

**COMPANY REGISTRATION NUMBER 08158718**

**HOLLEY PARK ACADEMY  
COMPANY LIMITED BY GUARANTEE  
FINANCIAL STATEMENTS  
31st AUGUST 2013**

# **HOLLEY PARK ACADEMY COMPANY LIMITED BY GUARANTEE**

## **FINANCIAL STATEMENTS**

**PERIOD FROM 26th JULY 2012 TO 31st AUGUST 2013**

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# **HOLLEY PARK ACADEMY COMPANY LIMITED BY GUARANTEE**

## **REFERENCE AND ADMINISTRATIVE DETAILS**

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<b>Academy name</b>	Holley Park Academy
<b>Company registration number</b>	08158718
<b>Principal &amp; registered office</b>	Ayton Road Oxclose Washington NE38 0LR
<b>Registered office</b>	Ayton Road Oxclose Washington Tyne & Wear NE38 0LR
<b>Trustees/Directors</b>	Mrs S. Richards # Mrs G. Wood # Mr D. Haw # Mr G. Miller # Mrs S. Ridings Mrs J. Oxberry Mr R. Chamberlain # Mr M. Robinson # Mrs S. Kitchen Rev S. Aston  # Members of the finance & premises committee
<b>Company Secretary</b>	Mrs C. Dodd
<b>Senior Management Team</b>	
• Head teacher	Mrs S. Richards
• Assistant head teacher	Mrs S. Kitchen
• Assistant head teacher	Mrs C. Gallant
• School business manager	Mrs G. Wood
<b>Independent Auditor</b>	Tait Walker LLP Chartered Accountants & Statutory Auditor Bulman House Regent Centre Gosforth Newcastle upon Tyne NE3 3LS

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**HOLLEY PARK ACADEMY  
COMPANY LIMITED BY GUARANTEE**

**REFERENCE AND ADMINISTRATIVE DETAILS**

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**Bankers**

Lloyds TSB Bank plc  
54 Fawcett Street  
Sunderland  
Tyne and Wear  
SR1 1SF

**Solicitors**

Samuel Phillips  
Gibb Chambers  
52 Westgate Road  
Newcastle upon Tyne  
NE1 5XU

# **HOLLEY PARK ACADEMY COMPANY LIMITED BY GUARANTEE**

## **TRUSTEES ANNUAL REPORT**

### **PERIOD FROM 26th JULY 2012 TO 31st AUGUST 2013**

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The trustees, who are also directors for the purposes of company law, have pleasure in presenting their report and the financial statements of the academy for the period from 26th July 2012 to 31st August 2013.

#### **REFERENCE AND ADMINISTRATIVE DETAILS**

Reference and administrative details are shown on page 1 of the financial statements.

#### **THE TRUSTEES**

The trustees who served the academy during the period were as follows:

Mrs S. Richards	(Appointed 26th July 2012)
Mrs G. Wood	(Appointed 26th July 2012)
Mr D. Haw	(Appointed 26th July 2012)
Mr G. Miller	(Appointed 26th July 2012)
Mrs S. Ridings	(Appointed 26th July 2012)
Mrs J. Oxberry	(Appointed 26th July 2012)
Mr R. Chamberlain	(Appointed 26th July 2012)
Mr M. Robinson	(Appointed 26th July 2012)
Mrs S. Kitchen	(Appointed 26th July 2012)
Rev S. Aston	(Appointed 26th July 2012)

#### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

##### **Constitution**

Holley Park Academy is a company limited by guarantee, (company number 08158718) and an exempt charity. The company was incorporated on 26th July 2012. The company commenced operation as an Academy on 1st August 2012. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust.

The trustees of Holley Park Academy are also the directors of the charitable company for the purposes of company law. The charitable company is known as Holley Park Academy. The terms director, trustee and governor are used in this report and refer to the members of the board of the academy trust.

##### **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 1 year after they cease to be a member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before they ceased to be a member.

##### **Trustees' Indemnities**

Each trustee of the Academy shall be indemnified out of the assets of the Academy against any liability incurred by him in that capacity in defending any proceedings, whether civil or criminal, in which judgement is given in favour or in which he is acquitted or in connection with any application in which relief is granted by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Academy.

# **HOLLEY PARK ACADEMY COMPANY LIMITED BY GUARANTEE**

## **TRUSTEES ANNUAL REPORT *(continued)***

**PERIOD FROM 26th JULY 2012 TO 31st AUGUST 2013**

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### **Principal Activities**

- The principal activity of the charitable company is the operation of Holley Park Academy to provide education for pupils of different abilities between the ages of 4 and 11.
- The school has a satisfying, balanced and broad based curriculum.
- The school provides education for the pupils who are wholly or mainly drawn from the area in which the school is situated
- The school will be at the heart of the community, promoting collaboration with the wider community.

### **Method of Recruitment & Appointment or Election of Members and Governors**

Appointment of members and governors is as noted in the Academy Trust's Articles of Association

The Members of the Academy trust shall comprise:

- The signatories to the memorandum
- Any one person who may be appointed by the Secretary of State
- The chairman of the Governors
- Any person appointed by the unanimous decision in writing of the existing members.

The number of Governors shall not be less than three but shall not be subject to any maximum.

The Academy trust shall have the following Governors:

- Up to 2 Governors appointed by the Members.
- Any staff Governors (provided that the total number of Governors (including the Principal) who are employees of the Academy Trust does not exceed one half of the total number of Governors.
- A minimum of 2 Parent Governors appointed by election by parents of registered pupils at the Academy.
- The Principal.
- Any additional Governors if appointed by the Secretary of State in the event of a warning notice, failure to comply with a warning notice, or following a drop in Ofsted rating.
- Any further Governors if appointed by the Secretary of State.

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

The training and induction for new governors is dependent on their existing experience.

Training may be of a charity, educational, legal or financial nature. All Governors are given a tour of the Academy and are given the opportunity to speak at length with the Head Teacher and Chair of Governors in order to familiarise themselves with important issues appertaining to the Academy prior to commencement of their role on the Governing Body.

All Governors have access to policies, procedures and other relevant documents that enable them to fulfil their role effectively as Governors.

# **HOLLEY PARK ACADEMY COMPANY LIMITED BY GUARANTEE**

## **TRUSTEES ANNUAL REPORT *(continued)***

**PERIOD FROM 26th JULY 2012 TO 31st AUGUST 2013**

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### **Organisational Structure**

The Academy's unified management structure consists of three levels, the Members of the Trust, the Governors and the Senior Management Team. The Senior Management Team comprises of the Head Teacher, two Assistant Head Teachers and Business Manager. The Head Teacher is the Accounting Officer.

The Head Teacher and Business Manager are responsible for the authorisation of spending within agreed budgets through an agreed scheme of delegation. Terms of Reference are followed for employment issues, financial management and premises management.

The Members of the Trust are responsible for ensuring that the Governing Body fulfils its statutory obligations in a manner, which will allow the Academy to fulfil its aims. They act as a check and balance in ensuring that the Governing Body conduct the business of the Academy in an effective and efficient manner, allowing the school to achieve its objectives.

The Governors are responsible for determining general policy. The school is led and managed at an executive level by the Senior Management Team on a day-to-day basis implementing the policies agreed by the Governors and reporting back to the Governing Body on a termly basis.

### **Risk Management**

The Governors have assessed the major risks to which the Academy is exposed. The Academy has a robust system of risk management, which is regularly reviewed and monitored. There is an annual review of all risk management. Systems are in place to maintain internal financial control in order to minimise risk. The risk management plan is reviewed and evaluated as a working document in response to situations or new legislation or information.

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

The current Academy continues to maintain established relationships with other schools across the City. We work in close partnership with Oxclose Community Academy for the smooth transition of our pupils from KS2 to KS3.

All directors have completed pecuniary interest declaration forms. Where an interest is declared in any transaction affecting the Academy, the director would remove themselves from the decision making process.

# **HOLLEY PARK ACADEMY COMPANY LIMITED BY GUARANTEE**

## **TRUSTEES ANNUAL REPORT *(continued)***

**PERIOD FROM 26th JULY 2012 TO 31st AUGUST 2013**

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### **OBJECTIVES AND ACTIVITIES**

#### **Objects and Aims**

In accordance with the Articles of Association, the principal objective and activity of the charitable company is to advance the education of our pupils. It is to maintain, carry on and manage and develop the Academy at Ayton Road, Washington, NE38 0LR.

#### **Aims**

- We aim to enable every child to be confident and independent
- We aim to nurture children's natural desire to learn, to acquire knowledge and skills to investigate, to solve problems and to be creative
- We aim to provide an orderly and stimulating environment conducive to effective teaching and learning
- We aim to motivate pupils to attain the highest possible standard in all areas of learning
- We aim to treat every child and adult with equal respect and understanding
- We aim to build a community where parents, staff and governors seek to extend their own learning for the benefit of all pupils

#### **Objectives, Strategies and Activities**

In setting our objectives and planning our activities the governors have given careful consideration to the charity commission's general guidance and public benefit.

Holley Park Academy aims to be a happy place where children are encouraged to develop confidence in their own ability, work collaboratively, show tolerance and be polite and caring towards others. At Holley Park Academy each child receives a broad education incorporating the teaching of skills and knowledge to promote their understanding of the world in which they live. The Academy provides a welcoming, cheerful and stimulating environment in which all pupils can successfully learn. Our school aims to continually encourage and develop working relationships between home, school and the local community. Holley Park Academy is a non-selective school welcoming pupils of all abilities offering them a broad and balanced curriculum. Pupils that attend Holley Park Academy mainly live in the Ayton, Lambton and Oxclose areas of Washington however a number of children travel longer distances to attend Holley Park Academy.

To assist academic achievement and to support parents returning to work the Academy operates a breakfast club and an after school club, the impact of which is to raise achievement and aspirations and create a positive learning environment for our pupils. To ensure that we give our pupils the best opportunities we can we provide a wide variety of extra curricular activities. To continue the successful One Voice KS2 Choir who have entertained across the region at a variety of events, to further develop our outdoor work where we have successfully achieved awards from Sunderland in Bloom, Northumbria in Bloom and more recently the John Muir Award.



# HOLLEY PARK ACADEMY COMPANY LIMITED BY GUARANTEE

## TRUSTEES ANNUAL REPORT *(continued)*

PERIOD FROM 26th JULY 2012 TO 31st AUGUST 2013

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### Objectives

- To convert to Academy status, ensuring roles and responsibilities are secure to enable the Academy to move forward
- To encourage all levels of leadership to recognise their responsibilities and understand their accountability
- To provide an outstanding, safe and engaging learning environment
- To secure outstanding attainment and progress in all phases

### Public benefit

The trustees have given due consideration to the Charity Commission's general guidance on public benefit when reviewing the aims and objectives of the academy and in planning future activities. In particular, the governors consider the provision of education to provide public benefit to the community in which it operates.

### ACHIEVEMENTS AND PERFORMANCE 2012/13

The Academy has continued to attain high standards – well above the national average in all areas, demonstrating outstanding progress and attainment.

Key Stage 1 2012	Level 2+ Age Expectation			Level 3 +		
	National	School	Sunderland LA	National	School	Sunderland LA
Reading	27%	90%	86%	87%	28%	24%
Writing	14%	90%	82%	83%	21%	12%
Mathematics	22%	100%	90%	91%	24%	20%
Key Stage 2 2012	Level 4+ Age Expectation			Level 3 +		
	National	School	Sunderland LA	National	School	Sunderland LA
English	48%	90%	86%	87%	40%	37%
Mathematics	39%	93%	85%	84%	53%	40%

# **HOLLEY PARK ACADEMY COMPANY LIMITED BY GUARANTEE**

## **TRUSTEES ANNUAL REPORT** *(continued)*

**PERIOD FROM 26th JULY 2012 TO 31st AUGUST 2013**

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### **Going Concern**

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

### **FINANCIAL REVIEW**

The majority of the Academy's income is obtained from the Education Funding Agency in the form of recurrent grants, the use of which is restricted to educational purposes. Income received from the Education Funding Agency and its associated expenditure are shown as restricted funds in the Statement of Financial Activities.

As shown in the Statement of Financial Activities, income for the period ended 31 August 2013 totalled £2,770,000, and expenditure totalled £991,000 leaving a surplus of £1,779,000 before actuarial losses on defined benefit pension schemes.

The actuarial loss on defined benefit pension schemes amounted to £21,000 in the period, leaving an overall surplus of £1,758,000 for the period ended 31st August 2013.

This surplus is made up of a deficit of £97,000 on restricted general funds, and a surplus of £1,855,000 on the restricted fixed assets fund, which represents the net book value of fixed assets held by the Academy Trust.

The inherited LGPS liability (note 22) has resulted in the restricted general fund showing a deficit of £97,000. The Academy Trust's cash resources and budget for 2013/14 indicate that the governors expect the day-to-day activities of the Academy Trust to be adequately funded by income from all sources. The Academy Trust is making additional contributions to the LGPS in order to reduce the deficit position.

### **Financial Risk Management Objectives and Policies**

The Academy is subject to a number of risks and uncertainties in common with other Academies. As the majority of funding is generated by pupil numbers it is crucial that school is full to capacity and vacancies are filled. Upholding a good reputation is imperative. The Academy has in place procedures to identify and mitigate financial risks. A Responsible Officer has been appointed and reports findings termly to the Audit Committee.

The following documents relating to Finance and Governance have all been adopted by the Governing Body of The Academy Trust;

- Scheme of Delegation
- Financial Procedures Manual
- Articles of Association
- Funding Agreement

# **HOLLEY PARK ACADEMY COMPANY LIMITED BY GUARANTEE**

## **TRUSTEES ANNUAL REPORT** *(continued)*

**PERIOD FROM 26th JULY 2012 TO 31st AUGUST 2013**

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### **Principal Risks and Uncertainties**

The Risk Management Plan is a working document and is under constant review. The trustees are satisfied that controls are in place and adhered to but are not complacent in their role and challenge the Head Teacher and Business Manager on their findings.

The principle risks and uncertainties are centred around changes in the funding from the EFA and changes to the funding formulae. The Academy is a member of the Local Government Pension Scheme (LGPS), which results in the recognition of a significant deficit on the Academy balance sheet.

### **Reserves Policy**

The governors recognise the need for the Academy to build up reserve, however in this, the first year of operation, have yet to agree a formal policy. The governors deem that reserves held at 31<sup>st</sup> August 2013 are satisfactory given the budgeted funding agreed for the year 2013/14.

There are three separate funds held by the academy; unrestricted, restricted general and restricted fixed asset funds.

At the period ended 31<sup>st</sup> August 2013, the balance of unrestricted funds was £Nil.

Unrestricted funds contain resources that can be spent on any purpose at the discretion of the directors, within the objects of the Academy as set out in its governing documents.

Unrestricted funds are generated from activities for generating funds including income from school meals, breakfast and after school clubs and course hosting. The surplus of £47,000 generated from unrestricted funds has been transferred to restricted fixed asset funds in order to reflect capital expenditure made from unrestricted funds.

At the period ended 31<sup>st</sup> August 2013, the balance of restricted general funds was £ (97,000), which includes GAG carried forward of £2,000 and the Local Government Pension Scheme liability of £99,000.

Restricted general funds contain resources which must be spent on particular purposes. Income includes EFA grants such as GAG, pupil premium and SEN grants as well as any donations received which have restrictions attached. The majority of the Academy's running costs are included in the restricted general funds.

The costs and income associated with the defined benefit pension scheme have been recorded in the restricted general fund. Staff costs including pension contributions are paid from this fund, and therefore the pension liability has been aligned with this fund.

At the period ended 31<sup>st</sup> August 2013, the balance of restricted fixed asset funds was £1,855,000.

Restricted fixed asset funds contain resources spent on capital purposes. Income includes EFA capital grants and donated fixed assets such as the land & buildings transferred from the local authority. Expenditure relates to the annual depreciation charge made to the Statement of Financial Activities to reflect the use of fixed assets. The fund can represent unexpended grants received for capital purposes or the carrying value of funded fixed assets.

# HOLLEY PARK ACADEMY COMPANY LIMITED BY GUARANTEE

## TRUSTEES ANNUAL REPORT *(continued)*

PERIOD FROM 26th JULY 2012 TO 31st AUGUST 2013

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### Investment Policy

The directors recognise the need for the Academy to produce an Investment Policy, which would outline the powers that the academy trust has with regard to investments. However in this, the first year of operation, the t directors have yet to formalise the investment policy.

### PLANS FOR FUTURE PERIODS

Key priorities for improvements continue at pace and include;

- To raise pupil progress and attainment across the curriculum
- To raise standards in teaching and learning across the curriculum
- To raise the quality of leadership and management across the whole school
- To promote pupils positive attitudes towards learning
- To provide a high quality learning environment to children of nursery age
- To provide a high quality learning environment for ICT across the curriculum

### AUDITOR

Insofar as the trustees are aware:

- There is no relevant information of which the charitable company's auditor is unaware; and
- The trustees have taken all reasonable 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.

A resolution to re-appoint Tait Walker LLP as auditor for the ensuing year will be proposed at the annual general meeting in accordance with section 485 of the Companies Act 2006.

Approved by order of the directors on 16/12/13 and signed on its behalf by:



Mr D. Haw  
Chair of Directors

# **HOLLEY PARK ACADEMY COMPANY LIMITED BY GUARANTEE**

## **GOVERNANCE STATEMENT**

**PERIOD FROM 26th JULY 2012 TO 31st AUGUST 2013**

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### **Scope of Responsibility**

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

The 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 Holley Park Academy and the Secretary of State for Education. They are also responsible for reporting to the governing body any material weaknesses or breakdowns in internal control.

### **Governance**

The information on governance included here supplements that described in the trustees' report and in the statement of trustees' responsibilities. The board of directors has formally met 5 times during the period. Attendance during the period at meetings of the governing body was as follows:

<b>Director</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Mrs S. Richards	5	5
Mrs G. Wood	5	5
Mr D. Haw	4	5
Mr G. Miller	1	5
Mrs S. Riding	4	5
Mr R. Chamberlain	5	5
Mr M. Robinson	5	5
Mrs S. Kitchen	5	5
Rev. S. Aston	3	5

There have been no changes to the composition of the Governing Body since its inception in July 2012. The Governing Body is a carefully selected group of individuals brought together to provide challenge, strategic direction, support and monitoring of Holley Park Academy.

# **HOLLEY PARK ACADEMY COMPANY LIMITED BY GUARANTEE**

## **GOVERNANCE STATEMENT** *(continued)*

### **PERIOD FROM 26th JULY 2012 TO 31st AUGUST 2013**

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The finance and premises committee is a sub-committee of the main board of directors. Its purpose is to ensure efficient and effective use of resources whilst seeking ways to ensure outstanding, sustainable provision. The committee monitors the progress of the budget using financial information supplied by the Business Manager. The information allows adequate budget monitoring, approval of purchases of goods or services dependent on the monetary value set out in the Terms of Reference. Attendance at meetings during the period was as follows:

<b>Director</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Mr D. Haw	3	3
Mrs S. Richards	3	3
Mr G. Miller	1	3
Mr R. Chamberlain	3	3
Mr M. Robinson	3	3
Mrs G. Wood	3	3

# **HOLLEY PARK ACADEMY COMPANY LIMITED BY GUARANTEE**

## **GOVERNANCE STATEMENT** *(continued)*

**PERIOD FROM 26th JULY 2012 TO 31st AUGUST 2013**

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### **The purpose of the System of Internal Control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised and to manage them efficiently, effectively and economically. The system of internal control has been in development at Holley Park Academy during the period ended 31<sup>st</sup> August 2013 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 Holley Park 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 on-going process for identifying, evaluating and managing Holley Park Academy's significant risks that has been in place for the year ending 31<sup>st</sup> August 2013 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the governing body.

### **The Risk and Control Framework**

Holley Park 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 governing body 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

# HOLLEY PARK ACADEMY COMPANY LIMITED BY GUARANTEE

## GOVERNANCE STATEMENT *(continued)*

**PERIOD FROM 26th JULY 2012 TO 31st AUGUST 2013**

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The governing body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the governors have appointed Mr R. Chamberlain a director, as Responsible Officer ('RO').

The RO's role includes giving advice on financial matters and performing a range of checks on Holley Park Academy's financial systems. The RO reports to the governing body on the operation of the systems of control and on the discharge of the governing body's financial responsibilities.

Mr R Chamberlain has completed one full RO review during the period February to August 2013. During the visit he conducted a random sample review of purchase orders and a random sample of payroll reports. It has been agreed with the full governing body that a schedule of works will be planned to review the systems of internal control on a more regular basis in the new academic year.

### **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 RO
- the work of the external auditor
- the financial management and governance self-assessment process
- The work of the executive managers within Holley Park 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 governing body and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the directors on  and signed on its behalf by:



Mr D. Haw

Chair of Directors



Mrs S. Richards

Accounting Officer



**HOLLEY PARK ACADEMY  
COMPANY LIMITED BY GUARANTEE**

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

**PERIOD FROM 21st JULY 2012 TO 31st AUGUST 2013**

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As Accounting Officer of Holley Park Academy I have considered my responsibility to notify the academy trust 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 trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

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

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date.



Mrs S. Richards

Accounting Officer

# HOLLEY PARK ACADEMY COMPANY LIMITED BY GUARANTEE

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

**PERIOD FROM 21st JULY 2012 TO 31st AUGUST 2013**

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

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

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

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

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

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

Approved by order of the directors on 16/12/13 and signed on its behalf by:

Signed



Mr D. Haw  
Chair of Directors

# **HOLLEY PARK ACADEMY COMPANY LIMITED BY GUARANTEE**

## **INDEPENDENT AUDITOR'S REPORT TO THE ACADEMY'S MEMBERS**

### **PERIOD FROM 26th JULY 2012 TO 31st AUGUST 2013**

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We have audited the financial statements of Holley Park Academy for the period from 26th July 2012 to 31st August 2013 comprising the statement of financial activities (incorporating the income and expenditure account), the balance sheet, the cash flow statement and the notes to financial statements. 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 2013 issued by the EFA.

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

#### **RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITOR**

As explained more fully in the Trustees' Responsibilities Statement set out on page 16, the trustees (who act as governors and are also the directors of the academy trust 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 company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the trustees annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

# **HOLLEY PARK ACADEMY COMPANY LIMITED BY GUARANTEE**

## **INDEPENDENT AUDITOR'S REPORT TO THE ACADEMY'S MEMBERS *(continued)***

**PERIOD FROM 26th JULY 2012 TO 31st AUGUST 2013**

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### **OPINION ON FINANCIAL STATEMENTS**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31st August 2013 and of its incoming resources and application of resources for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and the Academies Accounts Direction 2013 issued by the EFA;
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006**

In our opinion the information given in the trustees annual report for the financial period for which the financial statements are prepared is consistent with the financial statements.

### **MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

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

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



Brian Laidlaw BA CA (Senior Statutory Auditor)

For and on behalf of

Tait Walker LLP

Chartered Accountants & Statutory Auditor

Bulman House

Regent Centre

Gosforth

Newcastle upon Tyne

NE3 3LS

19th December 2013

# **HOLLEY PARK ACADEMY COMPANY LIMITED BY GUARANTEE**

## **INDEPENDENT REPORTING AUDITOR'S REPORT ON REGULARITY TO HOLLEY PARK ACADEMY AND THE EDUCATION FUNDING AGENCY**

**PERIOD FROM 26th JULY 2012 TO 31st AUGUST 2013**

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In accordance with the terms of our engagement letter dated 24th September 2013 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013, we have carried out an engagement to obtain assurance about whether, the expenditure disbursed and income received by Holley Park Academy during the period 26<sup>th</sup> July 2012 to 31st August 2013 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 Holley Park Academy and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the governing body and the EFA those matters we are required to state to it 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 Holley Park Academy and the EFA, for our work, for this report, or for the conclusion we have formed.

### **RESPECTIVE RESPONSIBILITIES OF HOLLEY PARK ACADEMY'S ACCOUNTING OFFICER AND THE REPORTING AUDITOR**

The accounting officer is responsible, under the requirements of the Holley Park Academy's funding agreement with the Secretary of State for Education dated 25<sup>th</sup> May 2012 and the Academies Financial Handbook, extant from 1 September 2012, 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 2013. 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 26<sup>th</sup> July 2012 to 31st August 2013 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

# **HOLLEY PARK ACADEMY COMPANY LIMITED BY GUARANTEE**

## **INDEPENDENT REPORTING AUDITOR'S REPORT ON REGULARITY TO HOLLEY PARK ACADEMY AND THE EDUCATION FUNDING AGENCY**

**PERIOD FROM 26th JULY 2012 TO 31st AUGUST 2013**

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### **APPROACH**

We conducted our engagement in accordance with the Academies Accounts Direction 2013 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- Enquiry of senior management and the directors of the Academy Trust
- Inspection and review of the accounting records, meeting minutes, internal control procedures, management representations and declarations of interest
- Observation and re-performance of the financial controls
- Review of the results of the Academy Trust's process of independent checking of financial controls, systems, transactions and risks

### **OPINION**

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 26<sup>th</sup> July 2012 to 31st August 2013 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Tait Walker LLP  
Chartered Accountants & Statutory Auditor  
Bulman House  
Regent Centre  
Gosforth  
Newcastle upon Tyne  
NE3 3LS

19th December 2013

# HOLLEY PARK ACADEMY COMPANY LIMITED BY GUARANTEE

## STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT AND STATEMENT OF RECOGNISED GAINS AND LOSSES)

PERIOD FROM 26th JULY 2012 TO 31st AUGUST 2013

		Unrestricted Funds £000	Restricted Funds £000	Restricted Fixed Asset Funds £000	Total Funds Period from 26 Jul 12 to 31 Aug 13 £000
	Note				
<b>INCOMING RESOURCES</b>					
Incoming resources from generating funds:					
Voluntary income	2	–	13	–	13
Transfer from local authority on conversion	2	3	(58)	1,732	1,677
Activities for generating funds	3	47	–	–	47
Incoming resources from charitable activities:					
Funding for the academy's educational operations	4	–	938	32	970
Other incoming resources	5	63	–	–	63
<b>TOTAL INCOMING RESOURCES</b>		<b>113</b>	<b>893</b>	<b>1,764</b>	<b>2,770</b>
<b>RESOURCES EXPENDED</b>					
Costs of generating funds:					
Costs of generating voluntary income	6	(63)	–	–	(63)
Charitable activities:					
Academy's educational operations	6/7	(3)	(878)	(21)	(902)
Governance costs	8	–	(26)	–	(26)
<b>TOTAL RESOURCES EXPENDED</b>		<b>(66)</b>	<b>(904)</b>	<b>(21)</b>	<b>(991)</b>
<b>NET INCOMING RESOURCES BEFORE TRANSFERS</b>		<b>47</b>	<b>(11)</b>	<b>1,743</b>	<b>1,779</b>
Transfer between funds	15	(47)	(65)	112	–
<b>NET INCOME / (EXPENDITURE) FOR THE PERIOD</b>		<b>–</b>	<b>(76)</b>	<b>1,855</b>	<b>1,779</b>
<b>OTHER RECOGNISED GAINS AND LOSSES</b>					
Actuarial losses in respect of defined benefit pension schemes	15/22	–	(21)	–	(21)
<b>NET MOVEMENT IN FUNDS</b>		<b>–</b>	<b>(97)</b>	<b>1,855</b>	<b>1,758</b>
<b>RECONCILIATION OF FUNDS</b>					
Total funds brought forward		–	–	–	–
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>–</b>	<b>(97)</b>	<b>1,855</b>	<b>1,758</b>

The Statement of Financial Activities includes all gains and losses in the period and therefore a statement of total recognised gains and losses has not been prepared.

All of the above amounts relate to continuing activities.


The notes on pages 24 to 42 form part of these financial statements.

**HOLLEY PARK ACADEMY  
COMPANY LIMITED BY GUARANTEE  
COMPANY REGISTRATION NUMBER: 08158718  
BALANCE SHEET**

**31st AUGUST 2013**

	Note	£000	31 Aug 13 £000
<b>FIXED ASSETS</b>			
Tangible assets	12		1,855
<b>CURRENT ASSETS</b>			
Debtors	13	34	
Cash at bank		71	
		<u>105</u>	
<b>CREDITORS: amounts falling due within one year</b>	14	<u>(103)</u>	
<b>NET CURRENT ASSETS</b>			2
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>1,857</u>
<b>PROVISIONS FOR LIABILITIES</b>			
Pensions	22		<u>(99)</u>
<b>NET ASSETS</b>			<u>1,758</u>
<b>FUNDS</b>			
<b>RESTRICTED INCOME FUNDS:</b>	15		
Fixed asset fund		1,855	
General funds		2	
Pension reserve		<u>(99)</u>	
<b>TOTAL RESTRICTED FUNDS</b>			1,758
Unrestricted income funds	15		<u>-</u>
<b>TOTAL FUNDS</b>			<u>1,758</u>

These financial statements were approved by the directors on the 16/12/13 and are signed on their behalf by:

  
Mr D. Haw  
Chair of Directors

The notes on pages 24 to 42 form part of these financial statements.



**HOLLEY PARK ACADEMY  
COMPANY LIMITED BY GUARANTEE**

**CASH FLOW STATEMENT**

**PERIOD FROM 26th JULY 2012 TO 31st AUGUST 2013**

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	<b>Note</b>	<b>Period from 26 Jul 12 to 31 Aug 13 £000</b>	<b>£000</b>
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>	<b>18</b>		<b>161</b>
<b>CAPITAL EXPENDITURE</b>			
Payments to acquire fixed assets	19		(112)
Cash transferred on conversion to an academy trust	24		22
<b>INCREASE IN CASH</b>	<b>20</b>		<b>71</b>

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The notes on pages 24 to 42 form part of these financial statements.

# HOLLEY PARK ACADEMY COMPANY LIMITED BY GUARANTEE

## NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 26th JULY 2012 TO 31st AUGUST 2013

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### 1. ACCOUNTING POLICIES

#### **Basis of accounting**

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards, the Statement of Recommended Practice "Accounting and Reporting by Charities" issued in March 2005 (SORP 2005), the Academies Accounts Direction issued by the EFA and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

#### **Going concern**

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

The balance sheet is showing an overall positive reserve position, however the directors recognise that the restricted general fund is in deficit by £97,000. This is due to the inclusion of the LGPS liability transferred on conversion which at the period end was £99,000. The directors expect that the day-to-day activities of the Academy will be adequately funded by income from all sources for the next 12 months. Following actuarial advice the Academy Trust is making additional contributions to the LGPS in order to reduce the deficit.

#### **Incoming resources**

All incoming resources are recognised when the academy trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

- **Grants receivable**

Grants are included in the statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant fund 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.

The General Annual Grant (GAG) 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.

- **Donations**

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

- **Other income**

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

# HOLLEY PARK ACADEMY COMPANY LIMITED BY GUARANTEE

## NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 26th JULY 2012 TO 31st AUGUST 2013

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### 1. ACCOUNTING POLICIES *(continued)*

#### **Resources expended**

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

#### **Costs of generating funds**

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

#### **Charitable activities**

These are the costs incurred on the academy trust's educational operations.

#### **Governance costs**

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

All resources expended are inclusive of irrecoverable VAT.

#### **Fixed assets**

Assets costing more than £1,000 or more are capitalised as fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

Leasehold land & buildings	1%
Fixtures, fittings & equipment	25%
ICT equipment	33%

A review for impairment of fixed assets 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.

#### **Leased assets**

Rentals under operating leases are charged to the statement of financial activities on a straight-line basis over the lease term.

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# **HOLLEY PARK ACADEMY COMPANY LIMITED BY GUARANTEE**

## **NOTES TO THE FINANCIAL STATEMENTS**

**PERIOD FROM 26th JULY 2012 TO 31st AUGUST 2013**

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### **1. ACCOUNTING POLICIES *(continued)***

#### **Taxation**

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

#### **Pension benefits**

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over the employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a projected benefit method. As stated in Note 22, the TPS is a multi-employer scheme and the academy trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the 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 the vesting occurs. The expected return on assets and the interest costs 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.

# HOLLEY PARK ACADEMY COMPANY LIMITED BY GUARANTEE

## NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 26th JULY 2012 TO 31st AUGUST 2013

### 1. ACCOUNTING POLICIES *(continued)*

#### **Fund accounting**

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

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

Restricted general funds comprise all other restricted funds received and include grants from the Education Funding Agency.

#### **Conversion to an academy**

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 using the acquisition method.

The assets and liabilities transferred on conversion from Holley Park Primary School to Holley Park Academy have been valued at their fair value being a reasonable estimate of the current market value that the directors would expect to pay in an open market for an equivalent time. Their fair value is in accordance with the accounting policies set out for Holley Park Academy. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in voluntary income as net income in the statement of financial activities and analysed under the unrestricted funds, restricted general funds and restricted fixed asset funds. Further details of the transaction are set out in note 24.

### 2. VOLUNTARY INCOME

	Unrestricted Funds £000	Restricted Funds £000	Restricted Fixed Asset Funds £000	Total Funds 2013 £000
Transfer from local authority on conversion (note 24)	3	(58)	1,732	1,677
<b>Donations</b>				
Donations	—	13	—	13
	<u>3</u>	<u>(45)</u>	<u>1,732</u>	<u>1,690</u>

Voluntary income includes a transfer of assets received on conversion to Academy on 26th July 2012. For further details see note 24.

**HOLLEY PARK ACADEMY  
COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE FINANCIAL STATEMENTS**

**PERIOD FROM 26th JULY 2012 TO 31st AUGUST 2013**

**3. INCOMING RESOURCES FROM ACTIVITIES FOR GENERATING FUNDS**

	<b>Unrestricted Funds</b>	<b>Total Funds</b>
	<b>£000</b>	<b>2013</b>
	<b>£000</b>	<b>£000</b>
Hire of facilities	1	1
Catering income	31	31
Other activities for generating funds	15	15
	<u>47</u>	<u>47</u>

**4. FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS**

	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>Restricted Fixed Asset Funds</b>	<b>Total Funds</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>2013</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>DfE/EFA Grants</b>				
General Annual Grant (GAG)	—	869	—	869
Start Up grants	—	25	—	25
Capital grants	—	—	7	7
Other DfE/EFA grants	—	16	—	16
	<u>—</u>	<u>910</u>	<u>7</u>	<u>917</u>
<b>Other Government Grants</b>				
Local Authority grants	—	28	—	28
Other income: Government grants – capital	—	—	25	25
	<u>—</u>	<u>938</u>	<u>32</u>	<u>970</u>

**5. OTHER INCOMING RESOURCES**

	<b>Unrestricted Funds</b>	<b>Total Funds</b>
	<b>£000</b>	<b>2013</b>
	<b>£000</b>	<b>£000</b>
Other incoming resources	63	63
	<u>63</u>	<u>63</u>

Other incoming resources include insurance receipts in relation to flood damages.

**HOLLEY PARK ACADEMY  
COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE FINANCIAL STATEMENTS**

**PERIOD FROM 26th JULY 2012 TO 31st AUGUST 2013**

**6. RESOURCES EXPENDED**

	Staff Costs	Non Pay Expenditure		Total
		Premises	Other	2013
	£000	£000	£000	£000
Costs of activities for generating voluntary income	13	-	50	63
Academy's educational operations:				
Direct costs (note 7)	556	-	52	608
Allocated support costs (note 7)	153	75	66	294
	<u>722</u>	<u>75</u>	<u>168</u>	<u>965</u>
Governance costs including allocated support costs	4	-	22	26
	<u>726</u>	<u>75</u>	<u>190</u>	<u>991</u>

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

	Period from 26 Jul 12 to 31 Aug 13 £000
Operating leases	15
Auditors remuneration	
- audit of the financial statements	7
- other services	4
	<u>11</u>

# HOLLEY PARK ACADEMY COMPANY LIMITED BY GUARANTEE

## NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 26th JULY 2012 TO 31st AUGUST 2013

### 7. CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted Funds £000	Restricted Funds £000	Restricted Fixed Asset Funds £000	Total Funds 2013 £000
<b>Direct Costs</b>				
Teaching & educational support staff costs	—	556	—	556
Depreciation	—	—	1	1
Technology costs	—	10	—	10
Educational supplies	—	27	—	27
Staff development	—	4	—	4
Educational consultancy	—	9	—	9
Other direct costs	—	1	—	1
	<u>—</u>	<u>607</u>	<u>1</u>	<u>608</u>
<b>Support Costs</b>				
Support staff	—	153	—	153
Depreciation	—	—	20	20
Technology costs	—	5	—	5
Maintenance of premises & equipment	—	36	—	36
Cleaning	—	12	—	12
Rent & rates	—	7	—	7
Repairs & maintenance	—	19	—	19
Insurance	—	16	—	16
Other support costs	3	23	—	26
	<u>3</u>	<u>271</u>	<u>20</u>	<u>294</u>
	<u>3</u>	<u>878</u>	<u>21</u>	<u>902</u>

### 8. GOVERNANCE COSTS

	Restricted Funds £000	Total Funds 2013 £000
Salaries and wages	4	4
Auditors remuneration:		
- audit of financial statements	5	5
- other audit costs	2	2
- accountancy costs	4	4
Legal & professional fees	11	11
	<u>26</u>	<u>26</u>



# **HOLLEY PARK ACADEMY COMPANY LIMITED BY GUARANTEE**

## **NOTES TO THE FINANCIAL STATEMENTS**

**PERIOD FROM 26th JULY 2012 TO 31st AUGUST 2013**

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### **9. STAFF COSTS AND REMUNERATION**

**Total staff costs were as follows:**

	<b>Period from 26 Jul 12 to 31 Aug 13 £000</b>
Wages and salaries	591
Social security costs	41
Other pension costs	87
	<u>719</u>
Supply teacher costs	7
	<u>726</u>

Other pension costs above represents the total operating charge included in resources expended in the statement of financial activities and does not include amounts included in other finance costs and other recognised gains and losses (see note 22).

#### **Particulars of employees:**

The average number of employees during the period (including senior management team), calculated on the basis of full-time equivalents, was as follows:

	<b>Period from 26 Jul 12 to 31 Aug 13 No</b>
Teaching staff	9
Administration & support	10
Management	1
	<u>20</u>

The number of employees whose remuneration for the period fell within the following bands, were:

	<b>Period from 26 Jul 12 to 31 Aug 13 No</b>
£70,001 to £80,000	1

The above employee participates in the Teachers' Pension Scheme. During the period ended 31st August 2013, pension costs for this employee amounted to £10,057.

# **HOLLEY PARK ACADEMY COMPANY LIMITED BY GUARANTEE**

## **NOTES TO THE FINANCIAL STATEMENTS**

**PERIOD FROM 26th JULY 2012 TO 31st AUGUST 2013**

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### **10. RELATED PARTY TRANSACTIONS - TRUSTEES' REMUNERATION & EXPENSES**

The head teacher and other staff trustees only receive remuneration in respect of the services they provide undertaking the roles of head teacher and staff, and not in respect of their services as trustees. Other trustees did not receive any payments, other than expenses, from the academy trust in respect of their role as trustees.

The value of trustees' remuneration (which includes gross salary before taxable deductions and employer's pension contributions) was as follows:

Trustee	Gross salary	Employer Pension Contributions	Total
S. Richards (head teacher and trustee)	£70,000 - £75,000	£10,000 - £15,000	£80,000 - £85,000
S. Kitchen (staff trustee)	£45,000 - £50,000	£5,000 - £10,000	£50,000- £55,000
M. Robinson (staff trustee)	£25,000 - £30,000	£0 - £5,000	£30,000 - £35,000
G. Wood (staff trustee)	£40,000 - £45,000	£5,000 - £10,000	£45,000- £50,000

No expenses were reimbursed to any trustees during the period ended 31st August 2013.

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

### **11. TRUSTEES' AND OFFICERS' INSURANCE**

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £2m on any one claim and the cost for the period ended 31 August 2013 was £906.

The costs of this insurance is included in total insurance costs.

**HOLLEY PARK ACADEMY  
COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE FINANCIAL STATEMENTS**

**PERIOD FROM 26th JULY 2012 TO 31st AUGUST 2013**

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**12. TANGIBLE FIXED ASSETS**

	<b>Leasehold Land &amp; Buildings £000</b>	<b>Furniture &amp; Equipment £000</b>	<b>Computer Equipment £000</b>	<b>Total £000</b>
<b>COST</b>				
Additions	1,864	4	8	1,876
<b>At 31st August 2013</b>	<u>1,864</u>	<u>4</u>	<u>8</u>	<u>1,876</u>
<b>DEPRECIATION</b>				
Charge for the period	18	1	2	21
<b>At 31st August 2013</b>	<u>18</u>	<u>1</u>	<u>2</u>	<u>21</u>
<b>NET BOOK VALUE</b>				
<b>At 31st August 2013</b>	<u>1,846</u>	<u>3</u>	<u>6</u>	<u>1,855</u>

**13. DEBTORS**

	<b>31 Aug 13 £000</b>
Other debtors	7
Prepayments	27
	<u>34</u>

**14. CREDITORS: Amounts falling due within one year**

	<b>31 Aug 13 £000</b>
Trade creditors	94
Accruals	9
	<u>103</u>

There is no deferred income held at 31st August 2013.

# HOLLEY PARK ACADEMY COMPANY LIMITED BY GUARANTEE

## NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 26th JULY 2012 TO 31st AUGUST 2013

### 15. FUNDS

	Incoming Resources £000	Resources Expended £000	Gains, Losses and Transfers £000	Balance at 31 August 2013 £000
<b>Restricted General Funds</b>				
General Annual Grant (GAG)	869	(802)	(65)	2
Start Up Grant	25	(25)	-	-
Other DfE/EFA Grants	16	(16)	-	-
Other restricted income	60	(60)	-	-
Pension Reserve	(77)	(1)	(21)	(99)
	<u>893</u>	<u>(904)</u>	<u>(86)</u>	<u>(97)</u>
<b>Restricted Fixed Asset Funds</b>				
DfE/EFA Capital Grants	7	(7)	-	-
Capital expenditure from GAG	-	-	65	65
Other Government Grants - Capital	25	-	-	25
Transfers from local authority	1,732	(14)	-	1,718
Transfers from other funds	-	-	47	47
	<u>1,764</u>	<u>(21)</u>	<u>112</u>	<u>1,855</u>
<b>Total restricted funds</b>	<u>2,657</u>	<u>(925)</u>	<u>26</u>	<u>1,758</u>
<b>Unrestricted funds</b>	113	(66)	(47)	-
<b>Total funds</b>	<u>2,770</u>	<u>(991)</u>	<u>(21)</u>	<u>1,758</u>

#### Restricted General Funds

General Annual GAG must be used for the normal running costs of the academy. Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2013.

Other DfE/EFA Grants includes funding for Pupil Premium, Early Years and Special Educational Needs.

The costs and income associated with the defined benefit pension scheme have been recorded in the restricted general fund. Staff costs including pension contributions are paid from this fund, and therefore the pension liability has been aligned with this fund.

#### Restricted fixed asset funds

The restricted fixed asset fund includes grants received for restricted capital expenditure. Transfers have been made from restricted general funds and unrestricted funds, to the restricted fixed asset fund to reflect the capital expenditure funded by GAG and other restricted income sources during the period. The closing balance on the restricted fixed asset fund represents the closing net book value of assets held by the academy trust on 31 August 2013.

**HOLLEY PARK ACADEMY  
COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE FINANCIAL STATEMENTS**

**PERIOD FROM 26th JULY 2012 TO 31st AUGUST 2013**

**16. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted funds £000	Restricted general funds £000	Restricted Fixed Asset Funds £000	Total Funds 2013 £000
Tangible fixed assets	-	-	1,855	1,855
Current assets	-	105	-	105
Current liabilities	-	(103)	-	(103)
Pension scheme liability	-	(99)	-	(99)
	<u>-</u>	<u>(97)</u>	<u>1,855</u>	<u>1,758</u>

**17. COMMITMENTS UNDER OPERATING LEASES**

At 31st August 2013 the academy had annual commitments under non-cancellable operating leases as set out below.

	Assets other than land and buildings £000
<b>Operating leases which expire:</b>	
Within 1 year	2
Within 2 to 5 years	12
	<u>14</u>

# **HOLLEY PARK ACADEMY COMPANY LIMITED BY GUARANTEE**

## **NOTES TO THE FINANCIAL STATEMENTS**

**PERIOD FROM 26th JULY 2012 TO 31st AUGUST 2013**

### **18. RECONCILIATION OF NET INCOME TO NET CASH INFLOW FROM OPERATING ACTIVITIES**

	<b>Period from 26 Jul 12 to 31 Aug 13 £000</b>
Net incoming resources before transfers	1,779
Transfer on conversion	(1,677)
Depreciation	21
Capital grants from DfE and other capital income	(32)
FRS17 pension finance income	1
Increase in debtors	(34)
Increase in creditors	103
Net cash inflow from operating activities	<u>161</u>

### **19. CAPITAL EXPENDITURE**

	<b>31 Aug 2013 £000</b>
Purchase of tangible fixed assets	(144)
Capital grants from DfE/EFA	7
Capital grants from Local Government	25
Net cash outflow from capital expenditure	<u>(112)</u>

### **20. ANALYSIS OF CHANGES IN NET FUNDS**

	<b>26 Jul 12 £000</b>	<b>Cash flows £000</b>	<b>31 Aug 13 £000</b>
Cash at bank	<u>-</u>	<u>71</u>	<u>71</u>

### **21. MEMBERS' LIABILITY**

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

# **HOLLEY PARK ACADEMY COMPANY LIMITED BY GUARANTEE**

## **NOTES TO THE FINANCIAL STATEMENTS**

**PERIOD FROM 26th JULY 2012 TO 31st AUGUST 2013**

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### **22. PENSIONS AND OTHER POST RETIREMENT BENEFITS**

#### **Pension and similar obligations**

The academy's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Sunderland 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 31st March 2004 and of the LGPS 31st March 2010. Contributions amounting to £5,712 were payable to the schemes at 31st August 2013 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). These regulations apply to teachers in schools that are maintained by local authorities and other educational establishments, including academies, in England and Wales. In addition teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and from 1st January 2007 automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

##### **The Teachers' Pension Budgeting and Valuation Account**

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and are paid by public funds provided by Parliament. 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 under arrangements governed by the above Act. The Teachers' Pensions Regulations require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pensions' increases). From 1st April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

##### **Valuation of the Teachers' Pension Scheme**

At the last valuation, the contribution rate to be paid into the TPS was assessed in two parts. First, a standard contribution rate (SCR) was determined. This is the contribution, expressed as a percentage of the salaries of teachers and lecturers in service or entering service during the period over which the contribution rate applies, which if it were paid over the entire active service of these teachers and lecturers would broadly defray the cost of benefits payable in respect of that service. Secondly, a supplementary contribution is payable if, as a result of the actuarial review, it is found that accumulated liabilities of the Account for benefits to past and present teachers, are not fully covered by standard contributions to be paid in future and by the notional fund built up from past contributions. The total contribution rate payable is the sum of the SCR and the supplementary contribution rate.

# HOLLEY PARK ACADEMY COMPANY LIMITED BY GUARANTEE

## NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 26th JULY 2012 TO 31st AUGUST 2013

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### 22. PENSIONS AND OTHER POST RETIREMENT BENEFITS *(continued)*

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

The last valuation of the TPS related to the period 1st April 2001 to 31st March 2004. The Government Actuary's report of October 2006 revealed that the total liabilities of the Scheme (pensions in payment and the estimated cost of future benefits) amounted to £166,500 million. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at that valuation date) was £163,240 million. The assumed real rate of return was 3.5% in excess of prices and 2% in excess of earnings. The rate of real earnings growth was assumed to be 1.5%. The assumed gross rate of return was 6.5%. From 1 January 2007, the SCR was assessed at 19.75%, and the supplementary contribution rate was assessed to be 0.75% (to balance assets and liabilities as required by the regulations within 15 years). This resulted in a total contribution rate of 20.5%, which translated into an employee contribution rate of 6.4% and employer contribution rate of 14.1% payable.

Actuarial scheme valuations are dependent on assumptions about the value of future costs, the design of benefits and many other factors. Many of these assumptions are being considered as part of the work on the reformed TPS, as set out below. Scheme valuations therefore remain suspended. The Public Service Pensions Bill, which is being debated in the House of Commons, provides for future scheme valuations to be conducted in accordance with Treasury directions. The timing for the next valuation has still to be determined, but it is likely to be before the reformed schemes are introduced in 2015.

#### **Teachers' Pension Scheme Changes**

Lord Hutton published his final report in March 2011 and made recommendations about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation and Ministers engaged in extensive discussions with trade unions and other representative bodies on reform of the TPS. Those discussions concluded on 9th March 2012 and the Department published a Proposed Final Agreement, setting out the design for a reformed TPS to be implemented from 1st April 2015.

The key provisions of the reformed scheme include: a pension based on career average earnings; an accrual rate of 1/57th; and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Importantly, pension benefits built up before 1st April 2015 will be fully protected.

In addition, the Proposed Final Agreement includes a Government commitment that those within 10 years of Normal Pension Age on 1st April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall just outside of the 10 year protection.

In his interim report of October 2010, Lord Hutton recommended that short-term savings were also required, and that the only realistic way of achieving these was to increase member contributions. At the Spending Review 2010 the Government announced an average increase of 3.2 percentage points on the contribution rates by 2014-15. The increases were to be phased in from April 2012 on a 40:80:100% basis.



# HOLLEY PARK ACADEMY COMPANY LIMITED BY GUARANTEE

## NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 26th JULY 2012 TO 31st AUGUST 2013

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### 22. PENSIONS AND OTHER POST RETIREMENT BENEFITS *(continued)*

#### **Teachers' Pension Scheme Changes *(continued)***

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The academy is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the academy has taken advantage of the exemption in FRS 17 and 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.

At the period ended 31st August 2013, contributions payable to the Teachers' Pension Scheme amounted to £5,712 (Employee contributions of £2,195 and employer contributions of £3,517).

#### **Local Government Pension Scheme**

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the period ended 31st August 2013 was £49,268, of which employer's contributions totalled £38,268 and employees' contributions totalled £11,000. The agreed contribution rates for future years are 18.9% for employers and between 5.5% and 7.5% for employees.

The directors have agreed to make additional contributions in addition to normal funding levels in order to reduce the scheme deficit. In the period ended 31st August 2013, additional contributions totalled £5,542.

The employer's regular contributions to the pension fund for the accounting period ending 31st August 2014 are estimated by the fund's actuary to be £36,000.

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

	<b>31 Aug 13</b>
	<b>£000</b>
Total operating charge in resources expended:	
Current service cost	<b>38</b>
Total operating charge	<b>38</b>
Amounts included in other finance cost:	
Expected return on scheme assets	<b>(10)</b>
Interest on scheme liabilities	<b>11</b>
Other finance cost	<b>1</b>
Total charge to the statement of financial activities	<b>39</b>

# **HOLLEY PARK ACADEMY COMPANY LIMITED BY GUARANTEE**

## **NOTES TO THE FINANCIAL STATEMENTS**

**PERIOD FROM 26th JULY 2012 TO 31st AUGUST 2013**

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### **22. PENSIONS AND OTHER POST RETIREMENT BENEFITS *(continued)***

The amounts recognised in the balance sheet are as follows:

	<b>31 Aug 13</b>
	<b>£000</b>
Present value of funded obligations	<b>(298)</b>
Fair value of scheme assets	<b>199</b>
	<b><u>(99)</u></b>
Net pension liability	<b><u>(99)</u></b>

Changes in the present value of the defined benefit obligation scheme are as follows:

	<b>31 Aug 13</b>
	<b>£000</b>
Opening defined benefit obligation	<b>206</b>
Current service cost	<b>38</b>
Interest on scheme liabilities	<b>11</b>
Actuarial loss	<b>32</b>
Contributions by scheme participants	<b>11</b>
	<b><u>298</u></b>
Closing defined benefit obligation	<b><u>298</u></b>

Changes in the fair value of scheme assets are as follows:

	<b>31 Aug 13</b>
	<b>£000</b>
Opening fair value of scheme assets	<b>129</b>
Expected return on scheme assets	<b>10</b>
Contributions by employer	<b>38</b>
Contributions by scheme participants	<b>11</b>
Actuarial gain	<b>11</b>
	<b><u>199</u></b>
Closing fair value of scheme assets	<b><u>199</u></b>

The estimated value of employer contributions for the year ended 31st August 2014 is £43,000.

The history of experience adjustments is as follows:

	<b>31 Aug 13</b>
	<b>£000</b>
Present value of defined benefit obligations	<b>(298)</b>
Fair value of scheme assets	<b>199</b>
	<b><u>(99)</u></b>
Deficit in the scheme	<b><u>(99)</u></b>
Experience adjustments on share of scheme assets	<b>11</b>
Experience of adjustment on scheme liabilities	<b><u>-</u></b>

# HOLLEY PARK ACADEMY COMPANY LIMITED BY GUARANTEE

## NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 26th JULY 2012 TO 31st AUGUST 2013

### 22. PENSIONS AND OTHER POST RETIREMENT BENEFITS *(continued)*

The fair value of the major categories of scheme assets and the expected rate of return at the balance sheet date are as follows:

	Expected return 31 Aug 13 %	Fair value of assets 31 Aug 13 £000
Equities	7.9%	133
Government bonds	3.4%	7
Corporate bonds	4.1%	23
Property	7.4%	17
Cash	0.9%	5
Other assets	7.9%	14
Fair value of scheme assets		<u>199</u>

Holley Park Academy employs a building block approach in determining the rate of return on fund assets. Historical markets are studied and assets with higher volatility are assumed to generate higher returns consistent with widely accepted capital market principles. The assumed rate of return on each asset class is set out within this note. The overall expected rate of return on assets is then derived by aggregating the expected return for each asset class over the actual asset allocation for the fund at 31st August 2013.

The principal actuarial assumptions as at the balance sheet date were:

	31 Aug 13 %
Discount rate	4.5
Rate of increase in salaries	4.7
Rate of increase in pensions in payment	2.8
CPI Inflation	2.8
Commutation of pensions to lump sums pre 1st April 2010	50
Commutation of pensions to lump sums post 1st April 2010	75

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

	At 31 Aug 13
<i>Retiring today</i>	
Males	21.7
Females	23.9
<i>Retiring in 20 years</i>	
Males	23.5
Females	25.8

# HOLLEY PARK ACADEMY COMPANY LIMITED BY GUARANTEE

## NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 26th JULY 2012 TO 31st AUGUST 2013

### 23. RELATED PARTY TRANSACTIONS

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

The following related party transactions took place in the period of account:

Oxclose Community Academy is a related party by virtue of Mr D. Haw, director at Holley Park Academy and Deputy Headteacher at Oxclose Community Academy. During the year £150 was paid to Oxclose Community Academy for provision of testing services. There were no amounts outstanding at 31 August 2013.

Mr R. Chamberlain is a director, his wife Mrs J. Chamberlain, is employed by the school as a Teaching Assistant and is paid in line with national payscales.

### 24. CONVERSION TO AN ACADEMY TRUST

On 26th July 2012 Holley Park School converted to academy trust status under the Academies Act 2010 and all the operations, assets and liabilities were transferred to Holley Park Academy from Sunderland County Council for £nil consideration.

The transfer has been accounted for using the acquisition method. Land & buildings transferred to the academy have been valued on a depreciated replacement cost basis, other assets and liabilities transferred were valued at their fair value. All assets and liabilities have been 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 voluntary income.

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

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds 2013 £000
Leasehold land & buildings	-	-	1,732	1,732
Budget surplus on LA funds	-	19	-	19
Budget surplus on other school funds	3	-	-	3
LGPS pension deficit	-	(77)	-	(77)
	<u>3</u>	<u>(58)</u>	<u>1,732</u>	<u>1,677</u>

The above net assets include £22,000 that was transferred as cash.