
SPARKEN HILL ACADEMY TRUST

(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 AUGUST 2015

SPARKEN HILL ACADEMY TRUST
(A company limited by guarantee)

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

Members

M Cutts
J Hemshall
P Gawthorpe

Trustees

R Lilley, Principal and Accounting Officer (appointed 6 October 2014)
C Beattie (appointed 6 October 2014, resigned 29 October 2015)
A Buffery, Staff Trustee (appointed 6 October 2014, resigned 31 August 2015)
M Cutts, Chair of Trustees (appointed 6 October 2014)
P Gawthorpe (appointed 6 October 2014)
J Hemshall (appointed 6 October 2014)
K Kitchen (appointed 6 October 2014, resigned 5 June 2015)
J Shephard (appointed 6 October 2014)
R Priestley (appointed 6 October 2014)
N Bloomer (appointed 6 October 2014)
E Rodgers, Staff Trustee (appointed 6 October 2014)

Company registered number

09250922

Principal and registered office

Sparken Hill, Worksop, Notts, S80 1AW

Company secretary

V Dashper

Senior management team

R Lilley, Principal
D Moore, Vice Principal
E Rodgers, Vice Principal

Independent auditors

Streets Audit LLP, Windsor House, A1 Business Park at Long Bennington, Notts, NG23 5JR

Solicitors

Browne Jacobson LLP, Mowbray House, Castle Meadow Road, Notts, NG2 1BJ

Internal Auditor

Mrs Vickie Lievesley, 33 Woodward Avenue, Chillwell, Nottingham, NG9 6RD

SPARKEN HILL ACADEMY TRUST
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TRUSTEES' REPORT
FOR THE PERIOD ENDED 31 AUGUST 2015

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

The company was incorporated on 6 October 2014 and became an academy on 1 November 2014, accordingly these accounts reflect a 10 month period.

The trust operates an academy for pupils aged 3 to 11 serving a catchment area in Worksop, Nottinghamshire. It has a pupil capacity of 575 and had a roll of 490 in the school census on 01 October 2015.

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 Sparken Hill Academy Trust Limited are also the directors of the charitable company for the purposes of company law. The charitable company is known as Sparken Hill Academy.

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

MEMBERS' LIABILITY

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

METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF TRUSTEES

The number of trustees not be less than three but (unless otherwise determined by ordinary resolution) shall not be subject to any maximum.

The members may appoint up to 1 trustee and the board of trustees may appoint a staff trustee through such process as they determine. The total number of trustees (including the Principal) who are employees of the academy trust shall not exceed one third of the total number of trustees.

Parent trustees shall be elected by parents of registered pupils at the Academy. A parent trustee must be a parent of a pupil at the academy at the time when he/she is elected.

Community trustees may be appointed by the trustees provided that the person who is appointed as a Community Governocommunity trustee is: a person who lives or works in the community served by the academy; or a person who, in the opinion of the trustees is committed to the management and success of the academy.

Partnership trustees may be appointed by the trustees.

The trustees may appoint up to 3 co-opted trustees. A 'co-opted trustee' means a person who is appointed to be a trustee by being co-opted by trustee who have not themselves been so appointed.

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TRUSTEES' REPORT (continued)
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The term of office for any trustee shall be four years, save that this time limit shall not apply to the Principal. Subject to remaining eligible to be a particular type of trustees, any trustees may be re-appointed or re-elected.

POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES

Following appointment, election or co-option, new trustees are given a tour of the academy and the chance to meet staff and pupils, they will meet other trustees at full trustee meetings and will be given access to minutes of past governor meetings along with copies of policies, procedures, accounts, budget plans and any other documents that they will require to undertake their role as a trustee. The Chair and Principal have responsibility for induction and training however this will be coordinated by the Clerk to trustees.

ORGANISATIONAL STRUCTURE

The academy has defined the responsibilities of each person involved in the administration of the academy's finances to avoid duplication or omission of functions and to provide a framework of accountability for trustees and staff. The financial reporting structure is as illustrated below.

The board of trustees has overall responsibility and ultimate decision making authority for all the work of the trust, including business planning and monitoring of budgets. The main responsibilities for the board of trustees are prescribed in the funding agreement between the academy and the EFA and in the academy's scheme of government.

Accounting Officer

The Principal has a role, under the trustee's guidance, for the trust's overall management and staffing, however, their appointment as Accounting Officer confers specific responsibilities for financial matters. The Accounting Officer is personally responsible to Parliament and to the accounting officer for the EFA, for the resources under their control, and must be able to assure Parliament and the public of high standards of probity in the management of public funds.

Board of Trustees

The board of trustees will maintain a role in determining the educational and financial priorities of the academy, ensuring that the financial resources delegated to it are used effectively and that adequate controls are maintained over these.

Finance Committee

In order to assist the board of trustees, the responsibilities (as agreed in the School Trustees' Decision Planner) have been delegated to the Finance Committee.

Principal

To ensure that sound systems of internal control are in place and are implemented. To ensure that the financial administration of the Academy operates in accordance with the Finance Policy. In the absence of the Principal, responsibilities outlined below will be delegated to the Vice Principal.

Academy Business Manager/Chief Financial Officer

The Accounting Officer is accountable for the trust's financial affairs, but the delivery of the detailed accounting processes will be delegated to the Academy Business Manager/Chief Financial Officer. The Business Manager will work closely with Principal to ensure that sound systems of internal control are in place and are implemented. To ensure that the day to day financial administration of the Trust and each Academy operates in accordance with the trust Finance Policy.

Finance/Administration Team

To implement the finance policy and procedures agreed by the trust and to process financial transactions and activities in line with these. To maintain the academy's accounting system and to monitor the budget on a day

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TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2015

to day basis. To work closely with the School Business Manager and provide reports as required.

Cost Centre Budget Holders

To undertake the effective and efficient management of and to remain accountable for, the resources delegated to them by the board of trustees/Principal.

RELATED PARTIES AND OTHER CONNECTED CHARITIES AND ORGANISATIONS

At the present time the academy does not have any connected organisations or related party relationships.

RISK MANAGEMENT

The trustees have assessed the major risks to which the academy is exposed, in particular those related to the operations and finances of the academy, and are satisfied that systems and procedures are in place to mitigate exposure to the major risks.

TRUSTEES' INDEMNITIES

Sparken Hill Academy Trust has procured indemnity insurance from the Department for Education (DfE) under the Risk Protection Arrangement (RPA) to cover the liability of trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the academy trust: provided that any such insurance shall not extend to (i) any claim arising from any act or omission which the Trustees knew to be a breach of trust or breach of duty or which was committed by the trustees in reckless disregard to whether it was a breach of trust or breach of duty or not; and (ii) the costs of any unsuccessful defence to a criminal prosecution brought against the Trustees in their capacity as directors of the academy trust. Further, this Article does not authorise a trustee to benefit from any indemnity insurance that would be rendered void by any provision of the Companies Act 2006, the Charities Act 2011 or any other provision of law.

The insurance provides cover up to £10,000,000 for each and every loss.

OBJECTIVES AND ACTIVITIES

OBJECTS AND AIMS

The principal object and activity of the charitable company is set out in the Articles of Association. In summary it is to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum. Also to promote for the benefit of individuals living in Worksop and the surrounding area who have need by reason of their age, infirmity or disability, financial hardship or social and economic circumstances or for the public at large the provision of facilities for recreation or other leisure time activities in the interests of social welfare and with the object of improving the condition of life of the said individuals.

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TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2015

OBJECTIVES, STRATEGIES AND ACTIVITIES

The aim of our school is for all children to achieve the highest standards of attainment within the school's ethos of a total commitment to the practice and principles of equal opportunities.

Children and adults of Sparken Hill Academy have equal access to every aspect of school life regardless of race, gender, sexual orientation, transgender, religion, ability or special need.

Every person is valued and discrimination is challenged. The school remains committed to the "Every Child Matters" framework and works within the Extended School's ethos.

At Sparken Hill Academy, we aim to support our learners to:

1. Become independent learners who enjoy school and achieve their potential.
2. Become confident in basic skills to promote their future economic wellbeing.
3. Grow into confident and responsible children who make a positive contribution to the school and community.
4. Make sensible choices leading to a healthy lifestyle.
5. Learn how to stay safe.

Sparken Hill Academy aspires to:

1. Develop appropriate skills for a rapidly changing and increasingly technological world.
2. Listen to children's views and encourage them to take responsibility.
3. Extend learning beyond the classroom and out of school hours.
4. Give everyone the opportunity to succeed.
5. Involve parents in the education of their children.
6. Develop close links with our community and beyond.

PUBLIC BENEFIT

In setting the academy trust's objectives and planning activities the trustees have given careful consideration to the Charity Commission's general guidance on public benefit.

STRATEGIC REPORT

The academy is in the first full year of operation. Sparken Hill Academy Trust (formally Ryton Park Primary School) is a larger than average primary academy occupying a state of the art new build that was opened in September 2011.

The school was subject to a significant re-organisation following the decision to merge another failing local primary school, New Manton Primary School. Following a decision by Cabinet on 30 July 2008 to close New Manton Primary School and enlarge Ryton Park Primary School, the enlarged school began operating on a split site from 1 January 2009. The decision to close New Manton Primary School was taken in light of the school's consistent very poor academic performance and subsequent direct intervention at ministerial level. The school had remained in the bottom 20 poorest performing primary schools in England for the previous 10 years based on Key Stage 2 outcomes. There are approximately 17,700 state primary schools in England which means that New Manton Primary School remained consistently in the bottom 0.001% by Key Stage 2 outcomes. (source – NCC cabinet report)

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Following extensive consultation, the school converted to Foundation status in March 2014 and latterly to Standalone Academy Status in November 2014. The school is located on the southern edge of Worksop Town and serves a predominantly socially and economically deprived area.

Prior to amalgamation, the former Ryton Park Primary School was judged as outstanding in its 2007 OFSTED inspection and Good with Outstanding features in Dec 2010. In 2012, the school was named in the government's top 100 most improved schools (ranked 21st based on KS2 outcomes. (2009-12)

Compared to data prior to conversion, both KS1 and KS2 performance indicators were both positive and demonstrate an improvement in standards and achievement. Maths at KS2 in particular was pleasing at 96% Level 4+ and 39% Level 5.

In addition, higher level attainment also saw an improvement this year which reversed a trend of underperformance of Higher Ability Pupils (HAPs) in the school.

ACHIEVEMENTS AND PERFORMANCE

GOING CONCERN

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

KEY FINANCIAL PERFORMANCE INDICATORS

This table below shows the percentage of Year 6 pupils achieving each level in 2015, compared to national end of Key Stage 2 test results for 2014. Results have been broken down by gender.

The number of eligible children is: 57

Figures may not total 100 per cent because of rounding.

			Percentage at each level						
			B	3	4	5	6	T	A
Grammar Punctuation & Spelling*	All	School	9	25	37	30	0	0	0
		National	3	18	24	49	4	3	0
Reading	All	School	10	5	51	33	0	0	0
		National	3	6	39	49	0	2	0
Mathematics	All	School	0	6	52	39	0	0	3
		National	2	10	47	33	7	1	0

KS1 Results

Subject	BOYS			GIRLS			BOTH			Overall APS
	Level 2+	Level 2B+	Level 3+	Level 2+	Level 2B+	Level 3+	Level 2+	Level 2B+	Level 3+	
Speaking and Listening	75.0	-	37.5	97.1	-	38.2	90.0	-	38.0	16.4
Reading	81.3	68.8	37.5	94.1	85.3	38.2	90.0	80.0	38.0	16.8
Writing	68.8	56.3	25.0	94.1	85.3	38.2	86.0	76.0	34.0	16.1
Mathematics	81.3	68.8	31.3	97.1	85.3	26.5	92.0	80.0	28.0	16.6
Science	81.3	-	37.5	97.1	-	38.2	92.0	-	38.0	16.8

With the exception of APS, all figures are percent (%)

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Considering the starting points of many of our pupils, KS1 results demonstrate broadly national average attainment which indicates at least good progress over FS and KS1.

Attainment and Progress of pupils is recorded utilizing EAZMAG writer. Robust systems are adopted which tracks adequate / accelerated progress for all pupils including those deemed to be vulnerable. School policies and teaching practices ensure that at least satisfactory progress is made for all pupils.

Further analysis at all stages indicate that further focus is required with HAPs at all ages particularly in Reading and Writing.

Furthermore, White British Boys require additional analysis as these appear to be a 'vulnerable group' that consistently underperforms compared to other groups.

These are both a focus of whole school appraisal targets for Academic year 2015-16.

To ensure that standards are continually raised, Trustees and the Senior Leadership Team.

- Monitors closely the progress and attainment of all pupils ensuring that all pupils, including vulnerable groups, make expected progress.
- Monitor closely the quality of Teaching and Learning across the Academy.

FINANCIAL REVIEW

The trust held fund balances at 31 August 2015 of £8,682,762, comprising £43,283 of restricted funds, a fixed asset reserve of £9,218,477, a pension reserve deficit of £1,129,000 and £550,002 of unrestricted general funds.

Most of the trust's income is obtained from the EFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the EFA during the period ended 31 August 2015 and the associated expenditure are shown as restricted funds (non fixed assets) in the statement of financial activities.

During the period ended 31 August 2015, total expenditure of £2,013,139 was less than recurrent restricted grant funding from the EFA together with other restricted incoming resources. The excess of income over expenditure for the period was £43,283.

The main financial performance indicator is the level of reserves held at the Balance Sheet date. In particular, the management of spending against General Annual Grant (GAG) requires special attention as the amount of carry forward is restricted. In the period under review, £0 was carried forward representing 0% of GAG. Another key financial performance indicator is staffing costs as a percentage of recurrent income. For 2015 this was 84.8% and this will be monitored in future periods.

The trust's non-teaching staff are entitled to membership of the Local Government Pension Scheme. The Trust's share of the Scheme's assets is currently assessed to be less than its liabilities in the Scheme, and consequently the academy balance sheet shows a net liability of £1,129,000.

Detail is still awaited on future funding from 2015 onwards. Pupil members are expected to remain stable.

PRINCIPAL RISKS AND UNCERTAINTIES

A risk register has been compiled and identifies the main risks that the academy is exposed to. For each of these risks the impact & seriousness have been considered together with appropriate action and management plans. The risk register will undergo a full review annually although monitored regularly to avoid further or unknown risks.

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Financial risks are considered as part of this process, the academy is largely reliant on continued government funding through the Education Funding Agency (EFA) and also the Local Authority (LA). The grant issued from the EFA is received monthly in advance, cash flow monitoring is undertaken to ensure sufficient funds are available to maintain staffing, resources and compliance.

The Local Government Pension Scheme deficit is managed as far as contributions made to actuaries with the actuary report; professional advice taken suggests there is no immediate requirement to settle the liability.

Although there has been a downward trend in pupil numbers on roll since October 2011 since conversion to academy these have started to increase, data suggests that these will continue to rise over the following twelve month period.

RESERVES POLICY

The trustees consider the level of reserves the academy holds. Levels of reserves which are too high tie up money which should be spent on current academy activities. Levels of reserves which are too low may put the future activities of the academy at risk.

The trustees will carry out a review of this policy on a regular basis to ensure that any new or changed legislation is adhered to.

INVESTMENTS POLICY

The purpose of this policy is to ensure that any surplus funds are invested well so that they achieve the best financial returns with the minimum risk. Good financial returns mean that more money can be spent on educating pupils.

Adequate cash balances must be maintained to ensure that there are always sufficient funds in the school's current account to cover financial commitments such as payroll and day-to-day expenses. If there is a surplus of funds after all financial commitments have been considered, this surplus will be invested.

Funds should be invested in tranches of up to £25,000. It may be beneficial to invest each tranche with a different financial institution. Funds, and any interest they earn, will be automatically reinvested, unless they are required for immediate or anticipated expenditure.

PLANS FOR FUTURE PERIODS

The academy has accrued reserves prior to conversion (unrestricted) in order to expand the school to include a Family Support Base. The principle function of this base is to facilitate a pre-existing team of Family Support Workers within the school to aid parents of pupils and pupils individually. Work includes delivery of parenting courses (123 Magic, Strengthening Families, Parent Child Game) as well as other wellbeing type development courses. The extension would also serve as a base for running all multi agency meetings.

The school vision statement was developed through consultation from stakeholders, including, all employed staff, governors, parents and children. It details our values, beliefs and culture that we strive to achieve.

From the vision we have developed key themes that are the drivers for our annual school improvement plan.

Standards and Achievement

- Review and reflect on the quality of teaching and learning to ensure constant improvement.
- Establish a culture of keep-up not catch up.
- Ensure high quality formative and summative assessment informs teaching.

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- Strategic intervention ensures children achieve their potential.
- End of Key stage 2 standards at least achieve national average.

Leadership and Management

- We engage parents in school life and their children's learning as co-educators.
- Children's leadership skills and responsibilities as part of the school and wider community are developed and embedded.
- There is a culture of success, pride and celebration in all that we do.

Enrichment

- Children enjoy learning from first-hand experience as much as possible.
- Creative approaches to deliver our curriculum are developed.
- Opportunities are created to enhance learning through the use of the local environment.
- Global issues, National events and pertinent local issues are integrated into the curriculum.

Environment and resources.

- Technology is used to drive work efficiencies and improve teaching and learning.
- A high quality fit for purpose learning environment is organised to meet the 21st century curriculum
- Excellent financial control ensures value for money.
- High quality staff deployment, development and performance management ensures the school vision is achieved.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

No funds of this type are held.

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are trustees at the time when this trustees' report is approved has confirmed that:

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

This report, incorporating the Strategic report, was approved by order of the board of trustees, as the company directors, on 3 December 2015 and signed on the board's behalf by:

M Cutts
Chair of Trustees

SPARKEN HILL ACADEMY TRUST
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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As trustees, we acknowledge we have overall responsibility for ensuring that Sparken Hill Academy 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 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 Sparken Hill Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Trustees' report and in the Trustees' responsibilities statement. The board of trustees has formally met 3 times during the period. Attendance during the period at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
M Cutts	3	3
J Hemshall	3	3
P Gawthorpe	3	3
R Lilley, Principal and Accounting Officer	3	3
C Beattie	1	3
A Buffery, Staff Trustee	2	2
K Kitchen	1	2
J Shephard	1	3
R Priestley	3	3
N Bloomer	3	3
E Rodgers, Staff Trustee	3	3

Governance reviews:

The governing body has reconstituted twice as part of the conversion from Community School (2014-15) to

- (a) Foundation Status and
- (b) Academy Conversion.

It was decided to pursue a skills based board of trustees. Currently we have a board of trustees with a membership of 8 with 4 vacancies. The pre-existing committee structure of Finance Committee, School Improvement Committee (+ Behaviour Panels and Performance Management Committee when necessary) were adopted upon conversion. This followed critical analysis of the effectiveness of this structure.

As part of board of trustees effectiveness reviews, an annual skills audit is undertaken by the Trustee Training Coordinator. Results are compiled and shared at full board meetings. In order to add rigour to this process, the board of trustees commissioned an external NCTL audit of GB effectiveness from National Association of Governors (NAGs). An action plan from this self-review is pending and includes, for example;

- Improving induction for new trustees.
- Improving the strategic monitoring role of trustees within the academy.
- Enhancing Succession planning to ensure that trustees are equipped to undertake a variety of strategic roles.

This will be reviewed annually.

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GOVERNANCE STATEMENT (continued)

The Finance Committee is a sub-committee of the main board of trustees. Its purpose is to monitor, evaluate and review policy and performance in relation to financial management.

Attendance at meetings in the period was as follows:

Trustee	Meetings attended	Out of a possible
M Cutts	2	2
J Hemshall	2	2
P Gawthorpe	2	2
K Kitchen	0	2
R Lilley, Principal and Accounting Officer	2	2

The Audit Committee is also a sub-committee of the main board of trustees. Its purpose is to consider all implications of internal and external audit and to action all relevant recommendations.

Attendance at meetings in the period was as follows:

Trustee	Meetings attended	Out of a possible
M Cutts	2	2
J Hemshall	2	2
P Gawthorpe	2	2
K Kitchen	0	2

REVIEW OF VALUE FOR MONEY

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

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

- Ensured that 3 quotes are obtained to consider best value re suppliers.
- Considered and sought out references from other educational settings regarding the effectiveness of suppliers.
- Negotiated specific discount rates for specified suppliers.
- Outsourced 'non-LA' service providers based on cost and service provision.

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 Sparken Hill Academy Trust for the period 1 November 2014 to 31 August 2015 and up to the date of approval of the annual report and financial statements.

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GOVERNANCE STATEMENT (continued)

CAPACITY TO HANDLE RISK

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

THE RISK AND CONTROL FRAMEWORK

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

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

The board of trustees has considered the need for a specific internal audit function and has decided to appoint Mrs Vickie Lievesley as internal auditor.

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

- Testing of payroll systems
- Testing of purchase systems to include Debit card transactions
- Testing of control account/bank reconciliations
- Income
- Capital Contracts
- Accounting System
- Financial reporting to Governors
- Financial returns to the EFA

On a quarterly basis, the internal auditor reports to the board of trustees on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

Recommendations from the internal auditor are considered and appropriate action is taken in order to ensure financial control and compliance with Academy's financial handbook and the Academy Trusts Internal policies.

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GOVERNANCE STATEMENT (continued)

REVIEW OF EFFECTIVENESS

As accounting officer, the Principal has responsibility for reviewing the effectiveness of the system of internal control. During the period 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 Committee and Audit Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 3 December 2015 and signed on its behalf, by:

M Cutts
Chair of Trustees

R Lilley
Accounting Officer

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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Sparken Hill Academy Trust I have considered my responsibility to notify the academy 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 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 board of trustees 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 board of trustees and EFA.

R Lilley
Accounting Officer

Date: 3 December 2015

SPARKEN HILL ACADEMY TRUST
(A company limited by guarantee)

TRUSTEES' RESPONSIBILITIES STATEMENT
FOR THE PERIOD ENDED 31 AUGUST 2015

The Trustees (who act as governors of Sparken Hill Academy Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' report (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 Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

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

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

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

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

Approved by order of the members of the board of trustees on 3 December 2015 and signed on its behalf by:

M Cutts
Chair of Trustees

SPARKEN HILL ACADEMY TRUST
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SPARKEN HILL ACADEMY TRUST

We have audited the financial statements of Sparken Hill Academy Trust for the period 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 TRUSTEES AND AUDITORS

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

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 Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' 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 period 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 Trustees' report, incorporating the Strategic report, for the financial period for which the financial statements are prepared is consistent with the financial statements.

SPARKEN HILL ACADEMY TRUST
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SPARKEN HILL ACADEMY TRUST

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.

Mark Bradshaw (Senior Statutory Auditor)

for and on behalf of

Streets Audit LLP

Windsor House
A1 Business Park at Long Bennington
Notts
NG23 5JR
15 December 2015

SPARKEN HILL ACADEMY TRUST
(A company limited by guarantee)

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO SPARKEN HILL ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 16 January 2015 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Sparken Hill Academy Trust during the period 1 November 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 Sparken Hill Academy Trust and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Sparken Hill Academy Trust 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 Sparken Hill Academy Trust and EFA, for our work, for this report, or for the conclusion we have formed.

RESPECTIVE RESPONSIBILITIES OF SPARKEN HILL ACADEMY TRUST'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The accounting officer is responsible, under the requirements of Sparken Hill Academy Trust's funding agreement with the Secretary of State for Education dated 30 October 2014, and the Academies Financial Handbook extant from 1 September 2014, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2014 to 2015. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 November 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.

SPARKEN HILL ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO SPARKEN
HILL ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY (continued)**

Our audit work involved:

- a review of the Academy systems and controls and confirmation of their operation and effectiveness during the year;
- a detailed review of purchase transactions confirming the purpose, value for money and that appropriate tendering or quotation procedures had been followed in line with the Academy finance policy;
- and a review of the Internal Audit reports.

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 period 1 November 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.

Mark Bradshaw (Senior Statutory Auditor)

Streets Audit LLP

Windsor House
A1 Business Park at Long Bennington
Notts
NG23 5JR

15 December 2015

SPARKEN HILL ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
(incorporating income and expenditure account and statement of total recognised gains and losses)
FOR THE PERIOD ENDED 31 AUGUST 2015

	Note	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £
INCOMING RESOURCES					
Incoming resources from generated funds:					
Voluntary income- transfer from local authority on conversion	3	605,242	(1,055,000)	9,327,750	8,877,992
Activities for generating funds	4	10,619	-	-	10,619
Investment income	5	347	-	-	347
Incoming resources from charitable activities	6	102,731	2,053,057	-	2,155,788
TOTAL INCOMING RESOURCES		718,939	998,057	9,327,750	11,044,746
RESOURCES EXPENDED					
Charitable activities	8	96,817	2,039,394	163,030	2,299,241
Governance costs	7	14,998	36,745	-	51,743
TOTAL RESOURCES EXPENDED	9	111,815	2,076,139	163,030	2,350,984
NET INCOMING / (OUTGOING) RESOURCES BEFORE TRANSFERS		607,124	(1,078,082)	9,164,720	8,693,762
Transfers between Funds	19	(57,122)	3,365	53,757	-
NET INCOME FOR THE PERIOD		550,002	(1,074,717)	9,218,477	8,693,762
Actuarial gains and losses on defined benefit pension schemes		-	(11,000)	-	(11,000)
NET MOVEMENT IN FUNDS FOR THE PERIOD		550,002	(1,085,717)	9,218,477	8,682,762
<i>Total funds at 1 November 2014</i>		-	-	-	-
TOTAL FUNDS AT 31 AUGUST 2015		550,002	(1,085,717)	9,218,477	8,682,762

All of the academy's activities derive from acquisitions in the current financial period.

The Statement of Financial Activities includes all gains and losses recognised in the period.

The notes on pages 24 to 44 form part of these financial statements.

SPARKEN HILL ACADEMY TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 09250922

BALANCE SHEET
AS AT 31 AUGUST 2015

	Note	£	2015 £
FIXED ASSETS			
Tangible assets	15		9,226,459
CURRENT ASSETS			
Stocks	16	10,383	
Debtors	17	175,097	
Cash at bank		481,342	
		<u>666,822</u>	
CREDITORS: amounts falling due within one year	18	<u>(81,519)</u>	
NET CURRENT ASSETS			<u>585,303</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>9,811,762</u>
Defined benefit pension scheme liability	26		<u>(1,129,000)</u>
NET ASSETS INCLUDING PENSION SCHEME LIABILITY			<u><u>8,682,762</u></u>
FUNDS OF THE ACADEMY			
Restricted funds:			
Restricted funds	19	43,283	
Restricted fixed asset funds	19	9,218,477	
		<u>9,261,760</u>	
Restricted funds excluding pension liability			
Pension reserve		<u>(1,129,000)</u>	
Total restricted funds			8,132,760
Unrestricted funds	19		<u>550,002</u>
TOTAL FUNDS			<u><u>8,682,762</u></u>

SPARKEN HILL ACADEMY TRUST
(A company limited by guarantee)

BALANCE SHEET (continued)
AS AT 31 AUGUST 2015

The financial statements were approved by the Trustees, and authorised for issue, on 3 December 2015 and are signed on their behalf, by:

M Cutts
Chair of Trustees

The notes on pages 24 to 44 form part of these financial statements.

SPARKEN HILL ACADEMY TRUST
(A company limited by guarantee)

CASH FLOW STATEMENT
FOR THE PERIOD ENDED 31 AUGUST 2015

	Note	period ended 31 August 2015 £
Net cash flow from operating activities	21	542,734
Returns on investments and servicing of finance	22	347
Capital expenditure and financial investment	22	(61,739)
INCREASE IN CASH IN THE PERIOD		481,342

All of the cash flows are derived from acquisitions in the current financial period.

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

	period ended 31 August 2015 £
Increase in cash in the period	481,342
MOVEMENT IN NET FUNDS IN THE PERIOD	481,342
NET FUNDS AT 31 AUGUST 2015	481,342

The notes on pages 24 to 44 form part of these financial statements.

SPARKEN HILL ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 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 Fund accounting

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

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

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

1.3 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.

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

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.

SPARKEN HILL ACADEMY TRUST
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

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

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

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

1.4 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 Trustees' meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

1.5 Going concern

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

1.6 Tangible fixed assets and depreciation

All assets costing more than £1,000 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. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

SPARKEN HILL ACADEMY TRUST
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

Tangible fixed assets are stated at cost less depreciation. Depreciation is not charged on freehold land. Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost of those assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	2% straight line (buildings only)
Motor vehicles	-	20% straight line
Fixtures and fittings	-	20% straight line
Computer equipment	-	33% straight line

1.7 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.8 Taxation

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

1.9 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 26, 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.

SPARKEN HILL ACADEMY TRUST
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

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

1.10 Conversion to an academy trust

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

The assets and liabilities transferred on conversion from Ryton Park Primary School to an academy trust have been valued at their fair value, being a reasonable estimate of the current market value that the Trustees would expect to pay in an open market for an equivalent item. Their fair value is in accordance with the accounting policies set out for Sparken Hill Academy Trust. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in the Statement of financial activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

2. CONVERSION TO AN ACADEMY TRUST

On 1 November 2014 Ryton Park Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Sparken Hill Academy Trust from Nottinghamshire County Council for £nil consideration.

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the Balance sheet under the appropriate headings with a corresponding net amount recognised as net incoming resources in the Statement of financial activities as generated funds from local authority on conversion.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of financial activities.

SPARKEN HILL ACADEMY TRUST
(A company limited by guarantee)

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

2. CONVERSION TO AN ACADEMY TRUST (continued)

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets				
- Freehold land and buildings	-	-	9,197,000	9,197,000
- Other tangible fixed assets	-	-	130,750	130,750
Other assets	605,242	-	-	605,242
LGPS pension surplus/(deficit)	-	(1,055,000)	-	(1,055,000)
Net assets/(liabilities)	<u>605,242</u>	<u>(1,055,000)</u>	<u>9,327,750</u>	<u>8,877,992</u>

The above net assets include £605,242 that were transferred as cash.

3. VOLUNTARY INCOME

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £
Donations from local authority on conversion	<u>605,242</u>	<u>8,272,750</u>	<u>8,877,992</u>

4. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £
Hire of facilities	<u>10,619</u>	<u>-</u>	<u>10,619</u>

5. INVESTMENT INCOME

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £
Bank interest	<u>347</u>	<u>-</u>	<u>347</u>

SPARKEN HILL ACADEMY TRUST
(A company limited by guarantee)

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

6. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £
Academies educational operations	102,731	2,053,057	2,155,788

FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £
DfE/EFA revenue grants			
General Annual Grant (GAG)	-	1,664,006	1,664,006
Capital grants	-	9,353	9,353
Start up grant	25,000	-	25,000
Other DfE/EFA grants	-	231,618	231,618
	<u>25,000</u>	<u>1,904,977</u>	<u>1,929,977</u>
Other government grants			
Local authority grants	-	124,070	124,070
	<u>-</u>	<u>124,070</u>	<u>124,070</u>
Other income			
Catering income	33,873	-	33,873
Supply teacher insurance claim	-	4,280	4,280
Student teachers	-	19,730	19,730
Trip income	12,748	-	12,748
Other income	31,110	-	31,110
	<u>77,731</u>	<u>24,010</u>	<u>101,741</u>
	<u>102,731</u>	<u>2,053,057</u>	<u>2,155,788</u>

SPARKEN HILL ACADEMY TRUST
(A company limited by guarantee)

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

7. GOVERNANCE COSTS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £
Auditors' remuneration	-	6,075	6,075
Legal and professional fees	14,998	26,319	41,317
Internal audit costs	-	3,500	3,500
Support costs	-	851	851
	<u>14,998</u>	<u>36,745</u>	<u>51,743</u>

SPARKEN HILL ACADEMY TRUST
(A company limited by guarantee)

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

8. CHARITABLE ACTIVITIES

	Total funds 2015 £
DIRECT COSTS	
Wages and salaries	1,037,582
National insurance	67,653
Pension cost	154,416
Depreciation	19,877
Educational supplies	62,597
Staff development	11,244
Technology costs	10,847
Travel and subsistence	4,338
Other direct costs	53,913
	<u>1,422,467</u>
SUPPORT COSTS	
Wages and salaries	313,808
National insurance	11,802
Pension cost	85,570
Depreciation	143,153
Pension finance cost	23,000
Technology costs	29,025
Recruitment and support	1,651
Maintenance of premises and equipment	51,872
Cleaning	5,872
Operating lease rentals	4,758
Rates, water and energy	55,824
Insurance	10,824
Security and transport	506
Catering	53,099
Occupancy costs	11,339
Legal and professional fees	10,305
Bank interest and charges	128
Travel and subsistence	1,423
Other support costs	62,815
	<u>876,774</u>
	<u><u>2,299,241</u></u>

SPARKEN HILL ACADEMY TRUST
(A company limited by guarantee)

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

9. RESOURCES EXPENDED

	Staff costs	Non Pay Premises	Expenditure Other costs	Total
	2015 £	2015 £	2015 £	2015 £
Direct costs	1,259,651	19,877	142,939	1,422,467
Support costs	411,180	13,181	452,413	876,774
Charitable activities	1,670,831	33,058	595,352	2,299,241
Governance	-	-	51,743	51,743
	1,670,831	33,058	647,095	2,350,984

10. NET INCOMING / (OUTGOING) RESOURCES

This is stated after charging:

	period ended 31 August 2015 £
Depreciation of tangible fixed assets: - owned by the charity	163,030
Auditors' remuneration	6,075
Operating lease rentals: - plant and machinery	7,992
Internal audit costs	3,500

SPARKEN HILL ACADEMY TRUST
(A company limited by guarantee)

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

11. STAFF

a. Staff costs

Staff costs were as follows:

	period ended 31 August 2015 £
Wages and salaries	1,349,666
Social security costs	79,455
Other pension costs (Note 26)	239,986
	1,669,107
Supply teacher costs	1,724
	1,670,831

b. Staff numbers

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

	period ended 31 August 2015 No.
Teachers	21
Administration and support	44
Management	1
	66

c. Higher paid staff

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

	period ended 31 August 2015 No.
In the band £60,001 - £70,000	1

The above employee participated in the Teachers' Pension Scheme.

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

12. TRUSTEES' AND OFFICERS' INSURANCE

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

13. TRUSTEES' REMUNERATION AND EXPENSES

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

	period ended 31 August 2015 £
R Lilley, Head Teacher (remuneration)	65,000-70,000
R Lilley, Head Teacher (pension)	10,000-15,000
A Buffery, Staff Trustee (remuneration)	20,000-25,000
A Buffery, Staff Trustee (pension)	0-5,000

During the period, no Trustees received any reimbursement of expenses.

14. PENSION FINANCE COST

	period ended 31 August 2015 £
Expected return on pension scheme assets	46,000
Interest on pension scheme liabilities	(69,000)
	(23,000)

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15. TANGIBLE FIXED ASSETS

	Freehold property £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
Cost					
Additions	9,210,395	16,500	65,506	97,088	9,389,489
At 31 August 2015	9,210,395	16,500	65,506	97,088	9,389,489
Depreciation					
Charge for the period	129,000	2,750	5,099	26,181	163,030
At 31 August 2015	129,000	2,750	5,099	26,181	163,030
Net book value					
At 31 August 2015	9,081,395	13,750	60,407	70,907	9,226,459

Included in land and buildings is freehold land at valuation of £1,457,000 which is not depreciated.

The academy's transactions relating to land and buildings included:

- Land and buildings on conversion from a Local Authority school, amounting to £9,197,000;
- Property improvements to the entrance of the school, amounting to £13,395.

16. STOCKS

	2015 £
Catering	902
Uniform	9,481
	<u>10,383</u>

17. DEBTORS

	2015 £
Trade debtors	7,263
Other debtors	64,596
Prepayments and accrued income	103,238
	<u>175,097</u>

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FOR THE PERIOD ENDED 31 AUGUST 2015**

18. CREDITORS:
Amounts falling due within one year

	2015 £
Trade creditors	44,628
Other creditors	100
Accruals and deferred income	36,791
	<u>81,519</u>
	£
Deferred income	
Resources deferred during the year	<u>13,001</u>

Deferred income relates to Universal Infant Free School Meals funding for the 2015/16 academic year.

19. STATEMENT OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds						
General Funds	-	718,939	(111,815)	(57,122)	-	550,002
	<u>-</u>	<u>718,939</u>	<u>(111,815)</u>	<u>(57,122)</u>	<u>-</u>	<u>550,002</u>
Restricted funds						
General Annual Grant (GAG)	-	1,664,006	(1,614,255)	(49,751)	-	-
Other EFA Grants	-	240,971	(250,804)	53,116	-	43,283
LA Grants	-	124,070	(124,070)	-	-	-
Other Activities	-	24,010	(24,010)	-	-	-
Pension Reserve	-	(1,055,000)	(63,000)	-	(11,000)	(1,129,000)
	<u>-</u>	<u>998,057</u>	<u>(2,076,139)</u>	<u>3,365</u>	<u>(11,000)</u>	<u>(1,085,717)</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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19. STATEMENT OF FUNDS (continued)

Restricted fixed asset funds

Transfer for Former School	-	9,327,750	(160,490)	-	-	9,167,260
Capital expenditure from GAG	-	-	(2,540)	53,757	-	51,217
	-	9,327,750	(163,030)	53,757	-	9,218,477
Total restricted funds	-	10,325,807	(2,239,169)	57,122	(11,000)	8,132,760
Total of funds	-	11,044,746	(2,350,984)	-	(11,000)	8,682,762

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

Unrestricted funds

Unrestricted funds represent both those resources, as well as funds transferred to the academy from the Local Authority upon conversion, which may be used towards meeting any of the objects of the academy at the discretion of the trustees. These are not currently designated for particular purposes.

Restricted Fixed Asset funds

Transfer from former school represents the buildings and assets transferred to the academy from the Local Authority upon conversion.

Capital expenditure from GAG represents fixed asset expenditure transferred from other restricted income.

Restricted Revenue funds

General Annual Grant (GAG) is made up of a number of different funding streams, all of which are used to cover the running costs of the academy.

Other EFA Grants represent other restricted funding which does not form part of the GAG funding. Local Authority Grants represents restricted funding received from the local authority towards the running costs of the academy.

Pension Reserve represents the current deficit balance of the Local Government Pension Scheme (LGPS).

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.

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

SUMMARY OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
General funds	-	718,939	(111,815)	(57,122)	-	550,002
Restricted funds	-	998,057	(2,076,139)	3,365	(11,000)	(1,085,717)
Restricted fixed asset funds	-	9,327,750	(163,030)	53,757	-	9,218,477
	-	11,044,746	(2,350,984)	-	(11,000)	8,682,762

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £
Tangible fixed assets	-	-	9,226,459	9,226,459
Current assets	550,002	116,820	-	666,822
Creditors due within one year	-	(73,537)	(7,982)	(81,519)
Provisions for liabilities and charges	-	(1,129,000)	-	(1,129,000)
	550,002	(1,085,717)	9,218,477	8,682,762

21. NET CASH FLOW FROM OPERATING ACTIVITIES

	period ended 31 August 2015 £
Net incoming resources before revaluations	8,693,762
Returns on investments and servicing of finance	(347)
Assets transferred on conversion to an Academy Trust	(8,272,750)
Depreciation of tangible fixed assets	163,030
Increase in stocks	(10,381)
Increase in debtors	(175,098)
Increase in creditors	81,518
FRS 17 adjustments	63,000
Net cash inflow from operations	542,734

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

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

	period ended 31 August 2015 £
Returns on investments and servicing of finance	
Interest received	347
	<u>347</u>
	period ended 31 August 2015 £
Capital expenditure and financial investment	
Purchase of tangible fixed assets	(61,739)
	<u>(61,739)</u>

23. ANALYSIS OF CHANGES IN NET FUNDS

	1 November 2014 £	Cash flow £	Other non-cash changes £	31 August 2015 £
Cash at bank and in hand:	-	481,342	-	481,342
Net funds	<u>-</u>	<u>481,342</u>	<u>-</u>	<u>481,342</u>

24. CONTINGENT LIABILITIES

The Academy had no contingent liabilities at 31 August 2015.

In the event of Sparken Hill Academy Trust ceasing to operate as an academy provisions are included in the funding agreement relating to the clawback of assets and monies paid to the academy.

25. CAPITAL COMMITMENTS

At 31 August 2015 the academy had capital commitments as follows:

	2015 £
Contracted for but not provided in these financial statements	4,972
	<u>4,972</u>

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NOTES TO THE FINANCIAL STATEMENTS
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26. 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 Nottinghamshire 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.

There were no outstanding or prepaid contributions at either the beginning or the end of the financial period.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

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

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

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NOTES TO THE FINANCIAL STATEMENTS
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26. PENSION COMMITMENTS (continued)

The pension costs paid to TPS in the period amounted to £90,243

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 period ended 31 August 2015 was £145,000, of which employer's contributions totalled £110,000 and employees' contributions totalled £35,000. The agreed contribution rates for future years are 19.9% for employers and 5 to 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.

As described in note 2 the LGPS obligation relates to the employees of the academy, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy at the balance sheet date.

The amounts recognised in the Balance sheet are as follows:

	period ended 31 August 2015 £
Present value of funded obligations	(2,171,000)
Fair value of scheme assets	1,042,000
Net liability	(1,129,000)

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NOTES TO THE FINANCIAL STATEMENTS
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26. PENSION COMMITMENTS (continued)

The amounts recognised in the Statement of financial activities are as follows:

	period ended 31 August 2015 £
Current service cost	(150,000)
Interest on obligation	(69,000)
Expected return on scheme assets	46,000
Total	(173,000)

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

	period ended 31 August 2015 £
Opening defined benefit obligation	1,918,000
Current service cost	150,000
Interest cost	69,000
Contributions by scheme participants	35,000
Actuarial Losses	1,000
Benefits paid	(2,000)
Closing defined benefit obligation	2,171,000

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

	period ended 31 August 2015 £
Expected return on assets	46,000
Actuarial gains and (losses)	(10,000)
Fair value of pension scheme assets transferred to academy on conversion	863,000
Contributions by employer	110,000
Contributions by employees	35,000
Benefits paid	(2,000)
	1,042,000

The cumulative amount of actuarial gains and losses recognised in the Statement of total recognised gains and losses was £11,000.

The academy expects to contribute £110,000 to its Defined benefit pension scheme in 2016.

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

26. PENSION COMMITMENTS (continued)

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

	2015
European equities	71.00 %
European bonds	10.00 %
Property	13.00 %
Cash	6.00 %

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

	2015
Discount rate for scheme liabilities	4.00 %
Expected return on scheme assets at 31 August	6.00 %
Rate of increase in salaries	4.50 %
Rate of increase for pensions in payment / inflation	2.70 %

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

	2015
Retiring today	
Males	22.1
Females	25.2
Retiring in 20 years	
Males	24.2
Females	27.6

Amounts for the current period are as follows:

Defined benefit pension schemes

	2015
	£
Defined benefit obligation	(2,171,000)
Scheme assets	1,042,000
Deficit	(1,129,000)
Experience adjustments on scheme assets	(10,000)

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NOTES TO THE FINANCIAL STATEMENTS
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27. OPERATING LEASE COMMITMENTS

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

	Land and buildings 2015 £	Other 2015 £
Expiry date:		
Between 2 and 5 years	-	7,992

28. RELATED PARTY TRANSACTIONS

Owing to the nature of the academy's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which a trustees 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.

ND Services Limited is a business owned by the spouse to the Chief Financial Officer. Transactions during the year amount to £9,816 with no amounts outstanding at the year end. This supplier is used due to their competitive prices for the service provided in local area. A value for money exercise is completed regularly to ensure best value is obtained.

M Cutts (trustee) has a family link to C Millard, an employee. C Millard was appointed during the current financial period. C Millard was fairly recruited and performance has been managed in the normal way; the employment is considered to be of benefit to the academy.