funds:						
Costs of generating voluntary income		-	-	-	-	-
Costs of activities for generating funds		1,562	-	-	1,562	1,381
Charitable activities:						
Academy's educational operations	7	-	9,303	558	9,861	9,371
Governance costs	8	-	109	-	109	50
Other finance costs	27	-	16	-	16	34
<b>Total resources expended</b>	<b>6</b>	<b>1,562</b>	<b>9,428</b>	<b>558</b>	<b>11,548</b>	<b>10,836</b>
<b>Net incoming resources before transfers</b>		<b>185</b>	<b>50</b>	<b>2,386</b>	<b>2,621</b>	<b>16,545</b>
Gross transfers between funds		-	358	(358)	-	-
<b>Net income for the year</b>		<b>185</b>	<b>408</b>	<b>2,028</b>	<b>2,621</b>	<b>16,545</b>
<b>Other recognised gains and losses</b>						
Actuarial losses on defined benefit pension schemes	27	-	(75)	-	(75)	(835)
<b>Net movement in funds</b>		<b>185</b>	<b>333</b>	<b>2,028</b>	<b>2,546</b>	<b>15,710</b>

## HUNSLEY TRUST

### STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2015 (including Income and Expenditure Account and Statement of Total Recognised Gains and Losses) (continued)

	Unrestricted Funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Funds £'000	<b>Total 2015 £'000</b>	Total 2014 £'000
<b>Reconciliation of funds</b>					
Funds brought forward at 1 September 2014	<b>2,176</b>	<b>(384)</b>	<b>17,007</b>	<b>18,799</b>	3,089
Net movement in funds during the period	185	333	2,028	2,546	15,710
<b>Funds carried forward at 31 August 2015</b>	<b>2,361</b>	<b>(51)</b>	<b>19,035</b>	<b>21,345</b>	18,799

All of the Academy's activities derive from continuing operations during the above financial period.

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

# HUNSLEY TRUST

## BALANCE SHEET AS AT 31 AUGUST 2015

Company Number 7542211

	Notes	2015 £'000	2015 £'000	2014 £'000	2014 £'000
<b>Fixed assets</b>					
Tangible assets	12		17,182		17,007
<b>Current assets</b>					
Stock	13	10		7	
Debtors	14	2,746		178	
Cash at bank and in hand		5,515		4,926	
		<u>8,271</u>		<u>5,111</u>	
<b>Creditors:</b> Amounts falling due within one year	15	<u>1,199</u>		<u>695</u>	
<b>Net current assets</b>			<u>7,072</u>		<u>4,416</u>
Total assets less current liabilities			24,254		21,423
<b>Creditors:</b> Amounts falling due after one year	16		(110)		-
<b>Net assets excluding pension liability</b>					
Pension scheme liability	27		<u>(2,799)</u>		<u>(2,624)</u>
<b>Net assets including pension liability</b>			<u>21,345</u>		<u>18,799</u>
<b>Funds of the academy:</b>					
<b>Restricted funds</b>					
Fixed asset fund	17		19,035		17,007
General funds	17		2,748		2,240
Pension reserve	17		<u>(2,799)</u>		<u>(2,624)</u>
<b>Total restricted funds</b>			<u>18,984</u>		<u>16,623</u>
<b>Unrestricted funds</b>					
General funds	17		<u>2,361</u>		<u>2,176</u>
<b>Total unrestricted funds</b>			<u>2,361</u>		<u>2,176</u>
<b>Total funds</b>			<u>21,345</u>		<u>18,799</u>

The financial statements on pages 19 to 38 were approved by the Trustees and authorised for issue on 10 December 2015 and are signed on their behalf by:



**Mr R Swain**  
**Chair of Trustees**



# HUNSLEY TRUST

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

	Notes	2015 £'000	2014 £'000
<b>Net cash inflow from operating activities</b>	21	<b>697</b>	952
Returns on investments and servicing of finance	22	39	40
Capital expenditure and financial investment	23	(147)	(25)
<b>Increase in cash in the period</b>	24	<b>589</b>	967
<b>Reconciliation of net cash flow to movement in net funds</b>			
Net funds at 1 September 2014		<b>4,926</b>	3,959
<b>Net funds at 31 August 2015</b>		<b>5,515</b>	4,926

# HUNSLEY TRUST

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

### 1. Statement of Accounting Policies

#### Basis of Preparation

The financial statements have been prepared under the historic 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 Annual Accounts Direction issued by the EFA and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

#### Going Concern

The Trustees have considered material events and conditions that may impact upon the ability of the Company to continue as a going concern and conclude that there are none that have a material impact on their view that the Company has a long term viable future. The Trustees make this assessment in respect of a period of one year from the date of approval of the financial statements.

#### Incoming Resources

Incoming resources are recognised when the Academy Trust has confirmed its entitlement to the funds, is certain of receipt, and the amount can be measured with reasonable 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 it is recognised as deferred and included in creditors as deferred. 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 is recognised in the Statement of Financial Activities in the period in which it is received, where there is certainty of receipt.

- **Donations**

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

- **Other income**

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

- **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, 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 its useful economic life in accordance with the Academy Trust's policies.

# HUNSLEY TRUST

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

### 1. Statement of Accounting Policies (continued)

#### 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 assets use. Other support costs are allocated based on the spread of staff costs.

- **Costs of generating funds**

These are incurred in attracting voluntary income trading activities that raise funds

- **Charitable activities**

These are incurred on the Academy Trust's educational activities

- **Governance costs**

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

All resources expended are inclusive of irrecoverable VAT.

#### Tangible Fixed Assets

Assets costing £500 or more are capitalised as tangible fixed assets and are shown 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 assets, other than long leasehold and 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:-

Long Leasehold land	125 years
Long leasehold buildings	Between 40 and 50 years
Fixtures, fittings and equipment	Between 3 and 10 years
ICT equipment	Between 3 and 6 years
Motor vehicles	Between 3 and 6 years

Assets in the course of construction are included at cost but depreciation is not charged on them until they are brought into use. Charges for impairment may be made if an event or change in circumstances indicates that the net value of the fixed asset may not be recoverable. Any shortfall between the net value and their recoverable value is recognised as an impairment and included in the Statement of Financial Activities.

#### Leased Assets

Rentals under operating leases are charges to the Statements of Financial Activities on a straight line basis over the lease term.

Land and buildings are held on a 125 year lease with East Riding of Yorkshire Council. They were recognised as an asset when the lease was approved and are being depreciated accordingly.

# HUNSLEY TRUST

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

### 1. Statement of Accounting Policies (continued)

#### Stock

Stock is valued at the lower of cost and net realisable value.

#### Taxation

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

#### Pension Benefits

Retirement benefits to employees of the Academy Trust are provided by either the Teachers' Pension Scheme (TPS) or 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 the pensions over employees' working lives in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll costs. The levels of contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 27, the TPS is a multi employer scheme and the Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the Academy Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the 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 amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

#### Fund Accounting

Unrestricted 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 for specific capital purposes as defined by the EFA/DfE etc. where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other funds received and include grants from the EFA/DfE.

# HUNSLEY TRUST

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

### 2. Voluntary Income

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2015 £'000	Total 2014 £'000
Private sponsorship	-	-	-	-
Other donations	49	-	49	-
	49	-	49	-

### 3. Activities for Generating Funds

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2015 £'000	Total 2014 £'000
Sports Centre	554	-	554	699
Catering income	524	-	524	489
Other income	581	-	581	303
	1,659	-	1,659	1,491

### 4. Investment Income

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2015 £'000	Total 2014 £'000
Interest on short term deposits	39	-	39	40
	39	-	39	40

### 5. Funding for Academy's educational operations

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2015 £'000	Total 2014 £'000
<b>DfE/EFA capital grant</b>				
Capital grants	-	2,944	2,944	38
	-	2,944	2,944	38
<b>DfE/EFA revenue grants</b>				
General Annual Grant (GAG)	-	8,868	8,868	9,288
Other DfE grants	-	-	-	-
	-	8,868	8,868	9,288
<b>Other Government grants</b>				
Special educational projects	-	556	556	264
Statemented pupils	-	54	54	112
	-	610	610	376
	-	12,422	12,422	9,702

# HUNSLEY TRUST

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

### 6. Resources Expended

	Staff costs £'000	Non Pay Expenditure Premises £'000	Other Costs £'000	Total 2015 £'000	Total 2014 £'000
Costs of generating voluntary income	-	-	-	-	-
Costs of activities for generating funds	677	39	846	1,562	1,381
Academy's educational operations					
Direct costs	5,813	358	829	7,000	6,833
Allocated support costs	1,031	855	975	2,861	2,538
	7,521	1,252	2,650	11,423	10,752
Governance costs including allocated support costs	86	-	23	109	50
Other finance costs	-	-	16	16	34
	7,607	1,252	2,689	11,548	10,836

### Incoming/outgoing resources for the year include:

	2015 £'000	2014 £'000
Operating leases	35	35
Fees payable to auditor – audit fees	13	8
Depreciation	561	508
Profit/(loss) on disposal of fixed assets	-	-

### 7. Charitable Activities – Academy's educational operations

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2015 £'000	Total 2014 £'000
<b>Direct costs</b>				
Teaching and educational support staff costs	-	5,813	5,813	5,660
Depreciation	-	358	358	341
Educational supplies	-	503	503	528
Examination fees	-	250	250	197
Staff development	-	39	39	48
Educational consultancy	-	15	15	37
Other direct costs	-	22	22	22
	-	7,000	7,000	6,833

# HUNSLEY TRUST

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

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2015 £'000	Total 2014 £'000
<b>Direct costs (from previous page)</b>	-	7,000	7,000	6,833
<b>Allocated support costs</b>				
Support staff costs	-	1,031	1,031	1,031
Depreciation/ profit on sale of fixed assets	-	203	203	167
Recruitment and support	-	54	54	65
Maintenance of premises and equipment	-	450	450	228
Cleaning	-	19	19	34
Rent and rates	-	65	65	72
Energy costs	-	218	218	266
Insurance	-	78	78	82
Security and transport	-	141	141	76
Bank interest and charges	-	8	8	6
Expected return on pension assets	-	84	84	28
Other support costs	-	510	510	483
	-	2,861	2,861	2,538
	-	9,861	9,861	9,371

### 8. Governance costs

	Unrestricted Funds £'000	Restricted Funds £'000	Year total 2015 £'000	Year total 2014 £'000
Legal and professional fees	-	4	4	-
Auditor's remuneration – EFA additional audit as at March 2015	-	8	8	-
Auditor's remuneration – audit of financial statements August 2015	-	5	5	8
Staff costs	-	86	86	42
Governors' training and related expenses	-	6	6	-
	-	109	109	50

### 9. Staff

#### a. Staff costs

Staff costs during the period were:

	2015 £'000	2014 £'000
Wages and salaries	6,176	6,068
Social security costs	433	415
Pension costs	972	919
	7,581	7,402
Supply teacher costs	15	-
Compensation payments	11	27
	7,607	7,429



# HUNSLEY TRUST

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

### b. Staff severance payments

The compensation payments above are non-statutory/non-contractual severance payments totalling £10,853 (2014: £27,329). One non-statutory/non-contractual severance payment exceeded £5,000 individually (2014: two).

### c. Staff numbers

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

	2015 No.	2014 No.
Teachers	97	103
Administration and support	117	111
Management	12	9

### d. Higher paid staff

The number of employees whose annual emoluments exceeded £60,000 was:

	2015 No.	2014 No.
£60,001 - £70,000	-	1
£80,001 - £90,000	1	-
£140,001 - £150,000	1	1

All of the employees in the table directly above participated in the Teachers' Pension Scheme.

## 10. Related Party Transactions - Trustees' remuneration and expenses

Principal and staff trustees only receive remuneration in respect of services they provide undertaking the roles of executive principal and staff and not in respect of their role as trustees. Other Trustees did not receive any payments, other than expenses, from the Academy Trust in respect of their role as Trustees. The value of the trustee's remuneration was as follows;

C Abbott (executive principal)                      £145,001 - £150,000      (2014: £140,001 - £145,000)

During the period the Trust implemented a new Performance Related Pay policy. As part of this policy the executive principal's pay scale is £120,000 - £150,000. The total remuneration received by the executive principal can be at any point in this range and is dependent on performance. Performance and pay are reviewed annually.

During the period ended 31 August 2015, travel, subsistence and training fees paid on behalf of or reimbursed to Governors amounted to £6,454 (2014: £nil). Other related party transactions involving trustees are set out in note 28.

## 11. Trustee' and Officers' Insurance

The Academy Trust has purchased insurance to protect Trustees and employees from claims arising from negligent acts, errors or omissions occurring whilst they are undertaking Academy Trust business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2015 was £2,450 (2014: £2,450).

The cost of this insurance cover is included in the total insurance cost.

# HUNSLEY TRUST

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

### 12. Tangible fixed assets

	Leasehold Land and buildings	Fixtures, fittings and equipment	Computer Equipment	Motor Vehicles	Total £'000
<b>Cost</b>					
At 1 September 2014	17,061	563	249	28	17,901
Additions	558	26	152	-	736
Disposals	-	-	-	-	-
At 31 August 2015	17,619	589	401	28	18,637
<b>Depreciation</b>					
At 1 September 2014	396	378	109	11	894
Charged in year	358	117	80	6	561
Disposals	-	-	-	-	-
At 31 August 2015	754	495	189	17	1,455
<b>Net book values</b>					
At 31 August 2015	16,865	94	212	11	17,182
At 31 August 2014	16,665	185	140	17	17,007

The Academy Trust's transactions relating to land and buildings include leasehold land and property from which South Hunsley School and Sixth Form College operate which was donated to the trust at a remaining asset life assessment and existing use valuation value of £16,147,875.

### 13. Stock

	2015 £'000	2014 £'000
Education supplies	7	4
Catering	3	3
	<b>10</b>	<b>7</b>

### 14. Debtors

	2015 £'000	2014 £'000
Trade debtors	22	43
Vat recoverable	122	53
Other debtors	2,498	-
Prepayments and accrued income	104	82
	<b>2,746</b>	<b>178</b>

### 15. Creditors: Amounts falling due within one year

	2015 £'000	2014 £'000
Trade creditors	651	327
Other taxation and social security	123	117
Other creditors	134	121
Accruals and deferred income	291	130
	<b>1,199</b>	<b>695</b>

# HUNSLEY TRUST

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

### 15. Creditors: Amounts falling due within one year (continued)

Deferred income	2015 £'000	2014 £'000
Deferred income as 1 September 2014	19	82
Resources deferred in the period	30	19
Amounts released from previous periods	(19)	(82)
Deferred income at 31 August 2015	30	19

Deferred income includes amounts paid in advance by members of the sports centre £5,352 (2014: £10,268), and miscellaneous items £24,587 (2014: £9,125).

### 16. Creditors: Amounts falling due after more than one year

	2015 £'000	2014 £'000
Other creditors	110	-
	110	-

Included within other creditors is a loan of £109,433 from Salix which is provided interest free, over an 8-year payback and repayments will be every six months commencing in September 2016.

### 17. Funds

	Balance at 1 September 2014 £'000	Incoming Resources £'000	Resources Expensed £'000	Gains, Losses and transfers £'000	Balance at 31 August 2015 £'000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	2,240	8,868	(8,718)	358	2,748
Other DfE/EFA Grants	-	610	(610)	-	-
Pension reserve	(2,624)	-	(100)	(75)	(2,799)
	(384)	9,478	(9,428)	283	(51)
<b>Restricted fixed asset funds</b>					
DfE/EFA capital grants	611	2,944	(246)	(358)	2,951
Capital expenditure from GAG	248	-	(5)	1,637	1,880
Transfer from local authority	16,148	-	(307)	(1,637)	14,204
	17,007	2,944	(558)	(358)	19,035
<b>Total restricted funds</b>	16,623	12,422	(9,986)	(75)	18,984
<b>Unrestricted funds</b>					
Unrestricted funds	2,176	1,747	(1,562)	-	2,361
<b>Total unrestricted funds</b>	2,176	1,747	(1,562)	-	2,361
<b>Total funds</b>	18,799	14,169	(11,548)	(75)	21,345

# HUNSLEY TRUST

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

### 17. Funds (continued)

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

- General Annual Grant (GAG) must be used for the normal running costs of the Academy.  
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 as at 31 August 2015.
- The Restricted Pension Fund relates to the deficit on the Local Government Pension Scheme.
- The Restricted Fixed Assets Fund represents fixed assets funded by capital grants, assets transferred on conversion to an Academy and assets purchased from brought forward reserves.

### 18. Analysis of net assets between funds

Fund balances at 31 August 2015 are represented by:

	Unrestricted Funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Funds £'000	2015 £'000	2014 £'000
Tangible fixed assets	-	-	17,182	17,182	17,007
Current assets	2,379	3,489	2,403	8,271	5,111
Current liabilities	(18)	(741)	(440)	(1,199)	(695)
Non-current liabilities	-	-	(110)	(110)	-
Pension scheme liability	-	(2,799)	-	(2,799)	(2,624)
<b>Total net assets</b>	<b>2,361</b>	<b>(51)</b>	<b>19,035</b>	<b>21,345</b>	<b>18,799</b>

### 19. Capital commitments

	2015 £'000	2014 £'000
Contracted for, but not provided in the financial statements	-	-

### 20. Financial commitments

#### Operating leases

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

	2015 £'000	2014 £'000
<u>Other</u>		
Expiring within one year	21	-
Expiring within two and five years inclusive	16	35
Expiring in over five years	-	-
	<b>37</b>	<b>35</b>

# HUNSLEY TRUST

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

### 21. Reconciliation of net income to net cash inflow from operating activities

	2015 £'000	2014 £'000
Net income	2,621	16,545
Assets donated from local authority	-	(16,148)
Depreciation (note 12)	561	508
Profit on sale of fixed asset	-	-
Capital grants from DfE and other capital income	(589)	(38)
Interest receivable (note 4)	(39)	(40)
FRS 17 pension cost less contributions payable (note 27)	84	28
FRS 17 pension finance income (note 27)	16	34
Decrease/(increase) in stocks	(3)	6
Decrease/(increase) in debtors	(2,568)	(13)
(Decrease)/increase in creditors	614	70
<b>Net cash flow from operating activities</b>	<b>697</b>	<b>952</b>

### 22. Returns on investments and servicing of finance

	2015 £'000	2014 £'000
Interest received	39	40
<b>Net cash inflow from returns on investments and servicing of finance</b>	<b>39</b>	<b>40</b>

### 23. Capital expenditure and financial investment

	2015 £'000	2014 £'000
Purchase of tangible fixed assets	(736)	(63)
Capital grants from DfE/EFA	589	38
Receipts from the sale of tangible fixed assets	-	-
<b>Net cash outflow from capital expenditures and financial investment</b>	<b>(147)</b>	<b>(25)</b>

### 24. Analysis of changes in net funds

	At 1 September 2014 £'000	Cash flows £'000	At 31 August 2015 £'000
Cash in hand and at bank	4,926	589	5,515
	4,926	589	5,515

### 25. Contingent Liabilities

The Academy Trust does not consider itself to have any contingent liabilities.

# **HUNSLEY TRUST**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2015 (continued)**

### **26. 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 required, but not exceeding £10, for the debts and liabilities contracted before he/she ceases to be a member.

### **27. Pension and similar obligations**

The Academy'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 East Riding of Yorkshire County Council. 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 was 31 March 2012 and of the LGPS 31 August 2014.

Contributions amounting to £117,947 (2014: £117,725) 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' Pension Regulation (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 teacher 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 the 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.



## HUNSLEY TRUST

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

#### 27. Pension and similar obligations (continued)

##### Valuation of the Teachers' Pension Scheme (continued)

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 costs 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; and
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations.
- The assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

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

The pension costs paid to TPS in the period amounted to £543,307 (2014: £523,565)

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 benefit contribution scheme. The trust has set out the above information 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 made for the period ended 31 August 2015 was £538,000 (2014: £511,000), of which employer's contributions totalled £431,000 (2014: £409,000) and employees' contributions totalled £107,000 (2014: £102,000). The agreed contribution rates for future years are 23.9% (2014: 23.9%) for employers and between 5.5% and 7.5% for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding local government pension scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.



# HUNSLEY TRUST

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

### Pension and similar obligations (continued)

Principal Actuarial Assumptions	31 August 2015	31 August 2014
Rate of increase in salaries	4.1%	4.0%
Rate of increase for pensions in payment/inflation	2.7%	2.7%
Discount rate for scheme liabilities	3.8%	3.7%
Inflation assumption (CPI)	1.25%	1.0%
Commutation of pensions to lump sums – pre 2008 service	30%	30%
Commutation of pensions to lump sums – post 2008 service	65%	65%

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

	31 August 2015	31 August 2014
Retiring today		
Males	21.9	21.9
Females	24.1	24.1
Retiring in 20 years		
Males	24.2	24.2
Females	26.7	26.7

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

	Expected return at 31 August 2015	Fair value at 31 August 2015 £'000	Expected return at 31 August 2014	Fair value at 31 August 2014 £'000
Equities	3.8%	3,267	6.4%	2,956
Bonds	3.8%	436	3.2%	384
Cash	3.8%	479	3.3%	269
Property	3.8%	174	4.5%	230
<b>Total market value of assets</b>		<b>4,356</b>		<b>3,839</b>
Present value of scheme liabilities – funded		(7,155)		(6,463)
<b>Surplus/(deficit) in the scheme</b>		<b>(2,799)</b>		<b>(2,624)</b>

The actual return on scheme assets was £26,000 (2014: £348,000)

### Amounts recognised in the statement of financial activities

	2015 £'000	2014 £'000
Current service cost (net of employee contributions)	515	437
Past service cost	-	-
<b>Total operating charge</b>	<b>515</b>	<b>437</b>

# HUNSLEY TRUST

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

### 27. Pension and similar obligations (continued)

#### Analysis of pension finance income/(costs)

	2015	2014
	£'000	£'000
Expected return on pension scheme assets	234	193
Interest on pension liabilities	(250)	(227)
<b>Pension finance income/(costs)</b>	<b>(16)</b>	<b>(34)</b>

The actuarial gains and losses for the current year are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS 17 is a £1,186,000 loss (2014: £1,111,000 loss).

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

	2015	2014
	£'000	£'000
<b>At 1 September 2014</b>	<b>6,463</b>	<b>4,690</b>
Current service cost	515	437
Interest cost	250	227
Employee contributions	107	102
Actuarial loss/(gain)	(133)	1,053
Estimated benefits paid	(47)	(46)
<b>At 31 August 2015</b>	<b>7,155</b>	<b>6,463</b>

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

	2015	2014
	£'000	£'000
<b>At 1 September 2013</b>	<b>3,839</b>	<b>2,963</b>
Expected return on assets	234	193
Contribution by members	107	102
Contributions by employer	431	409
Actuarial loss/(gain)	(208)	218
Estimated benefits paid	(47)	(46)
<b>At 31 August 2014</b>	<b>4,356</b>	<b>3,839</b>

The estimated value of employer contributions for the year ended 31 August 2015 is £437,000.

#### The history of experience adjustments is as follows:

	31 August	31 August	31 August	31 August	31 August
	2015	2014	2013	2012	2011
	£'000	£'000	£'000	£'000	£'000
<b>Present value of defined benefit obligations</b>	<b>(7,155)</b>	<b>(6,463)</b>	<b>(4,690)</b>	<b>(3,919)</b>	<b>(2,848)</b>
<b>Fair value of share of scheme assets</b>	<b>4,356</b>	<b>3,839</b>	<b>2,963</b>	<b>2,160</b>	<b>1,519</b>
<b>Deficit in the scheme</b>	<b>(2,799)</b>	<b>(2,624)</b>	<b>(1,727)</b>	<b>(1,759)</b>	<b>(1,329)</b>

# HUNSLEY TRUST

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

	2015	2014	2013	2012	2011
<b>Experience adjustments on share of scheme assets</b>					
Amount £'000	(208)	218	121	500	195
<b>Experience adjustments on scheme liabilities</b>					
Amount £'000	(19)	428	227	34	111

### Sensitivity analysis

	Approximate % increase to Employer Liability	Approximate monetary amount £'000
0.5% decrease in Real Discount Rate	14%	1,013
1 year increase in member life expectancy	3%	215
0.5% increase in the Salary Increase Rate	7%	474
0.5% increase in the Pension Increase Rate	7%	511

### 28. Related party transactions

There have been no related party transactions during the year.