

HOBART HIGH SCHOOL (ACADEMY TRUST) LIMITED

GOVERNORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2015

HOBART HIGH SCHOOL (ACADEMY TRUST) LIMITED
(A Company Limited by Guarantee)

CONTENTS

	Page
Reference and Administrative Details of the Academy, its Governors and Advisers	1
Governors' Report	2 - 7
Governance Statement	8 - 10
Statement on Regularity, Propriety and Compliance	11
Governors' Responsibilities Statement	12
Independent Auditors' Report	13 - 14
Independent Reporting Accountant's Assurance Report on Regularity	15 - 16
Statement of Financial Activities	17
Balance Sheet	18
Cash Flow Statement	19
Notes to the Financial Statements	20 - 35

HOBART HIGH SCHOOL (ACADEMY TRUST) LIMITED
(A Company Limited by Guarantee)

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

Members	James P Wright Adrian J Gunson Donna C Harris Peter N G Hardy Peter I Fraser, Chair of Governors Patricia E Bell
Trustees	James P Wright Adrian J Gunson (resigned 12 November 2014) Donna C Harris Peter N G Hardy Peter I Fraser, Chair of Governors Samuel B Griffin, Former Head Teacher (resigned 31 August 2015) Helen Sapey Stephanie J Day Dorothy K Braidwood (resigned 12 May 2015) Leonard Ricketts, Vice Chair of Governors Simon P Brown (resigned 7 January 2015) Bruce R Wilson Beth Rose-Waghorn David R Mead Shirley J Gates Amandine Moores (appointed 30 January 2015) John Organ (appointed 18 March 2015) James Adams, Head Teacher (appointed 1 September 2015) Patricia E Bell
Company registered number	08347874
Principal and registered office	Kittens Lane Loddon Norwich Norfolk NR14 6JU
Senior management team	Mr J Adams, Head Teacher (appointed 1 September 2015) Mrs C Woods, Deputy Head Teacher (resigned 10 April 2015) Mr S Griffin, Former Head Teacher (resigned 31 August 2015) Ms K Hall, Assistant Head Teacher Mr M Quantrill, Assistant Head Teacher Mr R Greenhalf, Senior Teacher Mr R Skinner, Business Manager Mrs J Wilkinson, Head of Upper School
Independent auditors	Price Bailey LLP Chartered Accountants 20 Central Avenue St Andrews Business Park Thorpe St Andrew Norwich Norfolk NR7 0HR

HOBART HIGH SCHOOL (ACADEMY TRUST) LIMITED
(A Company Limited by Guarantee)

GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2015

The Trustees present their annual report together with the financial statements and auditors' report of Hobart High School (Academy Trust) Limited (the Charitable Company) for the period 1 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 Charitable Company operates an academy for pupils aged 11 – 16 years of age serving the rural catchment area covering Loddon and surrounding villages south east of Norwich. It has a pupil capacity of 820 and a roll of 752 in the January 2015 school census.

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 Hobart High School (Academy Trust) Limited are also the Directors of the charitable company for the purposes of company law. The terms Trustee, Director and Governor are interchangeable. The Charitable Company is also known as Hobart High School.

Details of the Trustees who served throughout the year are included in the Reference and Administrative Details section on page 1.

Member's 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.

Trustee and Officers' Indemnities

In accordance with normal commercial practice the academy has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £2,000,000 on any one claim at a cost of £2,120 per year.

Method of recruitment and appointment or election of Trustees

Governors are appointed for a term of 4 years and are eligible for re-election. The Articles of Association of the Charitable Company set out the number and type of governors of the Academy Trust in paragraphs 50 to 65. The headteacher is an ex-officio Governor. Parent and Staff Governors are elected by parents and staff respectively, or appointed by the Governing Body if there are insufficient candidates offering themselves for election. The Governing Body can appoint up to 3 Co-opted Governors and the Local Authority (Norfolk County Council) can appoint one Governor.

Policies and Procedures adopted for the Induction and Training of Trustees

New Governors are required to attend a training programme and the Academy buys support from the Norfolk County Council Governor Support Service enabling all Governors to undertake a variety of training at no cost. The induction programme involves a tour of the Academy, meetings with students and staff and provision of policy and procedures documents that are appropriate to the role they undertake as governors, with particular emphasis on the committee work that they will undertake.

Organisational Structure

The governance of the academy is defined in the Memorandum and Articles of Association together with the Funding Agreement with the Department of Education.

The Governing Body, which meets on at least 5 occasions per year, is responsible for the strategic direction of the academy, for setting general policy and approving major decisions about the direction of the Academy, including senior staff appointments. The Governing Body approves an annual development plan and reviews progress towards educational objectives and academic results. They also approve major expenditure requests, set the budget for the following year, and agree and review the performance objectives of the Headteacher with the School Improvement Partner.

The Headteacher is the designated Accounting Officer of the academy and has overall responsibility for the day to day financial management of the Charitable Company. The Headteacher has delegated responsibility for managing the budget within the agreed Schedule of Delegation. The Finance and Resources Committee monitor income and expenditure against the annual budget and a system of financial controls is in place to manage all financial processes and transactions.

HOBART HIGH SCHOOL (ACADEMY TRUST) LIMITED
(A Company Limited by Guarantee)

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

The Headteacher directs the Academy at an executive level, implementing policies and reporting to the Governing Body. The Headteacher is supported by the Senior Leadership Team in managing the operation of the Academy, in particular organising staff, resources and students. They are responsible for the authorisation of expenditure within agreed budgets and for the appointment of staff following vetting and safeguarding procedures.

Connected Organisations and Related Parties

Owing to the nature of the academy's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which a governor has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy's financial regulations, the requirements of the Academies Financial Handbook and normal procurement procedures. The Academy maintains a Register of Business and Pecuniary Interest that is published on its website and an item requiring declaration of interests is included in all meetings of the Governing Body and its Committees. The Academy does provide services to cluster Primary Schools and procures services from Norfolk County Council.

OBJECTIVES AND ACTIVITIES

Objects and Aims

As set out in the Articles of Association, the academy's object is to advance for the public benefit education in the United Kingdom, and;

- to establish high quality teaching, learning and assessment;
- to provide a full and diverse curriculum and other activities;
- to provide an environment where every child and every member of staff matters;
- the provision of community facilities.

The governors confirm they have referred to the guidance contained in the Charity Commission's guidance on public benefit.

Objectives, Strategies and Activities

The School Improvement and Development Plan includes the whole school priorities and objectives and provides the basis for activities. These continue to be:

- **Achievement of Pupils:** by ensuring that all key groups continued to make expected progress. This was particularly important for core GCSE subjects with an emphasis on Maths and English. The use of the school data tracking system, Go4schools, has been embedded to allow student performance to be closely monitored, and an investment in intervention was made to support students in achieving their target grades.
- **Teaching and Learning:** by further improving the quality of teaching and learning. Opportunities for lesson observation through Learning Walks by senior leaders have been extended to include middle leaders, developing a more robust system within the school. A range of training sessions were added to the school calendar for Continuing Professional Development on school wide themes as well as subject specific training. The sharing of best practice was an integral part of this training. Maths and English have had additional support and training in preparation for the start of new GCSE courses in September 2015.
- **Behaviour and Safety:** by reviewing the behaviour system and updating the procedures used in lessons with clear consequences for certain actions. The Internal Exclusion Area (IEU) has been firmly established as an integral part of the behaviour system within the school and the numbers of exclusions has continued to fall as a consequence. Many students have also benefitted from the additional intervention practices that have been implemented. The school has continued to place emphasis on monitoring and improving attendance.
- **Leadership and Management:** by placing a greater emphasis on the self-review systems to drive improvement. All middle leaders have developed self-review documentation for their subject or other areas of responsibility. Line management has been used to support this process, monitor progress and increase accountability. Emphasis has been placed on marketing the academy through high quality communication, greater engagement with the local community and our feeder schools as well as a range of key events and visits.

Public Benefit

The academy trust acknowledges and recognises its legal responsibility to demonstrate that its aims and activities are for public benefit. Trustees believe that by working towards the objects and aims of the school as detailed above, they have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission.

HOBART HIGH SCHOOL (ACADEMY TRUST) LIMITED
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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

STRATEGIC REPORT

Achievements and performance

Progress at the Academy continues to be good in all areas.

A key area for further development is the achievement of students. The 2015 GCSE examination results were strong in relation to national performance and showed a significant improvement from 2014 in the majority of areas. However, there are still areas where the Academy needs to improve and clear actions are being taken to address these. GCSE results for 2015 show that 66% of students gained 5 or more passes at grades A* to C including English and Maths. 25% of students gained the EBacc (passes at C or higher in English, Maths, Science and one from History, Geography and a language). 77% of students made expected or better progress in English whilst in Maths the figure was 79%.

Governors continued to offer both support and challenge to the Academy and set aspirational targets for improvement. There has been a clear focus on improving student attendance. Resources have been re-organised within the guidance team to enable effective monitoring and development of strategies to impact attendance. This has resulted in improved attendance across the school.

Accountability at all levels within the Academy has remained strong in the last year and there is effective leadership at all levels. The increase in leadership capacity is continuing to have a positive impact on outcomes for students. During the year both the Deputy Headteacher and Headteacher obtained promoted posts, leaving in April and August 2015 respectively. Governors were confident in making a number of temporary leadership and middle leader appointments to manage the interim period and allow the newly appointed Headteacher time to consider the best leadership structure once in post from September 2015.

Key Performance Indicators

The Governors receive monthly information to enable them to monitor the performance of the School compared to aims, strategies and financial budgets.

As funding is based on student numbers this is a key performance indicator. Student numbers at 1st September 2015 were 741; 1st September 2014 were 752; and 1st September 2013 were 786. This fall in student numbers is consistent with the Norfolk County Council student demographic data set. The September 2015 Year 7 intake was 159 students (an increase of 25 students on 2014) and mirrors increases in the student demographic data set.

Other key financial performance indicators are as below:

Performance Indicator	2014/15	2013/14
GAG per Student	£4,484	£4,567
Staffing Cost as % of GAG	87%	82%
Staffing Cost as % of Total Income	71.8%	74.3%
Student Teacher Ratio	15.8:1	15.9:1
Student Support Staff Ratio	19.8:1	19.7:1

Going concern

After making appropriate enquiries, the Governing 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.

HOBART HIGH SCHOOL (ACADEMY TRUST) LIMITED
(A Company Limited by Guarantee)

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

FINANCIAL REVIEW

The principal source of funding for the academy trust is the General Annual Grant (GAG) and other grants that it receives from the EFA. For the year ended 31 August 2015 the Trust received £4,316,896 of GAG and other funding. A high percentage of this income is spent on wages and salaries and support costs to deliver the Academy's primary objective of the provision of education. During the year the Academy Trust spent all of its in year restricted funds which in addition to brought forward funds leaves a surplus of £279,574 at the year end, ignoring the pension reserve fund. The Academy Trust also has a total surplus at the year end of £830,057 from its unrestricted funds.

Reserves Policy

The Governors are aware of the requirement to balance current and future needs and aim to set a balanced budget with annual income balancing annual expenditure. The Governors in the form of the Finance and Resources Committee review the level of reserves on an annual basis. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves.

Resulting from the annual review the Finance and Resources Committee have determined that the appropriate level of free reserves (Emergency fund) should be set at a level not lower than £125,000. The Academy's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £830,057. This has been built up from a mixture of locally raised income and balances transferred from the predecessor school.

The Academy holds unrestricted reserves and has designated these as follows:

• Emergency Fund	£125,000
• Artificial Turf Pitch Maintenance/Resurfacing	£150,000
• Premises Capital Improvement and Maintenance Fund	£200,000
• Unallocated for Future Projects	£355,057

The carried forwards restricted GAG balance of £250,287 is proposed to be used to support revenue costs in 2015/16 during a temporary dip in student numbers.

The restricted School Fund balance of £29,287 is to be used for educational trips for the pupils in the next financial year.

The cash balance of the Academy has been very healthy all year, ending the year with a balance of £1,473,908. The Governors have determined that they should hold a cash contingency of a minimum of £125,000.

Due to the accounting rules for the Local Government Pension Scheme under FRS17, the Academy is recognising a significant pension fund deficit of £658,000. This does not mean that an immediate liability for this amount crystallises and that such a deficit generally results in a cash flow effect in the form of increased employer contributions over a number of years.

Investment policy

A Treasury Management Policy has been approved during the financial year with the following objectives:

- to provide a means by which Hobart High School can meet its financial commitments when they fall due.
- to ensure that sufficient sums are available at short or no notice to meet operational requirements.
- to protect the capital value of surplus funds against inflation through deposits in interest bearing accounts.
- to minimise the risk of loss of capital value of funds invested.
- to optimise the returns on funds invested.

The Governing Body retains responsibility for approving the Treasury Management Policy and authorising the opening of all bank and other financial institution accounts. The treasury management function and setting investment strategy is delegated to the Finance and Resources Committee and the day to day implementation of the agreed investment strategy is the responsibility of the Accounting Officer.

No specific account is taken of social, ethical or environmental considerations in making investment decisions.

The Academy does not consider the investment of surplus funds as a primary activity, rather as a result of good stewardship and as and when circumstances allow. The policy aims to manage investments such that cash balances and liquid investments at least equal the figure outlined in the reserves policy.

HOBART HIGH SCHOOL (ACADEMY TRUST) LIMITED
(A Company Limited by Guarantee)

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

PRINCIPAL RISKS AND UNCERTAINTIES

The Governors maintain a Risk Register identifying the major risks to which the Academy is exposed, and outlines actions and procedures to mitigate those risks. A formal review of the risk management process is undertaken on an annual basis and the internal control systems and the exposure to risks are monitored on behalf of the Trustees by the Finance and Resources Committee. The principal risks facing the Trust are outlined below; those facing the Academy at an operational level are addressed by its systems and by internal financial and other controls.

It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

The Trustees assess the principal risks and uncertainties facing the Trust as follows:

- **Staff Recruitment and Retention:** the success of the Academy is reliant on the quality of its staff and particularly the Headteacher. A new Headteacher was successfully recruited during the year and took up post on 1 September 2015. Governors monitor and review policies and procedures to ensure continued development and training of staff takes place as well as ensuring there is clear succession planning and robust recruitment processes in place.
- **Safeguarding and Child Protection:** any lapse in safeguarding would significantly damage the reputation of the school and impact the ability of the Academy to maintain student numbers. The Governors continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of safeguarding, child protection policies and procedures, health & safety and discipline.
- **Student Demographics and Funding:** the Academy has considerable reliance on continued Government funding through the EFA and this is largely determined by student numbers on roll. There is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms. Also, projections indicate reduced numbers of students of high school age in Norfolk during the next few years. After two years with Year 7 intake being well below the intake limit, the number of Year 7 students admitted in September 2015 rose to 159 (intake limit 164). Governors will ensure marketing activity is maintained and that student progress and achievement is closely monitored to maintain and improve outcomes. Where required they will reduce recurring costs in line with any reduction in student numbers or General Annual Grant.
- **Failures in Governance and/or Management:** the risk in this area arises from potential failure to effectively manage the academy's finances, internal controls, compliance with regulations and legislation. The Governors continue to review systems and compliance and provide active challenge to the school leadership to ensure that appropriate measures are in place to mitigate these risks.
- **Fraud and Mismanagement of Funds:** the risk in this area is a lack of staff knowledge, poor internal controls and lack of management monitoring. The Academy has appointed an independent Internal Auditor to carry out checks on financial systems and records as required by the Academies Financial Handbook. All finance staff receive regular briefings to keep them up to date with financial practices and requirements and are supported to develop their financial skills.
- **Bank Balances and Investments:** there is no significant risk other than an institution ceasing to trade. The Academy cash flow is healthy and long term financial planning predicts it will remain so. The Academy is therefore seeking to spread its investment over a number of solid and government backed institutions.
- **Trading Activities:** debtors exist to the extent that the Academy hires its facilities to the local community, provides an extensive programme of individual music tuition to students and delivers ICT support services and swimming tuition to cluster primary schools. Close monitoring of these income streams is undertaken by the Finance and Resources Committee to ensure they are in line with predictions.
- **Pension Deficit:** the deficit on the Local Government Pension Scheme administered by Norfolk Pension Fund is monitored closely by the Governing Body.

As an academy school, the level of financial risk is low. Cash flows can be reliably forecast, monitored and reported and aside from major capital expenditure are broadly neutral. The majority of income comes in the form of General Annual Grant (GAG) from the EFA and is secured through the Funding Agreement with the Department of Education. Staff costs make up the majority of expenditure and this is relatively stable with contingencies in place to cover such items as sickness and maternity. There is very limited exposure to trade debtors.

The Governors report that the Academy's financial and internal controls conform to guidelines issued by the EFA, and that improvements to the wider framework of systems dealing with business risk and risk management strategy continue to be made and formally documented.

HOBART HIGH SCHOOL (ACADEMY TRUST) LIMITED
(A Company Limited by Guarantee)

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

PLANS FOR FUTURE PERIODS

The School Improvement and Development Plan (SIDP) for 2015 -16 provides a vision and sets out plans for the next 12 – 18 months. It will also enable strong and continued improvement in the mid and long term.

At the heart of the SIDP is a strategy for further improving teaching and learning and for the development of high quality in-house Continuing Professional Development. In order to monitor and evaluate the impact of these initiatives, implementation of robust systems of quality assurance will be introduced. This will include the use of data and tracking, lesson observation and learning walks, departmental inspection and peer review.

Attendance will continue to be a key focus for the school and continuing to improve attendance will directly impact on attainment. Strategies will include: funding a dedicated attendance officer post; improving communication with stakeholders; working closely with the local attendance team professionals; and introduction of a rewards scheme for students.

As a forward looking organisation and in response to the rapidly changing education landscape, investigation of collaborative working with other organisations will take place, including consideration of becoming a sponsor academy and multi academy trust.. Equally important is becoming more 'outward facing,' improving marketing and celebrating the success of the school within the local community.

The SIDP is monitored by the Governing Body through a range of performance indicators and the receipt of regular reports from the Headteacher and School Leadership Team.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The Academy does not hold funds as a custodian trustee on behalf of others.

PROVISION OF INFORMATION TO AUDITORS

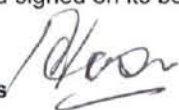
Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- the Trustees have taken all the 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 auditors, Price Bailey LLP, are willing to continue in office and a decision on the appointment of auditors will be made at the annual general meeting.

Trustees report, incorporating a strategic report, approved by order of the board of trustees, as the company directors on 9 December 2015 and signed on its behalf by:

Peter I Fraser
Chair of Governors



HOBART HIGH SCHOOL (ACADEMY TRUST) LIMITED
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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

The Governing Body has delegated the day-to-day responsibility to the Head Teacher, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Hobart High School (Academy Trust) Limited 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 Governors' Report and in the Governors' Responsibilities Statement. The Governing Body has formally met 7 times during the year. Attendance during the year at meetings of the Governing Body was as follows:

Governor	Meetings attended	Out of a possible
James P Wright	7	7
Adrian J Gunson	0	1
Donna C Harris	4	7
Peter N G Hardy	5	7
Peter I Fraser, Chair of Governors	7	7
Patricia E Bell	6	7
Samuel B Griffin, Former Head Teacher	5	7
Helen Sapey	7	7
Stephanie J Day	7	7
Dorothy K Braidwood	3	5
Leonard Ricketts, Vice Chair of Governors	5	7
Simon P Brown	1	2
Bruce R Wilson	7	7
Beth Rose-Waghorn	7	7
David R Mead	4	7
Shirley J Gates	5	7
Amandine Moores	3	5
John Organ	3	4

Governance reviews:

The Academy Trust is conducting a Governance Review during November 2015 and will develop and implement an action plan during the remainder of the 2015/16 academic year. The next Governance Review will be undertaken during the Autumn Term 2016

The Finance and Resources Committee is a sub-committee of the main Governing Body. Its purpose is to address financial matters.

Attendance at meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
Patricia E Bell	6	6
Peter I Fraser	4	6
Samuel B Griffin	5	6
Peter N Hardy	6	6
John Organ	1	1
Adrian J Gunson	1	1

The Finance and Resources Committee performs the functions of an Audit Committee with items relating to internal audit chaired by the governor with responsibility for internal audit, Patricia Bell. Three internal audit reports were prepared by an independent accountancy practice and covered systems of internal financial control, payroll procedures, regularity compliance and governance responsibility. Each of the reports were considered by the Finance and Resources Committee and presented to the Governing Body.

HOBART HIGH SCHOOL (ACADEMY TRUST) LIMITED
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GOVERNANCE STATEMENT (continued)

REVIEW OF VALUE FOR MONEY

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

The accounting officer considers how the 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. Examples of how the Accounting Officer for the academy trust has delivered improved value for money during the year are:

- Re-organising staffing resources to enable one to one and small group intervention programmes within Key Stage 4 to be delivered by core subject specialist teachers to identified students to improve levels of attainment and expected progress. Mentoring programmes were also provided for identified students to maintain and improve engagement. These interventions were in part funded by pupil premium grant. The 2015 GCSE results remained above national averages with 66% of students achieving 5A*-C including English and Maths (an increase of 7% on 2014). The gap between pupil premium students and the whole cohort for this measure was 16.5% (an improvement of 3.5% on 2014).
- Reviewing and rewriting the Finance Policy and procedures to improve accountability and clearly link use of resources to key educational and organisational objectives within the School Improvement and Development Plan. The Finance and Resources Committee have spent significant time developing the Reserves Policy and allocating free reserves to specific activities to further improve school facilities and educational outcomes. As a direct result of these activities £220,000 has been provided to redevelop the resistant materials workshops and provide computer aided design and manufacture equipment. This is expected to strengthen student engagement in Design Technology and further improve educational outcomes. A comprehensive wireless ICT network was also funded through this approach and installed at a cost of £45,000. This enables greater flexibility of use of ICT throughout the curriculum and is a key part of the developing ICT strategy for the school.
- Assessing the performance of the catering contractor providing school meals to the school and a local primary federation of two schools. It was concluded that the service should be re-tendered with the key objectives of improving the quality of the food offer, a clear focus on healthy eating and maximising financial efficiency. Inclusion of the dining centre services for the local primary federation was seen as a means of ensuring economies of scale benefited all schools in Loddon. A sector specialist management consultancy was selected to project manage the tender process to ensure best value through full understanding of the market sector. The tender process is still in progress with award of a contract to be effective from 1 January 2015.
- Continuing to develop services within the local community. The excellent sports facilities at the school are made available to the local community outside school hours. The Governing Body objective is for facility charges to recover the full economic cost of the making the facilities available outside school time and this objective continues to be met. The school continues to provide ICT support to four cluster primary schools on a fee paying basis. This provides a good quality, responsive service to local schools and professional development opportunities for the ICT technical staff of the school. Six local primary schools are also provided with swimming lessons in the school pool, again on a fee paying basis.

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy 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 Hobart High School (Academy Trust) Limited for the year 1 September 2014 to 31 August 2015 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The Governing Body 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 Governing Body is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy's significant risks, that has been in place for the year 1 September 2014 to 31 August 2015 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Body.

HOBART HIGH SCHOOL (ACADEMY TRUST) LIMITED
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GOVERNANCE STATEMENT (continued)

THE RISK AND CONTROL FRAMEWORK

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Governing Body;
- regular reviews by the Finance 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 Governing Body has considered the need for a specific internal audit function and has decided to appoint Price Bailey as internal auditor.

A schedule of work was agreed by the Finance and Resources Committee and completed during the period 1 September 2014 – 31 August 2015.

The internal audit function's role includes giving advice on financial matters and performing a range of checks on the academy's financial systems. In particular the checks carried out in the current period included:

- testing of payroll systems
- testing of purchasing systems
- testing of income receipt systems
- testing of regulatory compliance
- testing of governance systems and controls

Three day long visits are made by the internal auditor (one per term). An internal audit report is produced after each visit which is considered by the Finance and Resources Committee and the Governing Body. Each report provides an evaluation of the operation of the systems of control and the discharge of the Governing Body's financial responsibilities. No material control issues were identified in the reports and remedial action for more minor matters are recorded as part of each report and checked at the next visit.

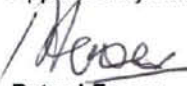
REVIEW OF EFFECTIVENESS

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

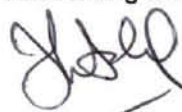
- the work of the internal auditor;
- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the Governing Body on 9 December 2015 and signed on its behalf, by:


Peter I Fraser
Chair of Governors

James Adams
Accounting Officer



HOBART HIGH SCHOOL (ACADEMY TRUST) LIMITED
(A Company Limited by Guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Hobart High School (Academy Trust) Limited I have considered my responsibility to notify the academy Governing Body 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 and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook (2014).

I confirm that I and the academy Governing Body are able to identify any material, irregular or improper use of funds by the academy, or material non-compliance with the terms and conditions of funding under the academy's funding agreement and the Academies Financial Handbook (2014).

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 Governing Body and EFA.

James Adams
Accounting Officer



Date:

9/12/15.

HOBART HIGH SCHOOL (ACADEMY TRUST) LIMITED
(A Company Limited by Guarantee)

GOVERNORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2015

The Governors (who act as governors of Hobart High School (Academy Trust) Limited and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Governors' Report (including the Strategic Report) and the financial statements in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Governors to prepare financial statements for each financial year. Under company law the Governors must not approve the financial statements unless they are satisfied that they give 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 Governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Governing Body on 9/12/15 and signed on its behalf by:



Peter I Fraser
Chair of Governors

HOBART HIGH SCHOOL (ACADEMY TRUST) LIMITED
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HOBART HIGH SCHOOL (ACADEMY TRUST) LIMITED

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

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

RESPECTIVE RESPONSIBILITIES OF GOVERNORS AND AUDITORS

As explained more fully in the Governors' Responsibilities Statement, the Governors (who are also the directors of the academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

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

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

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

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

HOBART HIGH SCHOOL (ACADEMY TRUST) LIMITED
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HOBART HIGH SCHOOL (ACADEMY TRUST) LIMITED

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 Governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



John Warren BSc FCA (Senior Statutory Auditor)

for and on behalf of

Price Bailey LLP

Chartered Accountants
Statutory Auditors

20 Central Avenue
St Andrews Business Park
Thorpe St Andrew
Norwich
Norfolk
NR7 0HR

Date: 15 December 2015

HOBART HIGH SCHOOL (ACADEMY TRUST) LIMITED
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO HOBART
HIGH SCHOOL (ACADEMY TRUST) LIMITED AND THE EDUCATION FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 19 September 2013 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 Hobart High School (Academy Trust) Limited during the year 1 September 2014 to 31 August 2015 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

**RESPECTIVE RESPONSIBILITIES OF HOBART HIGH SCHOOL (ACADEMY TRUST) LIMITED'S ACCOUNTING
OFFICER AND THE REPORTING ACCOUNTANT**

The accounting officer is responsible, under the requirements of Hobart High School (Academy Trust) Limited's funding agreement with the Secretary of State for Education dated 31 January 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 1 September 2014 to 31 August 2015 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

APPROACH

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

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

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

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

The work undertaken to draw to our conclusion includes:

- Consideration and corroboration of the evidence supporting the accounting officers' statement on regularity, propriety and compliance.
- Evaluation of the general control environment of the academy trust, extending the procedures required for financial statements to include regularity.
- Discussions with and representations from the Accounting Officer and other Key management personnel.
- An extension of substantive testing from our audit of the financial statements to cover matters pertaining to regularity, propriety and compliance in particular checking that selected items were appropriately authorised, and appropriate.

HOBART HIGH SCHOOL (ACADEMY TRUST) LIMITED
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO HOBART
HIGH SCHOOL (ACADEMY TRUST) LIMITED AND THE EDUCATION FUNDING AGENCY (continued)**

CONCLUSION

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



John Warren (Reporting Accountant)

Price Bailey LLP

Chartered Accountants

20 Central Avenue
St Andrews Business Park
Thorpe St Andrew
Norwich
Norfolk
NR7 0HR

Date: 15 December 2015

HOBART HIGH SCHOOL (ACADEMY TRUST) LIMITED
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2015**

	Note	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	Total funds 2014 £
INCOMING RESOURCES						
Incoming resources from generated funds:						
Voluntary income	2	-	137,908	-	137,908	97,138
Activities for generating funds	3	213,261	45,251	-	258,512	297,981
Investment income	4	3,302	-	-	3,302	2,417
Incoming resources from charitable activities	5	-	3,781,512	135,662	3,917,174	4,146,531
TOTAL INCOMING RESOURCES		<u>216,563</u>	<u>3,964,671</u>	<u>135,662</u>	<u>4,316,896</u>	<u>4,544,067</u>
RESOURCES EXPENDED						
Charitable activities	7	192,664	3,907,583	270,088	4,370,335	4,411,132
Governance costs	8	-	10,685	-	10,685	11,588
TOTAL RESOURCES EXPENDED	6	<u>192,664</u>	<u>3,918,268</u>	<u>270,088</u>	<u>4,381,020</u>	<u>4,422,720</u>
NET INCOMING / (OUTGOING) RESOURCES BEFORE TRANSFERS		23,899	46,403	(134,426)	(64,124)	121,347
Transfers between Funds	16	-	(246,000)	246,000	-	-
NET INCOMING RESOURCES / (RESOURCES EXPENDED) BEFORE REVALUATIONS		23,899	(199,597)	111,574	(64,124)	121,347
Actuarial gains and losses on defined benefit pension schemes		-	12,000	-	12,000	(166,000)
NET MOVEMENT IN FUNDS FOR THE YEAR		<u>23,899</u>	<u>(187,597)</u>	<u>111,574</u>	<u>(52,124)</u>	<u>(44,653)</u>
Total funds at 1 September 2014		<u>806,158</u>	<u>(190,829)</u>	<u>12,370,045</u>	<u>12,985,374</u>	<u>13,030,027</u>
TOTAL FUNDS AT 31 AUGUST 2015		<u><u>830,057</u></u>	<u><u>(378,426)</u></u>	<u><u>12,481,619</u></u>	<u><u>12,933,250</u></u>	<u><u>12,985,374</u></u>

All activities relate to continuing operations during the above two financial periods.

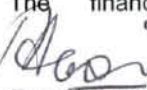
The notes on pages 20 to 35 form part of these financial statements.

HOBART HIGH SCHOOL (ACADEMY TRUST) LIMITED
(A Company Limited by Guarantee)
REGISTERED NUMBER: 08347874

BALANCE SHEET
AS AT 31 AUGUST 2015

	Note	£	2015 £	£	2014 £
FIXED ASSETS					
Tangible assets	13		12,481,619		12,370,045
CURRENT ASSETS					
Debtors	14	238,753		138,212	
Cash at bank		1,473,908		1,396,899	
		<u>1,712,661</u>		<u>1,535,111</u>	
CREDITORS: amounts falling due within one year	15	(603,030)		(305,782)	
NET CURRENT ASSETS			<u>1,109,631</u>		<u>1,229,329</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>13,591,250</u>		<u>13,599,374</u>
Defined benefit pension scheme liability	21		(658,000)		(614,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITY			<u><u>12,933,250</u></u>		<u><u>12,985,374</u></u>
FUNDS OF THE ACADEMY					
Restricted funds :					
Restricted funds	16	279,574		423,171	
Restricted fixed asset funds	16	12,481,619		12,370,045	
		<u>12,761,193</u>		<u>12,793,216</u>	
Restricted funds excluding pension liability					
Pension reserve		(658,000)		(614,000)	
		<u></u>		<u></u>	
Total restricted funds			12,103,193		12,179,216
Unrestricted funds	16		830,057		806,158
TOTAL FUNDS			<u><u>12,933,250</u></u>		<u><u>12,985,374</u></u>

The financial statements were approved by the Governors, and authorised for issue, on 9 DECEMBER 2015 and are signed on their behalf, by:


Peter I Fraser
Chair of Governors

The notes on pages 20 to 35 form part of these financial statements.

HOBART HIGH SCHOOL (ACADEMY TRUST) LIMITED
(A Company Limited by Guarantee)

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

	Note	2015 £	2014 £
Net cash flow from operating activities	18	319,707	524,054
Returns on investments and servicing of finance	19	3,302	2,417
Capital expenditure and financial investment	19	(246,000)	(41,515)
INCREASE IN CASH IN THE YEAR		<u>77,009</u>	<u>484,956</u>

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

	2015 £	2014 £
Increase in cash in the year	<u>77,009</u>	<u>484,956</u>
MOVEMENT IN NET FUNDS IN THE YEAR	<u>77,009</u>	<u>484,956</u>
Net funds at 1 September 2014	1,396,899	911,943
NET FUNDS AT 31 AUGUST 2015	<u>1,473,908</u>	<u>1,396,899</u>

The notes on pages 20 to 35 form part of these financial statements.

HOBART HIGH SCHOOL (ACADEMY TRUST) LIMITED
(A Company Limited by Guarantee)

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

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, the Academies Accounts Direction 2014 to 2015 issued by EFA, applicable accounting standards and the Companies Act 2006.

1.2 Company status

The Academy is a company limited by guarantee. The members of the company are named on page 1. In the event of the Academy being wound up, the liability in respect of the guarantee is limited to £10 per member of the Academy.

1.3 Fund accounting

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

Designated funds comprise unrestricted funds that have been set aside by the Governors for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

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

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

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

1.4 Incoming resources

All incoming resources are included in the Statement of Financial Activities when the academy has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

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

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

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

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

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

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

HOBART HIGH SCHOOL (ACADEMY TRUST) LIMITED
(A Company Limited by Guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.5 Resources expended

Expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Charitable activities are costs incurred in the academy's educational operations.

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

All resources expended are inclusive of irrecoverable VAT.

1.6 Going concern

The Governors assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the academy to continue as a going concern. The Governors make this assessment in respect of a period of one year from the date of approval of the financial statements.

1.7 Tangible fixed assets and depreciation

All assets costing more than £2,000 are capitalised.

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

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

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold land	-	over the term of the lease being 125 years
Leasehold property	-	2% straight line
Plant and machinery	-	15% reducing balance
Fixtures and fittings	-	15% reducing balance
Computer equipment	-	25% straight line
Artificial turf pitch	-	10% straight line

1.8 Operating leases

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

1.9 Taxation

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

HOBART HIGH SCHOOL (ACADEMY TRUST) LIMITED
(A Company Limited by Guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.10 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 21, the TPS is a multi-employer scheme and the academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the academy in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on the settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period vesting occurs. The expected return on assets and the interest cost are shown as a pension interest adjustment in note 21. Actuarial gains and losses are recognised immediately in other gains and losses.

2. VOLUNTARY INCOME

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Donations	-	137,908	137,908	97,138

3. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Catering income	159,564	-	159,564	189,571
Rental income	46,652	-	46,652	48,399
Other income	7,045	2,000	9,045	24,124
Music lessons	-	43,251	43,251	35,887
	<u>213,261</u>	<u>45,251</u>	<u>258,512</u>	<u>297,981</u>

HOBART HIGH SCHOOL (ACADEMY TRUST) LIMITED
(A Company Limited by Guarantee)

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

4. INVESTMENT INCOME

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Bank interest	3,302	-	3,302	2,417

5. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
DfE/EFA revenue grants				
General Annual Grant (GAG)	-	3,566,436	3,566,436	3,835,553
Other DfE / EFA grants	-	168,973	168,973	163,022
Capital grants	-	135,662	135,662	47,774
	-	3,871,071	3,871,071	4,046,349
Other government grants				
Other grants	-	5,656	5,656	-
Local authority grants	-	40,447	40,447	100,182
	-	46,103	46,103	100,182
	-	3,917,174	3,917,174	4,146,531

6. RESOURCES EXPENDED

	Staff costs 2015 £	Non Pay Premises 2015 £	Expenditure Other costs 2015 £	Total 2015 £	Total 2014 £
Academy's educational operations					
- Direct costs	2,638,385	-	434,716	3,073,101	3,145,010
- Allocated support costs	464,887	455,686	376,661	1,297,234	1,266,122
Charitable activities	3,103,272	455,686	811,377	4,370,335	4,411,132
Governance	-	-	10,685	10,685	11,588
	3,103,272	455,686	822,062	4,381,020	4,422,720

HOBART HIGH SCHOOL (ACADEMY TRUST) LIMITED
(A Company Limited by Guarantee)

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

7. CHARITABLE ACTIVITIES

	Total funds 2015 £	Total funds 2014 £
DIRECT COSTS - EDUCATIONAL OPERATIONS		
Wages and salaries	2,120,975	2,261,142
National insurance	151,043	142,669
Pension cost	289,759	274,644
Depreciation	42,395	35,092
Educational supplies	219,807	226,180
Examination fees	51,031	50,157
Staff development	12,388	11,784
Educational consultancy	95,363	88,434
Supply teaching	90,340	54,908
	<u>3,073,101</u>	<u>3,145,010</u>
SUPPORT COSTS - EDUCATIONAL OPERATIONS		
Wages and salaries	347,304	329,103
National insurance	16,220	12,915
Pension cost	100,063	69,535
Depreciation	227,693	228,938
FRS17 costs	6,000	9,000
Technology costs	47,506	38,787
Travel & subsistence	2,793	1,947
Other costs	46,988	55,544
Recruitment & support	6,806	2,062
Maintenance of premises & machinery	86,820	77,536
Cleaning	5,746	7,169
Rates	30,344	32,377
Energy	73,895	69,521
Insurance	37,022	39,568
Security	1,280	2,877
Transport	29,673	18,693
Catering	184,264	219,877
Occupancy costs	11,397	7,720
Bank interest & charges	121	188
Agency staff	6,805	19,859
Printing, postage and stationery	28,494	22,906
	<u>1,297,234</u>	<u>1,266,122</u>
	<u><u>4,370,335</u></u>	<u><u>4,411,132</u></u>

8. GOVERNANCE COSTS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Auditors' remuneration	-	4,950	4,950	4,950
Auditors' non audit costs	-	5,735	5,735	6,638
	<u>-</u>	<u>10,685</u>	<u>10,685</u>	<u>11,588</u>

HOBART HIGH SCHOOL (ACADEMY TRUST) LIMITED
(A Company Limited by Guarantee)

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

9. NET INCOMING / (OUTGOING) RESOURCES

This is stated after charging:

	2015 £	2014 £
Depreciation of tangible fixed assets:		
- owned by the charity	270,088	264,030
Auditors' remuneration	4,950	4,750
Auditors' remuneration - non-audit	5,735	6,838
Operating lease rentals:		
- plant and machinery	12,616	6,910
	<u>270,088</u>	<u>264,030</u>

10. STAFF

a. Staff costs

Staff costs were as follows:

	2015 £	2014 £
Wages and salaries	2,468,279	2,590,245
Social security costs	167,263	155,584
Other pension costs (Note 21)	389,822	344,179
	<u>3,025,364</u>	<u>3,090,008</u>
Supply teacher costs	76,608	54,908
Staff severance payments	1,300	54,093
	<u>3,103,272</u>	<u>3,199,009</u>

b. Staff severance payments

Included in staff severance payments are non-statutory/non-contractual severance payments totalling £1,300 (2014: £NIL). Individually, the payment was: £1,300.

c. Staff numbers

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

	2015 No.	2014 No.
Teachers	42	41
Administration and support	37	39
Management	6	7
	<u>85</u>	<u>87</u>

HOBART HIGH SCHOOL (ACADEMY TRUST) LIMITED
(A Company Limited by Guarantee)

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

10. STAFF (continued)

d. Higher paid staff

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

	2015 No.	2014 No.
In the band £ 70,001 - £ 80,000	1	1

The above employee participated in the Teachers' Pension Scheme. During the year ended 31 August 2015 employer's pension contributions for this member of staff amounted to £10,990 (2014 - £10,617). The employee also participated in the Local Government Pension Scheme, employer's pension contributions amount to £76 (2014 - £149).

11. GOVERNORS' REMUNERATION AND EXPENSES

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

Samuel B Griffin

Remuneration £75,000 - £80,000 (2014: £75,000 - £80,000)

Employer's Pension Contributions £10,000 - £15,000 (2014: £10,000 - £15,000)

Simon P Brown

Remuneration £40,000 - £45,000 (2014: £35,000 - £40,000)

Employer's Pension Contributions £5,000 - £10,000 (2014: £5,000 - £10,000)

Bruce R Wilson

Remuneration £15,000 - £20,000 (2014: £15,000 - £20,000)

Employer's Pension Contributions £0 - £5,000 (2014: £0 - £5,000)

Stephanie Day

No Remuneration (2014: £0 - £5,000)

No Employer's Pension Contributions (2014: £Nil).

Amandine Moores

Remuneration £35,000 - £40,000 (2014: Not a governor)

Employer's Pension Contributions £5,000 - £10,000 (2014: Not a governor)

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

Other related party transactions involving the Governors are set out in note 23.

12. GOVERNORS' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2015 was £2,120 (2014 - £2,120). The cost of this insurance is included in the total insurance cost.

HOBART HIGH SCHOOL (ACADEMY TRUST) LIMITED
(A Company Limited by Guarantee)

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

13. TANGIBLE FIXED ASSETS

	Leasehold Property £	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Assets under construction £	Total £
Cost						
At 1 September 2014	12,565,640	46,735	50,102	73,484	42,571	12,778,532
Additions	4,663	38,350	-	20,469	318,180	381,662
Transfer between classes	-	42,571	-	-	(42,571)	-
At 31 August 2015	12,570,303	127,656	50,102	93,953	318,180	13,160,194
Depreciation						
At 1 September 2014	360,192	6,753	10,768	30,774	-	408,487
Charge for the year	227,693	16,284	5,852	20,259	-	270,088
At 31 August 2015	587,885	23,037	16,620	51,033	-	678,575
Net book value						
At 31 August 2015	11,982,418	104,619	33,482	42,920	318,180	12,481,619
At 31 August 2014	12,205,448	39,982	39,334	42,710	42,571	12,370,045

The Trust's transactions in relation to leasehold property included the installation of new fire doors to the property.

14. DEBTORS

	2015 £	2014 £
Trade debtors	56,743	22,014
VAT recoverable	64,827	34,590
Prepayments and accrued income	117,183	81,608
	<u>238,753</u>	<u>138,212</u>

HOBART HIGH SCHOOL (ACADEMY TRUST) LIMITED
(A Company Limited by Guarantee)

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

15. CREDITORS:
Amounts falling due within one year

	2015 £	2014 £
Trade creditors	302,854	176,107
Taxation and social security	50,662	-
Other creditors	44,134	-
Accruals and deferred income	205,380	129,675
	<u>603,030</u>	<u>305,782</u>

Deferred income

Deferred income at 1 September 2014	45,293
Resources deferred during the year	58,859
Amounts released from previous years	<u>(45,293)</u>
Deferred income at 31 August 2015	<u>58,859</u>

At the balance sheet date the academy was holding funds received in advance for pupil premium, together with deposits for future school trips.

Included within other creditors are amounts payable on the pension schemes in respect of employees' and employer's contributions.

HOBART HIGH SCHOOL (ACADEMY TRUST) LIMITED
(A Company Limited by Guarantee)

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

16. STATEMENT OF FUNDS

	Brought forward £	Incoming resources £	Resources expended £	Transfers in/out £	Gains/(Losses) £	Carried forward £
Designated funds						
Emergency Fund	-	-	-	125,000	-	125,000
Artificial Turf Pitch Maintenance / Resurfacing	-	-	-	150,000	-	150,000
Premises Capital Improvement and Maintenance Fund	-	-	-	200,000	-	200,000
	<u>-</u>	<u>-</u>	<u>-</u>	<u>475,000</u>	<u>-</u>	<u>475,000</u>
General funds						
Unrestricted funds	806,158	216,563	(192,664)	(475,000)	-	355,057
Total Unrestricted funds	<u>806,158</u>	<u>216,563</u>	<u>(192,664)</u>	<u>-</u>	<u>-</u>	<u>830,057</u>
Restricted funds						
General Annual Grant (GAG)	409,163	3,566,436	(3,479,312)	(246,000)	-	250,287
Other DfE/EFA grants	-	168,973	(168,973)	-	-	-
Other government grants	-	46,103	(46,103)	-	-	-
Educational visits	14,008	137,908	(122,629)	-	-	29,287
Other restricted	-	45,251	(45,251)	-	-	-
Pension reserve	(614,000)	-	(56,000)	-	12,000	(658,000)
	<u>(190,829)</u>	<u>3,964,671</u>	<u>(3,918,268)</u>	<u>(246,000)</u>	<u>12,000</u>	<u>(378,426)</u>
Restricted fixed asset funds						
Restricted Fixed Asset	12,370,045	-	(266,513)	135,662	-	12,239,194
DfE/EFA capital grants	-	135,662	-	(135,662)	-	-
Capital expenditure from GAG	-	-	(3,575)	246,000	-	242,425
	<u>12,370,045</u>	<u>135,662</u>	<u>(270,088)</u>	<u>246,000</u>	<u>-</u>	<u>12,481,619</u>
Total restricted funds	<u>12,179,216</u>	<u>4,100,333</u>	<u>(4,188,356)</u>	<u>-</u>	<u>12,000</u>	<u>12,103,193</u>
Total of funds	<u>12,985,374</u>	<u>4,316,896</u>	<u>(4,381,020)</u>	<u>-</u>	<u>12,000</u>	<u>12,933,250</u>

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

General Annual Grant (GAG)

This represents funding from the EFA to cover the costs of recurrent expenditure.

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2015.

HOBART HIGH SCHOOL (ACADEMY TRUST) LIMITED
(A Company Limited by Guarantee)

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

16. STATEMENT OF FUNDS (continued)

Other DfE/EFA grants

This represents other DfE and EFA grants towards the provision of education.

Educational visits

This represents contributions made by parents to the running of educational visits for the pupils of the Academy and the associated costs of running the trips.

The balance carried forward of £29,287 was a donation from Hobart High School Fund, a registered charity, on its winding up. This donation is restricted to support activities outside the formal curriculum and enable students to participate in events where cost would otherwise make these prohibitive.

Other government grants

This includes other government grants towards the provision of education.

Other restricted funds

This represents funding received from other bodies towards a specific purpose.

Pension reserve

This fund represents the Academy's share of the deficit on the Local Government Pension Scheme (LGPS) transferred to the academy on conversion from a state controlled school.

The restricted pension fund is materially in deficit and plans to eliminate the liability on the defined benefit pension scheme are set out in note 21 based on the year end actuarial valuation.

Restricted fixed asset fund

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the DfE where the asset acquired or created is held for a specific purpose. All assets purchased from the GAG and DfE/EFA capital grants have been transferred to the restricted fixed asset fund.

Devolved Formula Capital (DFC) fund

The Academy is to use the DFC allocation to maintain and improve its buildings and facilities.

SUMMARY OF FUNDS

	Brought forward £	Incoming resources £	Resources expended £	Transfers in/out £	Gains/ (Losses) £	Carried forward £
Designated funds	-	-	-	475,000	-	475,000
General unrestricted funds	806,158	216,563	(192,664)	(475,000)	-	355,057
	<u>806,158</u>	<u>216,563</u>	<u>(192,664)</u>	<u>-</u>	<u>-</u>	<u>830,057</u>
Restricted funds	(190,829)	3,964,671	(3,918,268)	(246,000)	12,000	(378,426)
Restricted fixed asset funds	12,370,045	135,662	(270,088)	246,000	-	12,481,619
	<u>12,985,374</u>	<u>4,316,896</u>	<u>(4,381,020)</u>	<u>-</u>	<u>12,000</u>	<u>12,933,250</u>

HOBART HIGH SCHOOL (ACADEMY TRUST) LIMITED
(A Company Limited by Guarantee)

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

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	Total funds 2014 £
Tangible fixed assets	-	-	12,481,619	12,481,619	12,370,045
Current assets	830,057	882,604	-	1,712,661	1,535,111
Creditors due within one year	-	(603,030)	-	(603,030)	(305,782)
Provisions for liabilities and charges	-	(658,000)	-	(658,000)	(614,000)
	<u>830,057</u>	<u>(378,426)</u>	<u>12,481,619</u>	<u>12,933,250</u>	<u>12,985,374</u>

18. NET CASH FLOW FROM OPERATING ACTIVITIES

	2015 £	2014 £
Net incoming resources before revaluations	(64,124)	121,347
Returns on investments and servicing of finance	(3,302)	(2,417)
Depreciation of tangible fixed assets	270,088	262,180
Deficit on disposal of tangible fixed assets	-	1,851
Capital grants from DfE	(135,662)	(47,774)
(Increase)/decrease in debtors	(100,541)	104,637
Increase in creditors	297,248	46,230
FRS 17 adjustments	56,000	38,000
Net cash inflow from operations	<u>319,707</u>	<u>524,054</u>

19. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2015 £	2014 £
Returns on investments and servicing of finance		
Interest received	<u>3,302</u>	<u>2,417</u>
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(381,662)	(89,289)
Capital grants from DfE	<u>135,662</u>	<u>47,774</u>
Net cash outflow capital expenditure	<u>(246,000)</u>	<u>(41,515)</u>

HOBART HIGH SCHOOL (ACADEMY TRUST) LIMITED
(A Company Limited by Guarantee)

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

20. ANALYSIS OF CHANGES IN NET FUNDS

	1 September 2014 £	Cash flow £	Other non-cash changes £	31 August 2015 £
Cash at bank and in hand:	1,396,899	77,009	-	1,473,908
Net funds	<u>1,396,899</u>	<u>77,009</u>	<u>-</u>	<u>1,473,908</u>

21. PENSION COMMITMENTS

The academy's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Norfolk County Council. Both are defined benefit schemes.

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

Contributions amounting to £27,558 were payable to the schemes at 31 August 2015 (2014 - £Nil) 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%

HOBART HIGH SCHOOL (ACADEMY TRUST) LIMITED
(A Company Limited by Guarantee)

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

21. PENSION COMMITMENTS (continued)

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 £239,822 (2014: £217,179).

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

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The academy has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2015 was £132,000, of which employer's contributions totalled £100,000 and employees' contributions totalled £32,000. The agreed contribution rates for future years are 16.8% for employers and 5.5-7.5% for employees.

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

The amounts recognised in the Balance Sheet are as follows:

	2015 £	2014 £
Present value of funded obligations	(1,772,000)	(1,586,000)
Fair value of scheme assets	1,114,000	972,000
	<u> </u>	<u> </u>
Net liability	(658,000)	(614,000)
	<u> </u>	<u> </u>

The amounts recognised in the Statement of Financial Activities are as follows:

	2015 £	2014 £
Current service cost	(150,000)	(127,000)
Interest on obligation	(61,000)	(56,000)
Expected return on scheme assets	55,000	47,000
	<u> </u>	<u> </u>
Total	(156,000)	(136,000)
	<u> </u>	<u> </u>
Actual return on scheme assets	42,000	91,000
	<u> </u>	<u> </u>

HOBART HIGH SCHOOL (ACADEMY TRUST) LIMITED
(A Company Limited by Guarantee)

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

21. PENSION COMMITMENTS (continued)

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

	2015 £	2014 £
Opening defined benefit obligation	1,586,000	1,157,000
Current service cost	150,000	127,000
Interest cost	61,000	56,000
Contributions by scheme participants	32,000	34,000
Actuarial (Gains)/losses	(25,000)	233,000
Benefits paid	(32,000)	(21,000)
	<u>1,772,000</u>	<u>1,586,000</u>
Closing defined benefit obligation	<u>1,772,000</u>	<u>1,586,000</u>

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

	2015 £	2014 £
Opening fair value of scheme assets	972,000	747,000
Expected return on assets	55,000	47,000
Actuarial gains and (losses)	(13,000)	67,000
Contributions by employer	100,000	98,000
Contributions by employees	32,000	34,000
Benefits paid	(32,000)	(21,000)
	<u>1,114,000</u>	<u>972,000</u>
	<u>1,114,000</u>	<u>972,000</u>

The cumulative amount of actuarial gains and losses recognised in the Statement of Financial Activities was £171,000 loss (2014 - £183,000 loss).

The academy expects to contribute £104,000 to its Defined Benefit Pension Scheme in 2016.

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

	2015	2014
Equities	58.00 %	65.00 %
Bonds	26.00 %	21.00 %
Property	13.00 %	11.00 %
Cash	3.00 %	3.00 %

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

	2015	2014
Discount rate for scheme liabilities	3.80 %	3.70 %
Expected return on scheme assets at 31 August	3.80 %	5.40 %
Rate of increase in salaries	3.60 %	3.50 %
Rate of increase for pensions in payment / inflation	2.70 %	2.70 %

HOBART HIGH SCHOOL (ACADEMY TRUST) LIMITED
(A Company Limited by Guarantee)

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

21. PENSION COMMITMENTS (continued)

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

	2015	2014
Retiring today		
Males	22.1	22.1
Females	24.3	24.3
Retiring in 20 years		
Males	24.5	24.5
Females	26.9	26.9

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

Defined benefit pension schemes

	2015 £	2014 £	2013 £
Defined benefit obligation	(1,772,000)	(1,586,000)	(1,157,000)
Scheme assets	1,114,000	972,000	747,000
Deficit	<u>(658,000)</u>	<u>(614,000)</u>	<u>(410,000)</u>
Experience adjustments on scheme liabilities	-	(135,000)	-
Experience adjustments on scheme assets	<u>(13,000)</u>	<u>67,000</u>	<u>10,000</u>

22. OPERATING LEASE COMMITMENTS

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

	Land and buildings 2015 £	2014 £	2015 £	Other 2014 £
Expiry date:				
Within 1 year	-	-	-	467
Between 2 and 5 years	-	-	12,836	10,085

23. RELATED PARTY TRANSACTIONS

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

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