



Harrogate High School Academy Trust
(A Company Limited by Guarantee)

Annual Report and Financial Statements
Period from the 1st September 2014 to the 31st March 2015 (7 months)

Company Registration Number:
08074099 (England and Wales)

Harrogate High School Academy Trust

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Harrogate High School Academy Trust

Reference and administrative details

Members	John Adams Mark Campey Tracy Charlish Ian Curtis Jean Lane Richard Thomas David Watson Guy Winter Andrew Bayston Margaret-Ann de Courcey-Bayley Tracey McWilliams Geraldine Potts Karen Naylor
Trustees	John Adams Mark Campey Tracy Charlish* Ian Curtis (Chair)* Jean Lane (Vice Chair)* Richard Thomas * David Watson* Guy Winter Andrew Bayston(Principal and Accounting Officer)* Margaret-Ann de Courcey-Bayley* Tracey McWilliams (Staff Trustee) Geraldine Potts (Staff Trustee) Karen Naylor (Staff Trustee)* *Members of the Finance & Personnel Committee
Company Secretary	Sally Cocker
Senior Leadership Team	Andrew Bayston (Principal) Ann Francis (Vice Principal) Sally Cocker (Finance Director) Rickie Wilson (Assistant Principal) Charlotte Clarke(Assistant Principal) Adam Richards (Assistant Principal)
Registered Office	Ainsty Road Harrogate HG1 4AP Tel: 01423 548800
Company Registration Number	08074099 (England and Wales)
Auditors	C W R Chartered Accountants 20 Mannin Way Lancaster Business Park Caton Road Lancaster LA1 3SW

Harrogate High School Academy Trust

Bankers

Lloyds Bank plc
8 Cambridge Crescent
Harrogate HG1 8PQ

Solicitors

Wrigleys Solicitors LLP
19 Cookridge Street
Leeds LS2 3AG

Harrogate High School Academy Trust

TRUSTEES' REPORT

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company Harrogate High School Academy Trust (HHSAT)(the Academy) for the 7 month period 1st September 2014 to 31st March 2015. The annual report serves the purposes of both a trustees' report and a directors' report under company law.

On 1st April 2015, the Academy formed a multi-academy trust with Skipton Girls' High School Academy Trust called Northern Star Academies Trust (NSAT). From that date, HHSAT ceased to operate and all of the assets and liabilities of HHSAT transferred to the multi-academy trust at the value shown on the balance sheet at 31st March 2015. NSAT will produce an annual report and financial statements for the period ended 31st August 2015 which, from 1st April 2015 will include Harrogate High School's financial activities. This may be found on the Trust's website: www.northernstaracademies.org.uk.

During this period the academy trust operated an academy (Harrogate High School) for students aged 11 to 19 serving a catchment of Harrogate and its outlying rural area. It had a capacity of 1570 and had a roll of 564 in the October 2014 school census. For the remainder of this report, the Academy Trust will be referred to in the present tense as it was still operational for the period that this report covers.

Structure, Governance and Management

Constitution

The Academy Trust is a company limited by guarantee and an exempt charity (Company registered number 08074099). The Charitable Company's memorandum and articles of association are the primary governing documents of the academy trust.

The charitable company was incorporated on 17th May 2012 and began trading on 1st June 2012. The trustees of Harrogate High School Academy Trust are the governors of the school who are also directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Harrogate High School Academy Trust.

Details of the members together with the trustees who served during this period are included in the Reference and Administrative Details on page 2.

Members' Liability

Each member of the Charitable Company undertakes to contribute to the assets of the Charitable Company in the event of its 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. (note 24)

Trustees' Indemnities

Subject to the provisions of the Companies Act 2006, every Trustee or other officer of the academy trust shall be indemnified out of the assets of the academy trust against any liability incurred by them in that capacity in defending any proceedings, whether civil or criminal, in which judgment is given in favour or in which they are acquitted or in connection with any application in which relief is granted to them by the court from liability for negligence, default, breach of duty or

TRUSTEES' REPORT (continued)

breach of trust in relation to the affairs of the academy trust. As explained in note 11 to the financial statements the limit of this indemnity is £5,000,000.

Principal Activities

The academy is an independent school with a balanced and broadly based curriculum providing education for pupils of different abilities wholly or mainly drawn from the area in which the school is situated. It places an emphasis on the needs of the individual students including students with Special Education Needs (SEN). It provides the opportunity to study for relevant qualifications with assessments of students' performance as applied to maintained schools.

The school is at the heart of its community, promoting community cohesion and sharing facilities with the wider community. There is no charge in respect of admission to the school and the school only charges students where the law allows maintained schools to charge. The academy trust receives and manages donations and uses reasonable endeavours to procure donations for the purpose of its educational objectives. The admissions policy and arrangements for the school are as applied to maintained schools. Teachers' levels of pay and conditions of service for all employees are the responsibility of the academy trust which has chosen to follow national pay scales and conditions.

Method of Recruitment and Appointment or Election of Trustees

The management of the Academy Trust is the responsibility of the Trustees who are elected and co-opted under the terms set out in the Articles of Association.

The Trustees are Directors of the charitable company for the purposes of the Companies Act 2006 and Trustees for the purposes of charity legislation. Up to 14 Trustees may be appointed by the members. Staff Trustees are appointed through an appropriate process such as a staff election and the total number (including the Principal) may not exceed one third of the total number of trustees.

The Principal is treated as being an ex officio trustee. Parent Trustees are elected by parents of registered pupils at the academy and must be a parent of a student at the academy. The academy trust holds an agreement with the Northern Star Umbrella Trust and the Umbrella Trust may appoint trustees by giving written notice to the academy trust, but have not done so and are unlikely to do so in the future given the new relationship with the academy (see section on connected organisations, below). The governors may appoint up to three Co-opted Trustees, but so far have not done so.

Policies and Procedures Adopted for the Induction and Training of Trustees

Training and induction provided for new trustees depends on their existing experience and where necessary, covers training on charity, educational, legal and financial matters. All new trustees are given a tour of the academy, the chance to meet with staff and students and an opportunity to attend Senior Leadership Team meetings. All trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as trustees and governors. As there have been no new trustees during this period, there has been no need for induction, but trustees have routinely attended leadership team meetings and have attended training specifically for trustees on safeguarding, the new Ofsted framework and the school's self-evaluation.

TRUSTEES' REPORT (continued)

Organisational Structure

The academy trust structure comprises:

- members;
- governors (trustees/directors);
- the Senior Leadership Team;
- the management team comprising middle leaders (heads of academic departments) online managers;
- teaching and support staff.

The members oversee the achievement of the trust's objectives, appoint some of the directors, oversee the annual accounts, annual reports and the performance of the directors and exercise powers reserved to them, such as amending the Articles of the company.

The governors/trustees/directors are responsible for determining the educational character and mission of the academy, setting general policy, adopting a school development plan and budget, monitoring the academy's academic and financial progress and making major decisions about the direction of the academy, approval of the audited financial statements, capital expenditure and the appointment of the Principal, Vice Principal and Finance Director. The Principal has delegated power to undertake all other functions delegated to the Governing Body.

During this period, the Senior Leadership Team comprised the Principal (who is the trust's Accounting Officer), one Vice Principal, the Finance Director and three Assistant Principals. There were four associate members of the team: the Head of English, the Head of Inclusion, the Head of PE and the Head of Humanities. These senior managers control the academy at an executive level implementing the policies laid down by the governors and reporting back to them and are responsible for the day-to-day operation of the academy, in particular organising the teaching staff, facilities and students.

The middle and senior management teams are responsible for managing the staff in their own areas regardless of whether those staff are teachers or support staff. The aim of this integrated management structure is to devolve responsibility and encourage involvement in decision making at all levels as well as to ensure that performance is managed by the most appropriate person.

Senior and middle managers are responsible for the authorisation of spending within agreed budgets and the appointment of staff, although appointment boards must always contain a governor or a senior manager. Spending at all levels must also be authorised by the Finance Director.

Connected Organisations Including Related Party Relationships

In July 2012, the academy trust entered into an agreement with the Northern Star Umbrella Trust - based at Skipton Girls' High School - to raise standards and attainment at Harrogate High School. The partnership between the two schools has flourished and, during this period, work was completed to form a multi-academy trust with equal representation from the two schools. Northern Star Academies Trust came into being on 1st April 2015.

Harrogate High School Academy Trust

TRUSTEES' REPORT (continued)

The Academy is also a strategic partner of the Northern Lights Teaching Alliance. The alliance is a joint venture of Skipton Girls' High School Academy Trust and Feversham College, both designated 'teaching schools' by the National College of School Leaders. It exists to ensure the joint delivery of high quality teacher training, leadership development, and research and development. Harrogate High School as a strategic partner has agreed to support the alliance in training new entrants to the teaching profession, providing peer-to-peer support, developing leadership potential, providing school-to-school support, brokering the supply of system leaders (such as Specialist Leaders in Education) and engaging in and promoting research and development for the benefit of the alliance.

The school is also host to the Sainsbury's School Games Organiser for the Harrogate School Sports Partnership. Funds for the Harrogate programme are held by the school on behalf of the funding body, Ecorys. (See section on Funds Held as Custodian Trustee on Behalf of Others) (page 15).

Objectives and Activities

Objects and aims

The principal object and activity of the Charitable Company is the operation of Harrogate High School to provide education for pupils of different abilities between the ages of 11 and 19, with an emphasis on sports.

The main objectives of the Academy during the period ended 31st March 2015 are summarised below:

Progress and Attainment

- Accelerate all students' progress and raise attainment, particularly in English, Mathematics and Science
- Aspirational work with Level 4 and Level 5 children to increase progress of the more able and talented students
- Therefore deliver targets for GCSE A*-A grades in English, Mathematics and Science for 2015

Teaching and Learning

- Improve the proportion of good and outstanding teaching and learning by:
 - sharing existing best practice effectively
 - securing more consistent student engagement in lessons through increasing the pace and challenge in teaching and learning
 - providing opportunities for students to assess and take responsibility for their own learning
 - making the quality of marking and feedback more consistent

The Sixth Form

- Secure the strategic direction of the sixth form and improve its outcomes:
 - establishing a clear vision for the sixth form and its leadership
 - integrating it more effectively with the whole school
 - developing the curriculum to better meet the needs and aspirations of students
 - ensuring that monitoring and evaluation of impact of improvement strategies are rigorous
- Improve retention and attendance post-16

TRUSTEES' REPORT (continued)

Leadership and Management

- Develop the quality and effectiveness of middle leaders across the school – developing devolved accountability and responsibility
- Develop sixth form leadership to increase effectiveness and secure quality provision and outcomes
- Ensure the tracking of student progress and achievement is consistent and effective

The Curriculum

- Develop an appropriate curriculum and challenge for students in light of new DfE guidance on curriculum changes
- Develop the curriculum to promote students' communication and numeracy skills
- Develop an accelerated curriculum through vertical learning groupings
- Evaluate the 'vocational' versus 'GCSE' balance and EBacc subjects in order to improve quality rather than quantity of results

New Technologies for Learning

- Work to develop the ICT capacity of the school and to introduce new technologies as a tool to encourage greater student engagement and involvement in learning
- Work jointly with Skipton Girls' High School to utilise its Virtual Learning Environment and learning platforms
- Develop remote sharing of resources

Objectives, Strategies and Activities

The academy's main strategy is encompassed in its vision statement which is:

Learning First...

We will work together to raise the achievement of all students, thereby improving their life chances. By 'embedding ambition' in our students we will enable our young people to lead balanced lives as adults, capable of contributing to their community.

The Academy's key activities during this reporting period included:

- teaching and learning opportunities for all students to attain appropriate academic qualifications;
- professional development opportunities for all staff;
- developing work skills including placing of students with industrial and commercial partners;
- a programme of sporting and after school enrichment activities for all students;
- a system of after-school enrichment to allow students to undertake independent learning or intervention sessions;
- personalised learning and provision for students with special educational needs;
- a careers advisory service to help students obtain employment or move on to higher education;
- development of a new school building, to be completed in December 2016.

TRUSTEES' REPORT (continued)

Public Benefit

The Trustees have given consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education.

The academy trust provides education to children and young people that

- is balanced and broadly based
- promotes the spiritual, moral, cultural, mental and physical development of students at the school
- prepares students at the school for the opportunities, responsibilities and experiences of later life and aims to maximise their life chances

The academy trust is a non-selective school serving the north side of Harrogate. It is subject to the current statutory arrangements as laid down in the national Admissions Code. Current arrangements for entry to the school are available in the section of the school website dealing with admissions arrangements:

<http://www.harrogatehighschool.net/about-us/page.asp?page=admissions>

Strategic Report

Achievements and Performance

The number of students on roll in October 2014 was 564 which represents a continuing trend of falling rolls, but an increase in Year 7 intake compared with the previous year. The academy admissions policy for 2016 shows a reduction in its published admission number to reflect the reduced roll in recent years and the capacity of the new school which will replace the existing building entirely in 2016.

Despite the fall in numbers, the performance of the academy and its students' achievement remains good. The school was judged good with outstanding leadership and management by Ofsted in May 2013. The school has been awarded *Investors in Pupils* status and has been awarded the *Inclusion Quality Mark* at Level 3 (the highest possible level) and the *Dyslexia Quality Mark*.

As this report only covers a period from the start of the academic year to the end of the Spring Term, there are no results to report on; the academic performance of the school during this period is covered in the Northern Star Academies Trust report available from www.northernstaracademies.org.uk.

To ensure that standards are continually raised the academy:

- operates a programme of continuing professional development and appraisal for all staff including observation of lessons;
- undertakes a comparison of results from entry to Key Stage 3 to GCSE and from GCSE to A Level to assess the progress made;
- provides personalised, differentiated teaching and learning;

TRUSTEES' REPORT (continued)

- operates a system of individual student tracking and reporting to enable targeted early intervention for those students failing to make adequate progress;
- continues to work with strong partner organisations.

Curriculum

At Key Stage 3 (Years 7 & 8), students followed a broad and balanced curriculum focused upon providing learning and enjoyment as a foundation for Key Stage 4.

All students studied:

- English
- Mathematics
- Science
- Design Technology
- Information Technology
- Modern Language (Spanish or French)
- History
- Geography
- Art & Design
- Music
- Physical Education (including Swimming)
- Religious Education

Citizenship, Careers Education, Enterprise and Personal, Social and Health Education themes were taught through subjects, Vertical Mentor Group time and through a programme of special learning days.

At Key Stage 4 (Years 9 to 11) the academy provided a 'stage not age' curriculum which allowed some students to take GCSE exams in Years 9 and 10 and then move on to pursue additional qualifications.

All students studied towards qualifications in:

- English
- Mathematics
- Science
- Physical Education (including Dance option)
- Information Technology
- Religious Education & Citizenship

Students also chose from a variety of optional courses. The academy offered a range of qualifications including GCSE, BTEC Firsts, NVQ Level 1 and Level 2 and Modern Apprenticeships (in partnership with Harrogate College).

TRUSTEES' REPORT (continued)

In addition to academic achievements and performance, the academy trust has also had a successful year in relation to building and facilities development. The school is in the Yorkshire Batch of schools due to be completely rebuilt in 2015/16 under the Priority Schools Building Programme. Alongside this major redevelopment, the Harrogate Spa Tennis Centre has received planning permission and is due to be completed on the school site in October 2015. This will provide tennis coaching and first-class facilities for the students and members of the community.

Key Performance Indicators

These are the targets set for the academic year 2014-15. As this report only covers the year up to 31st March 2015, please see the Northern Star Academies Trust report at www.northernstaracademies.org.uk.

	School Target 2015	Diff from FFTD Rank 25	Diff from HHS actual 2014
Headline targets			
5 A*-C (New measure)	60%	+7%	+4%
A*-C in English and Maths	62%	+9%	+2%
Subject targets			
English A*-C	68%	+5%	+2%
English 3 levels of progress	72%	+8%	+1%
English more than 3 levels of progress	30%	+5%	+7%
English A*-A	13%	+3%	+2%
Maths			
Maths A*-C	72%	+10%	-
Maths 3 levels of progress	72%	+13%	+3%
Maths more than 3 levels of progress	30%	+10%	+2%
Maths A*-A	16%	+6%	-
Science			
Science x 2 A*-C (GCSE entries only)	60%	+2%	+18%
Science x 1 A*-C (All students)	80%	-	+15%
Science 3 levels of progress	70%	+15%	+9%
Science more than 3 levels of progress	33%	+18%	-
Science x 1 A*-A	15%	-	+1%

TRUSTEES'REPORT (continued)

Science x 2 A*-A	13%	+3%	+6%
Sport A*-C	100%	+46%	-
English Baccalaureate	25%	-	+11%
Attendance targets			
Attendance	97%	-	+3%
Persistent Absence	4.5%	-	+0.9%

Financial Performance Indicators

A funding formula that is almost entirely pupil-led has further increased the emphasis on the importance of recruiting students and this has been a key target for the academy. A sustained marketing campaign has begun to take effect with increases in the Year 7 intake from 50 in 2012 to 66 in 2013 and 82 in 2014. Further increases are expected every year until the maximum capacity of 125 is reached and the academy's target is met.

The key performance indicator for the academy trust's financial performance in the reporting period was the delivery of a balanced budget (or a year-end surplus). Given the fall in rolls, the General Annual Grant (GAG) income has fallen and the budget reflected an in-year deficit but an overall surplus. This was part of a long-term financial plan where surpluses were grown in previous years and held in reserve in order to fund the few years when the roll was at its lowest and beginning to increase. As it happens, a national move to a pupil-led funding formula together with an inefficient building which is under capacity by 64% has exacerbated the problem in a way that was not foreseen ten years ago. The strategy adopted by governors was sufficient to ensure that the school has remained financially sound; increasing pupil numbers and constructing a new building that will be full is now the key strategy for ongoing financial stability.

Going Concern

On 1st April 2015, the Academy formed a multi-academy trust with Skipton Girls' High School Academy Trust called Northern Star Academies Trust (NSAT). From that date, HHSAT ceased to operate and all of the assets and liabilities of HHSAT transferred to the multi-academy trust at the value shown on the balance sheet at 31st March 2015. Under the new multi-academy trust arrangement, and after making appropriate enquiries, the board of trustees has a reasonable expectation that the multi-academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it will continue 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.

TRUSTEES' REPORT (continued)

Financial Review

These financial statements reflect a 7 month accounting period from 1st September 2014 to 31st March 2015. The majority of income received is obtained from the Educational Funding Agency (EFA) in the form of recurrent GAG funding, the use of which is restricted for the day to day running of the academy trust. Total grants received from the EFA are set out in the statement of financial activities.

During the period the academy trust received £2,129,000 of income, of which £1,819,000 was GAG funding. Other grants and income amounted to £310,000.

Expenditure for the period totalled £2,230,000 (excluding depreciation), including £1,712,000 of staff related costs supporting the day to day running of the academy trust.

In aggregate, during the period, total income over total expenditure led to a deficit position of £101,000, excluding depreciation and movements in the pension fund.

The Local Government Pension Scheme (LGPS) liability stands at £1,552,000 as at the 31st March 2015, an increase of £90,000 during the period. This is detailed in note 25 to the financial statements.

As at the 31st March 2015 the net book value of fixed assets after depreciation is £9,150,000 as shown in note 12 of the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the academy trust.

The academy trust's Finance and Governance Manual is reviewed and approved by governors and details the framework, policies and procedures for financial management in accordance with the Academies Financial Handbook. This includes the financial responsibilities of the trustees, the Principal, the Finance Director, the Bursar and other members of staff; the scheme of delegation and systems of control. It is supported by the following additional policies: Budget Management, Charging and Remissions, Management and Investment of Cash Reserves, Risk, Whistleblowing and Fraud. Governors have appointed a Responsible Officer, who is not a member of the Finance and Personnel Committee, to undertake a programme of internal checks on financial controls and to report to meetings of the Finance and Personnel Committee and the Board.

Reserves and Investment Policy

The academy's reserves at 31st March 2015 have been transferred into the new multi academy trust Northern Star Academies Trust. In the future the academy trust aims to continue building up reserves for the future and has clear plans for how this will be used to benefit students. The Finance and Personnel Committee is responsible for overseeing the

TRUSTEES' REPORT (continued)

investment of any surplus cash and reviews the reserve levels of the academy trust annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The governors have determined that the appropriate level of free reserves should be equivalent to two months' salary costs plus one month's expenditure, approximately £638,000. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. The academy's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £769,000 which is more than is needed at present.

Cash assets will only be invested in interest bearing accounts with the institutions on a list assessed and approved by North Yorkshire County Council for its own treasury management arrangements. Investments are limited to those where the capital is not put at risk and cash is not tied up any longer than is necessary, ensuring that early access charges are avoided should there be a need to transfer cash to the current account to address a short term cash flow problem.

In order to spread risk, cash will in the future be invested with more than one institution with a maximum of £250,000 invested in each unlinked institution.

The Finance and Personnel Committee will review at least annually the stability of the institutions used as well as interest rates compared with other investment opportunities.

The academy held revenue fund balances at the 31st March 2015 of £769,000 comprising £238,000 of restricted funds and £531,000 of unrestricted general funds. In addition to this the pension reserve shows a deficit of £1,552,000. Further details of the carry forward balances on each fund can be found in note 15 to the accounts.

Principal Risks and Uncertainties

The governors during this reporting period identified the following principal risks and uncertainties:

The risks for the continuing viability of the academy trust relate to student numbers and premises costs. Although a rise in intake numbers has become a year-on-year trend which is expected to continue until Year 7 is full by 2017, the overall numbers are still falling due to larger year groups leaving at the end of each year. At the same time, the premises costs are for a building of 1570 pupils and although these have been reduced as far as possible, they cannot be brought down to a level found in a smaller school. Both of these risks are being managed by the school leadership and staff who have striven over the past five years to improve the quality of provision and standards generally and therefore achievement of students. This, together with the 'good' Ofsted rating, a sustained public relations campaign, the new school build and local housing development, has reversed the recent admissions trend. The new school building is due to be completed in 2016 after which the budget is expected to be in a balanced in-year position.

The Finance Manual addresses all other financial risks and ensures that systems, policies and procedures are in place to manage the risks associated with financial mismanagement and/or compliance failures. Governors continue to review these and ensure that they continue to mitigate these risks.

TRUSTEES' REPORT (continued)

Financial and Risk Management Objectives and Policies

The academy trust's activities expose it primarily to cash flow risk. The Governing Body continually monitors cash flows to ensure the academy trust has sufficient funds available to meet debts as they fall due. The Governing Body maintains significant cash reserves at all times and its investment policy ensures that cash is readily available from invested reserves where required.

The Governing Body acknowledges the defined benefit scheme deficit which is set out at Note 25 to the accounts. It considers that the academy trust is able to meet its known contribution commitments for the foreseeable future.

Plans for Future Periods

On 1st April 2015, the Academy formed a multi-academy trust with Skipton Girls' High School Academy Trust called Northern Star Academies Trust (NSAT). From that date, HHSAT ceased to operate and all of the assets and liabilities of HHSAT transferred to the multi-academy trust at the value shown on the balance sheet at 31st March 2015.

The multi-academy trust's main aims and objectives for the future are to

- maintain the improvements in teaching and learning and move towards becoming an outstanding school
- continue to raise achievement and student progress
- manage the Government's changes to the exam systems in such a way that students' learning and achievement is not compromised
- maintain the breadth and quality of future work in the context of diminishing budgets
- work with the Education Funding Agency to build a school that is fit for purpose and efficient while developing improved sports facilities
- increase recruitment up to the new agreed published admission number and into all year groups including Sixth Form

Targets for income and expenditure form a part of the four-year budget forecast and the academy's plans to ensure continuing financial viability in a climate of reducing funding. The income and expenditure during this period is not aligned with targets as they were set for a full year and this reporting period is only 7 months. For a year-end position, please see the Northern Star Academies Trust report available from www.northernstaracademies.org.uk.

Funds Held as Custodian Trustee on Behalf of Others

The academy holds funds for a School Games programme. The academy distributes the funds on behalf of the partnership. At the period end the academy held funds of £93,239 which are included in Other Creditors.

Harrogate High School Academy Trust

TRUSTEES' REPORT (continued)

Auditor

Insofar as the trustees are aware:

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

The trustees' report, incorporating a strategic report, approved by order of the board of trustees, as the company directors on ...8.12.15...and signed on its behalf by:



Ian Curtis
Chair of Trustees

GOVERNANCE STATEMENT

Scope of responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that Harrogate High School Academy Trust has an effective and appropriate system of controlling financial and other risks. 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 Principal, as Accounting Officer, for ensuring financial controls conform to 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 Harrogate High School Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on trustees included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of trustees has formally met four times during the 7 month period. Attendance during the period at meetings of the Governing Body was as follows:

Trustee	Meetings attended (out of a possible 4)
I Curtis (Chair)	4
J Lane (Vice Chair)	4
A Bayston (Principal)	4
J Adams	3
M Campey	3
T Charlish	1
M-A de Courcey-Bayley	2
T McWilliams	3
K Naylor	4
G Potts	3
R Thomas	4
D Watson	2
G Winter	3

There have been no changes to the composition of the board of trustees during this reporting period.

The finance and personnel committee is a sub-committee of the main board of trustees and is also the audit committee. Its purpose is to:

GOVERNANCE STATEMENT (continued)

- assist the decision making of the governing body, by enabling more detailed consideration to be given to the best means of fulfilling the governing body's responsibility to ensure sound management of the academy's finances and resources, including proper planning, monitoring and probity.
- make appropriate comments and recommendations on such matters to the governing body on a regular basis.
- consider issues relating to the staffing structure of the academy and the pay and conditions of staff.
- provide assurance over the suitability of, and compliance with, the academy's financial systems and controls.

Major issues are referred to the full governing body for ratification. Particular attention this year was given to a confidential item and to budget forecasting and managing resources over the next four-year period in a climate of falling rolls, pupil-led funding and an overall reduction in funding per pupil.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended (out of a possible 3)
I Curtis (Chair)	3
J Lane (Vice Chair)	2
A Bayston (Principal)	3
T Charlish	2
M-A de Courcey-Bayley	3
K Naylor	3
R Thomas	3
D Watson	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:

GOVERNANCE STATEMENT (continued)

1. Keeping the staffing structure under review and using curriculum-led financial planning to ensure staff are deployed efficiently to support the curriculum and to support each individual student's progress and achievement.
2. Managing the differing needs of students by operating a personalised approach to learning including a large number of initiatives to supplement the curriculum, funded from the GAG and Pupil Premium grants.
3. Engaging with other educational providers and experts to share delivery and good practice. During the period, it has worked on developing a multi-academy trust with Skipton Girls' High School to formalise and embed these arrangements and has continued to build on its strategic partnership with Northern Lights Teaching Schools Alliance.
4. Quantifying improvements: the school is currently rated by Ofsted 'good' with 'outstanding' leadership and management. The attainment gap between disadvantaged students and their peers is measured as well as overall performance and the performance of other groups such as students with EAL and students with SEND.
5. Strong oversight by the trustees and accounting officer together with professional external oversight including a professional internal audit service and a separate accountancy and external audit service. The latest internal audit opinion of the controls within the academy was that they provided 'substantial assurance'.
6. Better purchasing and increasing income: the trust's purchasing policy contains procedures which aim to ensure that value for money is achieved. All contracts are reviewed prior to renewal and contracts over £5,000 are subject to competitive procedures.
7. Marketing of the school as a good school with excellent facilities to both potential parents and community users to increase school admissions and community bookings and therefore improve income generation.
8. Reviewing controls and managing risks as previously described.
9. Learning lessons: financial systems and controls have been further refined throughout this period in order to increase probity and efficiency. In this period and in the next two accounting periods while the new, smaller building is built, finances will be very tight. Governors, staff and students are all well aware of this and are all supporting the school in contributing to efficiencies.

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 trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Harrogate High School Academy Trust for the period 1st September 2014 to 31st March 2015 and up to the date of approval of the annual report and financial statements.

GOVERNANCE STATEMENT (continued)

Capacity to Handle Risk

The Trustees have reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Trustees are of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1st September 2014 to 31st March 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 trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

- Comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- Regular reviews by the finance and personnel 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 Veritau Ltd. of 50 South Parade, Northallerton, DL7 8SL as Responsible Officer ('RO') and as internal auditors to perform additional checks.

The RO's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. The RO reports to the Governing Body on the operation of the systems of control and on the discharge of the trustees' financial responsibilities. During the year the academy trust received one full RO visit with all the required checks as well as monthly advice and guidance on a range of issues such as prevention of fraud, security and information governance.

GOVERNANCE STATEMENT (continued)

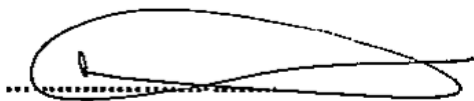
Review of Effectiveness

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

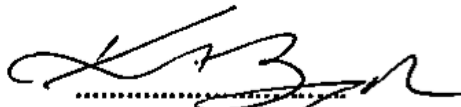
- the work of the Responsible Officer in conjunction with the appointed auditors;
- the work of the external auditor;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the results of their review of the system of internal control by the finance and personnel committee and, if appropriate, 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 the 8.12.15 and signed on its behalf by:



Ian Curtis
Chair of Trustees



Andrew Bayston
Accounting Officer

Harrogate High School Academy Trust

Statement on Regularity, Propriety and Compliance

As Accounting Officer of Harrogate High School Academy Trust I have considered my responsibility to notify the academy trust board of trustees and the Education Funding Agency (EFA) of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

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

I confirm that 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.



.....
Andrew Bayston

Accounting Officer

Date: 8.12.15

Harrogate High School Academy Trust

Statement of Trustees' Responsibilities

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

Company law requires the trustees to prepare financial statements for each financial period, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for the period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2005;
- make judgements and 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 operation.

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 to the requirements both of propriety and good financial management. They are also responsible for ensuring that grants received from the Education Funding Agency and Department for Education have been applied for the purposes intended.

In so far as the trustees are aware:

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

The trustees 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^{8.12.15}..... and signed on its behalf by:


.....
Ian Curtis
Chair of Trustees

Harrogate High School Academy Trust

Independent Auditor's Report to the Members of Harrogate High School Academy Trust

We have audited the financial statements of Harrogate High School Academy Trust for the period 1st September 2014 to 31st March 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 Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

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 Academy Trust's Members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy Trust and its Members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities set out on page 23, the trustees (who 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 academy trust's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Annual Report 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 Trust's affairs as at the 31st March 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.

Harrogate High School Academy Trust

Independent Auditor's Report to the Members of Harrogate High School Academy Trust (continued)

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual Report including the Strategic Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

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



.....
Mr Jeffrey Bellamy FCA (Senior Statutory Auditor)

For and on behalf of CWR Chartered Accountants

Statutory Auditor

20 Mannin Way

Lancaster Business Park

Caton Road

Lancaster

LA1 3SW

Date: 16th December 2015

Harrogate High School Academy Trust

Independent Reporting Accountant's Assurance Report on Regularity to Harrogate High School Academy Trust and the Education Funding Agency

In accordance with the terms of our engagement letter dated 1st September 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 Harrogate High School Academy Trust during the period 1st September 2014 to the 31st March 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 Harrogate High School Academy Trust and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Harrogate High School 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 Harrogate High School Academy Trust and EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Harrogate High School Academy Trust's Accounting Officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of Harrogate High School Academy Trust's funding agreement with the Secretary of State for Education and the Academies Financial Handbook, extant from the 1st 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 from the 1st September 2014 to the 31st March 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.

Harrogate High School Academy Trust

Independent Reporting Accountant's Assurance Report on Regularity to Harrogate High School Academy Trust and the Education Funding Agency (continued)


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 our conclusions includes:

- Obtaining evidence including those tests relevant to the circumstances of the academy as prescribed in Section 9.4 of the Academies Accounts Direction 2014 to 2015 issued by the EFA in June 2015; and
- Planning and performing any additional tests we deemed necessary to express an opinion on regularity.

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 from the 1st September 2014 to the 31st March 2015 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



.....
Mr Jeffrey Bellamy FCA (Senior Statutory Auditor)

For and on behalf of CWR Chartered Accountants
Statutory Auditor
20 Mannin Way
Lancaster Business Park
Caton Road
Lancaster
LA1 3SW

Date: 16th December 2015

Harrogate High School Academy Trust

Statement of Financial Activities for the period 1st September 2014 to 31st March 2015 (including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	7 mths Total 31Mar15 £000	Year Total 31 Aug 14 £000
Incoming resources						
<i>Incoming resources from generated funds:</i>						
Voluntary income	2	-	3	-	3	23
Activities for generating funds	3	144	1	-	145	271
Investment income	4	1	-	-	1	1
<i>Incoming resources from charitable activities:</i>						
Funding for the Academy's educational operations	5	-	1,980	-	1,980	3,833
Total incoming resources		145	1,984	-	2,129	4,128
Resources expended						
<i>Cost of generating funds:</i>						
Costs of generating voluntary income		-	3	-	3	13
Costs of activities for generating funds		144	1	-	145	271
<i>Charitable activities:</i>						
Academy's educational operations	7	-	2,073	46	2,119	3,796
Governance costs	8	-	9	-	9	12
Total resources expended	6	144	2,086	46	2,276	4,092
Net incoming/(outgoing) resources before transfers		1	(102)	(46)	(147)	36
Gross transfers between funds	15	-	(6)	6	-	-
Net income/(expenditure) for the period		1	(108)	(40)	(147)	36
Other recognised gains and losses						
Actuarial losses on defined benefit pension schemes	15, 25	-	(60)	-	(60)	(192)
Net movement in funds		1	(168)	(40)	(207)	(156)
Reconciliation of funds						
Funds brought forward at 1 st September 2014	15	530	(1,146)	9,190	8,574	8,730
Funds carried forward at 31st March 2015		531	(1,314)	9,150	8,367	8,574

All of the Academy's activities derive from discontinued operations. From the 31st March 2015, Harrogate High School Academy Trust ceased to operate and all of the assets and liabilities of the academy transferred to the multi-academy trust at the value shown on the balance sheet.

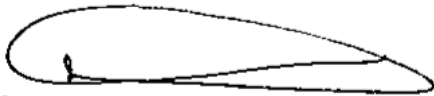
A statement of Total Recognised Gains and Losses is not required as all gains and losses are included in the Statement of Financial Activities.

Harrogate High School Academy Trust

Balance sheet as at 31st March 2015

	Notes	31 Mar 2015 £000	31 Mar 2015 £000	31 Aug 2014 £000	31 Aug 2014 £000
Fixed assets					
Tangible assets	12		9,150		9,190
Current assets					
Debtors	13	94		144	
Cash at bank and in hand		1,009		1,032	
		<u>1,103</u>		<u>1,176</u>	
Liabilities					
Creditors: Amounts falling due within one year	14	<u>(334)</u>		<u>(330)</u>	
Net current assets			<u>769</u>		<u>846</u>
Total assets less current liabilities			9,919		10,036
Pension scheme liability	25		(1,552)		(1,462)
Net assets including pension liability			<u>8,367</u>		<u>8,574</u>
Funds of the academy:					
Restricted funds					
Fixed asset fund(s)	15	9,150		9,190	
General fund(s)	15	238		316	
Pension reserve	15	<u>(1,552)</u>		<u>(1,462)</u>	
Total restricted funds			7,836		8,044
Unrestricted income funds					
General fund(s)	15	<u>531</u>		<u>530</u>	
Total unrestricted funds			531		530
Total funds			<u>8,367</u>		<u>8,574</u>

The financial statements on pages 28 to 50 were approved by the trustees, and authorised for issue on 8.12.15 and are signed on their behalf by:



Ian Curtis
Chair of Trustees

Company Limited by Guarantee
Registration Number 08074099

Harrogate High School Academy Trust

Cash Flow Statement for the period 1st September 2014 to 31st March 2015

	Notes	7 months 31Mar 2015 £000	Year 31 Aug 2014 £000
Net cash outflow from operating activities	19	(18)	(144)
Returns on investments and servicing of finance	20	1	1
Capital expenditure and financial investment	21	(6)	10
Decrease in cash in the period	22	<u>(23)</u>	<u>(133)</u>
Reconciliation of net cash flow to movement in net funds			
Net funds at 1 st September 2014		1,032	1,165
Net funds at 31st March 2015		<u>1,009</u>	<u>1,032</u>

Notes to the Financial Statements for the period ended 31st March 2015

1 Accounting Policies

Basis of Preparation

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice: Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction 2014 to 2015 issued by Education Funding Agency and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

Going Concern

On 1st April 2015, the Academy formed a multi-academy trust with Skipton Girls' High School Academy Trust called Northern Star Academies Trust (NSAT). From that date, HHSAT ceased to operate and all of the assets and liabilities of HHSAT transferred to the multi-academy trust at the value shown on the balance sheet at 31st March 2015. Under the new multi-academy trust arrangement 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.

Incoming Resources

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

- **Grants receivable**

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

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in restricted general funds. 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 certainty of receipt and the amount can be reliably measured.

- **Other income**

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

Notes to the Financial Statements for the period ended 31st March 2015 (continued)

1 Accounting Policies (continued)

- **Donated goods, facilities and services**

The value of donated services and gifts in kind provided to the Academy are recognised at an estimate of their gross 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 accounting policies.

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.

- **Costs of generating funds**

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

- **Charitable activities**

These are costs incurred on the Academy's educational operations.

- **Governance costs**

These 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.

Notes to the Financial Statements for the period ended 31st March 2015 (continued)

1 Accounting Policies (continued)

Tangible Fixed Assets

Assets costing £5,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

Long leasehold buildings	Over 125 years straight line
Motor Vehicles	Over 5 years straight line
Equipment	Over 5 years straight line

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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

Leased Assets

Rentals under operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against the statement of financial activities on a straight line basis over the period of the lease.

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 Part 11, Chapter 3 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.

Notes to the Financial Statements for the period ended 31st March 2015 (continued)

1 Accounting Policies (continued)

Pensions Benefits

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, are contracted out of the State Earnings-Related Pension Scheme ('SERPS'), 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 25, the TPS is a multi-employer scheme and the Academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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

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 with restrictions imposed by the funder/donor and include grants from the Education Funding Agency/Department for Education.

Agency Arrangements

The Academy Trust acts as an agent in distributing 16-19 bursary funds from the Education Funding Agency. Payments received from the Education Funding Agency and subsequent disbursements to students are excluded from the Statement of Financial Activities as the trust does not have control over the charitable application of the funds. The trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the Statement of Financial Activities. The funds received and paid and any balances held are disclosed in note 28.

Notes to the Financial Statements for the period ended 31st March 2015 (continued)

2 Voluntary Income

	Unrestricted Funds £000	Restricted Funds £000	Total 7 months 31 Mar15 £000	Total Year 31 Aug14 £000
Trips and other non public funds	-	2	2	14
Other donations	-	1	1	9
	<u>-</u>	<u>3</u>	<u>3</u>	<u>23</u>

3 Activities for Generating Funds

	Unrestricted Funds £000	Restricted Funds £000	Total 7 months 31 Mar15 £000	Total Year 31 Aug14 £000
Hire of facilities	131	-	131	216
Supplies of staff	11	1	12	54
Other income	2	-	2	1
	<u>144</u>	<u>1</u>	<u>145</u>	<u>271</u>

Notes to the Financial Statements for the period ended 31st March 2015 (continued)

4 Investment Income

	Unrestricted Funds £000	Restricted Funds £000	Total 7 months 31 Mar15 £000	Total Year 31 Aug14 £000
Short term deposits	1	-	1	1
	<u>1</u>	<u>-</u>	<u>1</u>	<u>1</u>

5 Funding for Academy's Educational Operations

	Unrestricted Funds £000	Restricted Funds £000	Total 7 months 31 Mar 15 £000	Total Year 31 Aug14 £000
DfE/EFA revenue grants				
General Annual Grant (GAG)	-	1,819	1,819	3,546
Capital grants	-	-	-	17
Other DfE/EFA grants	-	92	92	176
	<u>-</u>	<u>1,911</u>	<u>1,911</u>	<u>3,739</u>
Other Government grants				
Local authority grants	-	31	31	44
Other government grants	-	38	38	50
	<u>-</u>	<u>69</u>	<u>69</u>	<u>94</u>
	<u>-</u>	<u>1,980</u>	<u>1,980</u>	<u>3,833</u>

6 Resources Expended

	Staff Costs £000	Non Pay Expenditure Premises £000	Other Costs £000	Total 7 months 31 Mar 15 £000	Total Year 31 Aug14 £000
Costs of generating voluntary income	-	-	3	3	13
Costs of activities for generating funds	50	90	5	145	271
Academy's educational operations					
Direct costs	1,444	37	155	1,636	2,862
Allocated support costs	218	173	92	483	934
	<u>1,712</u>	<u>300</u>	<u>255</u>	<u>2,267</u>	<u>4,080</u>
Governance costs including allocated support costs	-	-	9	9	12
	<u>1,712</u>	<u>300</u>	<u>264</u>	<u>2,276</u>	<u>4,092</u>

The method used for the apportionment of support costs is disclosed in the accounting policies (note 1).

Harrogate High School Academy Trust

Notes to the Financial Statements for the period ended 31st March 2015 (continued)

6 Resources Expended (continued)

	7 months 31 Mar 15 £000	Year 31 Aug 14 £000
Net expenditure for the period includes:		
Operating leases		
Plant and machinery	3	4
Fees payable to auditor for:		
Audit	4	4
Other services	4	7

No transactions have taken place under Section 3.1.8 and 3.1.9 of the 2014 Academies Financial Handbook which require additional disclosure.

Notes to the Financial Statements for the period ended 31st March 2015 (continued)

7 Charitable Activities

	Unrestricted Funds £000	Restricted Funds £000	Total 7 months 31 Mar 15 £000	Total Year 31 Aug 14 £000
Direct costs – educational operations				
Teaching and educational support staff costs	-	1,444	1,444	2,460
Depreciation	-	37	37	63
Technology costs	-	30	30	79
Educational supplies	-	67	67	125
Examination fees	-	49	49	126
Staff development	-	9	9	9
	-	1,636	1,636	2,862
Support costs – educational operations				
Support staff costs	-	218	218	391
Depreciation	-	9	9	15
Recruitment and support	-	2	2	7
Maintenance of premises and equipment	-	28	28	91
Cleaning	-	57	57	132
Rent and rates	-	2	2	33
Energy costs	-	47	47	68
Insurance	-	30	30	48
Security and transport	-	5	5	13
Catering	-	19	19	35
16-19 Bursary (see note 28)	-	-	-	19
Other support costs including Service Level Agreements and other professional fees	-	66	66	82
	-	483	483	934
Total direct and support costs		2,119	2,119	3,796

Notes to the Financial Statements for the period ended 31st March 2015 (continued)

8 Governance Costs

	Unrestricted Funds £000	Restricted Funds £000	Total 7 months 31 Mar 15 £000	Total Year 31 Aug 14 £000
Legal and professional fees	-	1	1	1
Auditor's remuneration				
• Audit of financial statements	-	4	4	4
• Accountancy, taxation and other services	-	4	4	7
	<u>-</u>	<u>9</u>	<u>9</u>	<u>12</u>

9 Staff

(a) Staff costs

	7 months 31 Mar 15 £000	Year 31 Aug 14 £000
Staff costs during the period were:		
Wages and salaries	1,354	2,379
Social security costs	96	170
Operating costs of defined benefit pension schemes	234	392
	<u>1,684</u>	<u>2,941</u>
Supply staff costs	28	22
Staff restructuring costs	-	2
	<u>1,712</u>	<u>2,965</u>

(b) Staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £nil (2014: £1,925).

(c) Staff numbers

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

	7 months 31 Mar 15 Number	7 months 31 Mar 15 Full-time equivalent	Year 31 Aug 14 Number	Year 31 Aug 14 Full-time equivalent
Charitable Activities				
Teachers	37	33	41	34
Administration and support	58	38	61	44
Management	6	6	6	6
	<u>101</u>	<u>77</u>	<u>108</u>	<u>84</u>

Notes to the Financial Statements for the period ended 31st March 2015 (continued)

9 Staff (continued)

(d) Higher paid staff

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

	31 Mar 2015 No.	31 Aug 2014 No.
£60,001 - £70,000	1	1
£90,001 - £100,000	1	1
	2	2

Both of the above employees participated in the Teacher's Pension Scheme.

10 Related Party Transactions - Trustees' Remuneration and Expenses

One or more trustees have been paid remuneration or have 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 staff members under their contracts of employment, and not in respect of their role as trustees. The total pro-rata value of trustees' remuneration was as follows:

A Bayston (Headteacher and trustee):	
Remuneration	£95,000- £100,000 (2014: £95,000 - £100,000)
Employers' pension contributions	£10,000 - £15,000 (2014: £10,000 - £15,000)
T McWilliams (staff trustee):	
Remuneration	£20,000 - £25,000 (2014: £20,000 - £25,000)
Employers' pension contributions	£0 (2014: £0)
K Naylor (staff trustee):	
Remuneration	£40,000 - £45,000 (2014: £40,000 - £45,000)
Employers' pension contributions	£5,000 - £10,000 (2014: £5,000 - £10,000)
G Potts (staff trustee):	
Remuneration	£40,000 - £45,000 (2014: £40,000 - £45,000)
Employers' pension contributions	£5,000 - £10,000 (2014: £5,000 - £10,000)

During the period ended 31st March 2015, travel and subsistence expenses totalling £nil (2014 - £nil) were reimbursed or paid directly to nil trustees (2014 - £nil).

Other related party transactions involving the trustees are set out in note 26.

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 £5,000,000 on any one claim and the cost for the period ended 31st March 2015 was £736 (2014: £1,035). The cost of this insurance is included in the total insurance cost.

Notes to the Financial Statements for the period ended 31st March 2015 (continued)

12 Tangible Fixed Assets

	Leasehold Land and Buildings £000	Equipment £000	Motor Vehicles £000	Total £000
Cost				
At 1 st September 2014	9,344	-	18	9,362
Additions	-	6	-	6
Disposals	-	-	-	-
At 31 st March 2015	<u>9,344</u>	<u>6</u>	<u>18</u>	<u>9,368</u>
Depreciation				
At 1 st September 2014	169	-	3	172
Charged in year	43	1	2	46
Disposals	-	-	-	-
At 31 st March 2015	<u>212</u>	<u>1</u>	<u>5</u>	<u>218</u>
Net book values				
At 31 st March 2015	<u>9,132</u>	<u>5</u>	<u>13</u>	<u>9,150</u>
At 31 st August 2014	<u>9,175</u>	<u>-</u>	<u>15</u>	<u>9,190</u>

13 Debtors

	31 Mar 2015 £000	31 Aug 2014 £000
VAT recoverable	18	33
Other debtors	44	57
Prepayments and accrued income	<u>32</u>	<u>54</u>
	<u>94</u>	<u>144</u>

Notes to the Financial Statements for the period ended 31st March 2015 (continued)

14 Creditors: amounts falling due within one year

	31 Mar 2015 £000	31 Aug 2014 £000
Trade creditors	73	86
Taxation and social security	50	47
Other creditors	141	149
Accruals and deferred income	70	48
	<u>334</u>	<u>330</u>

15 Funds

	Balance at 1 st September 2014 £000	Incoming Resources £000	Resources Expended £000	Gains, Losses and Transfers £000	Balance at 31 st March 2015 £000
Restricted general funds					
General Annual Grant (GAG)	310	1,819	(1,891)	(6)	232
Other DfE/EFA grants	-	92	(92)	-	-
Local Authority grants	-	31	(31)	-	-
Other restricted funds	6	42	(42)	-	6
Pension reserve	(1,462)	-	(30)	(60)	(1,552)
	<u>(1,146)</u>	<u>1,984</u>	<u>(2,086)</u>	<u>(66)</u>	<u>(1,314)</u>
Restricted fixed asset funds					
DfE/EFA capital grants	-	-	-	-	-
Other capital grants	-	-	-	-	-
Capitalised assets post conversion	15	-	(3)	6	18
Assets on conversion	9,175	-	(43)	-	9,132
	<u>9,190</u>	<u>-</u>	<u>(46)</u>	<u>6</u>	<u>9,150</u>
Total restricted funds	<u>8,044</u>	<u>1,984</u>	<u>(2,132)</u>	<u>(60)</u>	<u>7,836</u>
Unrestricted funds					
Unrestricted funds	530	145	(144)	-	531
Total unrestricted funds	<u>530</u>	<u>145</u>	<u>(144)</u>	<u>-</u>	<u>531</u>
Total funds	<u>8,574</u>	<u>2,129</u>	<u>(2,276)</u>	<u>(60)</u>	<u>8,367</u>

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

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 31st March 2015. At the period end the carry forward of GAG funding was £232,000

Other DfE/EFA grants includes monies received outside of GAG funding for example the Pupil Premium. These funds have been spent in full by the 31st March 2015.

Notes to the Financial Statements for the period ended 31st March 2015 (continued)

15 Funds (continued)

Local Authority grants represent amounts payable to the Academy predominantly from North Yorkshire County Council. A large percentage of these funds relate specifically to Special Educational Needs (SEN) funding. As at the 31st March 2015 these funds had been spent in full.

Other government grants relate to the Sports School Partnership and were fully spent by 31st March 2015.

Other restricted funds include monies from trips and non public funds. During the period the trips and non public funds had no excess expenditure over income. At the period end £6,000 remained unspent and is carried forward to the next accounting period.

Assets on conversion represent the transfer of leasehold assets valued at £9,344,000 per a valuation by Mouchel, property valuers, into the Academy Trust on conversion to academy status depreciated over a 125 year period.

Unrestricted funds represents funds generated via activities such as from lettings, catering and bank interest receivable. This fund also includes the surplus on conversion to academy status in 2012 of £473,000. The surplus on this fund at the period end was £531,000 and these funds can be used at the discretion of the Governors to meet the charitable objectives of the Academy Trust

16 Analysis of net assets between funds

Fund balances at 31st March 2015 are represented by:

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds £000
Tangible fixed assets	-	-	9,150	9,150
Current assets	531	572	-	1,103
Current liabilities	-	(334)	-	(334)
Pension scheme liability	-	(1,552)	-	(1,552)
Total net assets	531	(1,314)	9,150	8,367

Notes to the Financial Statements for the period ended 31st March 2015 (continued)

17 Capital commitments

	31 Mar 2015 £000	31 Aug 2014 £000
Contracted for, but not provided in the financial statements	-	-

18 Financial commitments

Operating leases

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

	31 Mar 2015 £000	31 Aug 2014 £000
Land and buildings	-	-
Other		
Expiring within one year	-	-
Expiring within two and five years inclusive	1	3
Expiring in over five years	-	-
	<u>1</u>	<u>3</u>

19 Reconciliation of net income to net cash inflow from operating activities

	31 Mar 2015 £000	31 Aug 2014 £000
Net income	(147)	36
Depreciation (note 12)	46	78
Capital grants from DfE/EFA and other capital income	-	(28)
Interest receivable (note 4)	(1)	(1)
FRS 17 pension cost less contributions payable (note 25)	(1)	1
FRS 17 pension finance income (note 25)	31	52
Decrease/(increase) in debtors	50	(30)
Increase/(decrease) in creditors	4	(252)
Net cash inflow from operating activities	<u>(18)</u>	<u>(144)</u>

20 Returns on investments and servicing of finance

	31 Mar 2015 £000	31 Aug 2014 £000
Interest received	1	1
Net cash inflow from returns on investment and servicing of finance	<u>1</u>	<u>1</u>

Notes to the Financial Statements for the period ended 31st March 2015 (continued)

21 Capital expenditure and financial investment

	31 Mar 2015 £000	31 Aug 2014 £000
Purchase of tangible fixed assets	(6)	(18)
Capital grants from DfE/EFA	-	17
Capital funding received from others	-	11
Net cash outflow/(inflow) from capital expenditure and financial investment	<u>(6)</u>	<u>10</u>

22 Analysis of changes in net funds

	At 1 st September 2014 £000	Cash flows £000	At 31 st March 2015 £000
Cash in hand and at bank	1,032	(23)	1,009
	<u>1,032</u>	<u>(23)</u>	<u>1,009</u>

23 Contingent Liabilities

During the year of the funding agreement, in the event of the sale or disposal by other means of any leasehold building the Academy Trust is required to either re-invest the proceeds or to repay the Secretary of State for Education or Charities Commission the proceeds of the sale or disposal as these two bodies would jointly have an interest in the proceeds of any sale.

24 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.

25 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 North Yorkshire County Pension Fund. Both are multi-employer defined-benefit schemes.

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

Contributions amounting to £40,357 (2014: £41,138) were payable to the schemes at 31st March and are included within creditors.

Notes to the Financial Statements for the period ended 31st March 2015 (continued)

25 Pension and similar obligations (continued)

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 1st April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1st 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 31st 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 9th 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; and
- the assumed real rate of return is 3.0% in excess of prices and 2.0% 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 1st April 2019.

The pension costs paid to TPS in the period amounted to £202,000 (2014: £347,000).

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

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

Notes to the Financial Statements for the period ended 31st March 2015 (continued)

25 Pension and similar obligations (continued)

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 March 2015 was £80,000, of which employer's contributions totalled £55,000 and employees' contributions totalled £25,000. The agreed contribution rates for future years are 13.6% for employers and the rate for employees remains dependent on the salary of the employee.

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 18th July 2013.

As described in note 1 the LGPS obligation relates to the employees of the academy trust, 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 trust at the balance sheet date.

Principal Actuarial Assumptions

	At 31 st March 2015	At 31 st August 2014
Rate of increase in salaries	3.6%	3.7%
Rate of increase for pensions in payment / inflation	2.1%	2.2%
Discount rate for scheme liabilities	3.8%	4.0%
Inflation assumption (CPI)	2.1%	2.2%
Commutation of pensions to lump sums	50%	50%

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

	At 31 st March 2015	At 31 st August 2014
<i>Retiring today</i>		
Males	23.2	23.0
Females	25.7	25.5
<i>Retiring in 20 years</i>		
Males	25.4	25.3
Females	28.0	27.8

Notes to the Financial Statements for the period ended 31st March 2015 (continued)

25 Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

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

	Fair value at 31 st March 2015 £000	Fair value at 31 st August 2014 £000
Equities	276	212
Government Bonds	76	39
Other Bonds	34	47
Property	33	20
Cash	5	2
Other	43	30
Total market value of assets	467	350
Present value of scheme liabilities		
- Funded	(2,019)	(1,812)
Deficit in the scheme	(1,552)	(1,462)

The actual return on scheme assets was £14,000 (2014: £37,000).

Amounts recognised in the statement of financial activities

	31 Mar 2015 £000	31 Aug 2014 £000
Current service cost (net of employee contributions)	84	133
Past service cost	-	-
Total operating charge	84	133

Analysis of pension finance income / (costs)

Expected return on pension scheme assets	13	18
Interest on pension liabilities	(44)	(70)
Pension finance costs	(31)	(52)

The actual gains and losses for the current period are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS 17 is a £298,000 loss (2014: £238,000 loss).

Notes to the Financial Statements for the period ended 31st March 2015 (continued)

25 Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

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

	31 Mar 2015 £000	31 Aug 2014 £000
At 1st September	1,812	1,435
Current service cost	84	133
Past service cost	-	-
Interest cost	44	70
Employee contributions	25	40
Actuarial loss	61	140
Curtailments and settlements	-	-
Benefits paid	(7)	(6)
At 31st March	2,019	1,812

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

	31 Mar 2015 £000	31 Aug 2014 £000
At 1st September	350	218
Expected return on assets	13	18
Actuarial gain/(loss)	1	(52)
Employer contributions	85	132
Employee contributions	25	40
Assets distributed on settlements	-	-
Transfer in of new members	-	-
Benefits paid	(7)	(6)
At 31st March	467	350

The five-year history of experience adjustments is as follows:

	2015 £000	2014 £000	2013 £000
Present value of defined benefit obligations	(2,019)	(1,812)	(1,435)
Fair value of share of scheme assets	467	350	218
Deficit in the scheme	(1,552)	(1,462)	(1,217)
Experience adjustments on share of scheme assets	1	(52)	14
Experience adjustments on scheme liabilities:	-	(101)	-

Notes to the Financial Statements for the period ended 31st March 2015 (continued)

26 Related Party Transactions

Owing to the nature of the Academy Trust's operations and the composition of the board of Trustees being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the board of Trustees may have an interest. All transactions involving such organisations are conducted at cost and in accordance with the Academy Trust's financial regulations and normal procurement procedures.

No transactions with Trustees were undertaken during the course of the period ended 31st March 2015.

27 Events after the balance sheet date

On 1st April 2015, the Academy formed a multi-academy trust with Skipton Girls' High School Academy Trust called Northern Star Academies Trust (NSAT). From that date, Harrogate High School Academy Trust ceased to operate and all of the assets and liabilities of Harrogate High School Academy Trust transferred to the multi-academy trust at the value shown on the balance sheet at 31st March 2015. NSAT will produce an annual report and financial statements for the period ended 31st August 2015 which, from 1st April 2015 will include Harrogate High School's financial activities. This may be found on the Trust's website: www.northernstaracademies.org.uk.

28 Agency arrangements

The Academy distributes 16-19 bursary funds to students as an agent for the Education Funding Agency. In the accounting period ending 31st March 2015 the trust received £12,479 and disbursed £9,693 from the fund.

An amount of £2,786 is included in other creditors relating to undistributed funds.