

Report of the Governors and  
Financial Statements for the Year Ended  
31 August 2014  
for

Herefordshire Marches Federation of  
Academies

Thorne Widgey Accountancy Ltd  
Chartered Accountants  
Statutory Auditors  
2 Wyevale Business Park  
Kings Acre  
Hereford  
Herefordshire  
HR4 7BS

Herefordshire Marches Federation of Academies

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Herefordshire Marches Federation of Academies

Reference and Administrative Details for the Year Ended 31 August 2014

MEMBERS

R North  
P Whitcombe  
P Box

GOVERNORS

P Box (Accounting Officer) \*  
P Whitcombe \*  
R North (Chair of Governors) \*  
R J Blackman \*  
G D Brisland (resigned 24.10.13)  
G Corrick \*  
H Field  
D A Greenough  
W J Griffiths \*  
A Harvey \*  
K E Higgins  
N J Jones (Finance Director) \*  
E Klein  
J M McColl  
K P Smith \*  
D Milne (resigned 21.5.14) \*

\* members of the finance and premises committee

SENIOR MANAGEMENT TEAM

P Box, Headteacher  
P Whitcombe, Headteacher  
K P Smith, Headteacher  
A Colledge  
R Wargen  
C Benjamin  
C Watkins  
H Field  
J Brace  
J M McColl  
J James  
L Orton  
N J Jones  
Z Beecham

Herefordshire Marches Federation of Academies

Reference and Administrative Details for the Year Ended 31 August 2014

EX-OFFICIO GOVERNORS

Name	Appointment Date	Resignation Date
A Harvey 1 2 5		
A Blackburne 4		
A Stather-Hooper 5	February 2014	
A Lewis 6		
B Durkin 5		
C Watkins 6		
D A Greenough 1 3		
D Milne 1 2 4		May 2014
E Klein 1		
E Morris 4		
G Corrick 1 2 6		
G D Brisland 1		October 2013
H Card 5		
H Field 1 3		
J James 4		
J M McColl 1 3 4		
J Huyton 5		
J Griffiths 1 2 5		
K E Higgins 1 4		
L Orton 6		
L Conod 4		
M Robinson 5		December 2013
N J Jones 1 2		
P Lafaia 6		
P Rusher 4		
K P Smith 1 2 4 5 6		
P Whitcombe 1 2 4 5 6		
P Box 1 2 4 5 6		
R J Blackman 1 2 6		
R Hudson 6		
R North 1 2 4		
S Talboys 6		
S Elwine 5	February 2014	
S Morris-Davies 4		
S Davey 4		
S Hook 5		
S White 5		
T Hawkes 4		
T Lennane 5		
Z Beecham 4		

- 1 Director of the Academy for statutory purposes
- 2 Finance Committee
- 3 Audit Committee
- 4 Lord Scudamore Governor
- 5 Kings Caple Governors

Herefordshire Marches Federation of Academies

Reference and Administrative Details for the Year Ended 31 August 2014

6 Sutton Governor

COMPANY SECRETARY	C Watkins
REGISTERED OFFICE	Lord Scudamore School Friars Street Hereford Herefordshire HR4 0AS
REGISTERED COMPANY NUMBER	7578861 (England and Wales)
INDEPENDENT AUDITORS	Thorne Widgey Accountancy Ltd Chartered Accountants Statutory Auditors 2 Wyevale Business Park Kings Acre Hereford Herefordshire HR4 7BS

Herefordshire Marches Federation of Academies

Report of the Governors  
for the Year Ended 31 August 2014

The governors who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 August 2014. The governors have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' issued in March 2005 and the Academies Accounts Direction issued by the Education Funding Agency.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy Trust (was incorporated on 25 March 2011 and opened as an Academy on 1 June 2011 is a charitable company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of association are the primary governing documents of the Academy.

The Directors act as the Trustees for the charitable activities of Hereford Marches Federation of Academies and are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as HMFA.

Details of the Governors who served throughout the year, except as noted, are included in the Reference and Administrative Details on pages 1 to 3.

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 they cease to be a member.

Governors' Indemnities

Directors benefit from indemnity insurance purchased at the Academy Trust's expense to cover the liability of the Directors which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust, provided that any such insurance shall not extend to any claim arising from any act or omission which the Directors knew to be a breach of trust or breach of duty or which was committed by the Directors in reckless disregard to whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the Directors in their capacity as Directors of the Academy Trust. The limit of this indemnity is £1million (2013: £1million).

Principal activities

This is defined in the Articles of Association.

Recruitment and appointment of new trustees

The Academy's Governing Body comprises three Headteachers, a minimum of two Parent Governors, up to five Staff Governors (providing that the total number of Directors, including the Headteachers, who are employees of the Academy Trust, does not exceed one third of the total number of Directors). Not subject to a maximum.

When appointing new Directors, the Board will give consideration to the skills and experience mix of existing Directors in order to ensure that the Board has the necessary skills to contribute fully to the Academy's development.

## STRUCTURE, GOVERNANCE AND MANAGEMENT

### Induction and training of new trustees

The training and induction provided for new Directors will depend upon their existing experience but would always include a tour of the Academy and a chance to meet staff and pupils. All Directors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Directors.

There is a Directors' development day organised each year which includes training sessions to keep the Directors updated on relevant developments impacting on their roles and responsibilities.

### Organisational structure

The Board of Directors meets once each term. The Board establishes an overall framework for the governance of the Academy Trust and determines membership, terms of reference and procedures of Committees and other groups. It receives reports including policies from its Committees for ratification. It monitors the activities of the Committees through the minutes of their meetings. The Board may from time to time establish Working Groups to perform specific tasks over a limited timescale.

There are two committees as follows;

- Finance Committee - meets once a term and is responsible for monitoring, evaluating and reviewing policy and performance in relation to financial management, compliance with reporting and regulatory requirements and reporting, receiving reports from the Responsible Officer and examining the annual budget including reviewing staffing levels.
- Audit Committee - meets once a term and is responsible for reviewing effectiveness and checking processes are correct. Also to review that the Board of Directors are acting correctly.

The following decisions are reserved to the Board of Directors; to consider any proposals for changes to the status or constitution of the Academy and its committee structure, to appoint or remove the Chairman and/or Vice Chairman, to appoint the Headteacher and Clerk to the Governors, to approve the Annual Development Plan, Annual Accounts, Pay Policy and Annual budget plan.

The Directors are responsible for setting general policy, adopting an annual plan and budget, approving the statutory accounts, monitoring the Academy by the use of budgets and other data, and making major decisions about the direction of the Academy, capital expenditure, staff appointments and staff remuneration.

The Trustees and Board of Directors have devolved responsibility for day to day management of the Academy to the Headteacher and Senior Management Team (SMT). The SMT comprises the Headteachers, Assistant Headteachers, Finance Director, Pastoral & Safeguarding Manager and Company Secretary. The SMT implement the policies laid down by the Directors and report back to them on performance.

The Academy has a leadership structure which consists of the Directors and Consultative Committees and The Senior Leadership Team. The aim of the leadership structure is to devolve responsibility and encourage involvement in decision making at all levels.

The Academy Trust comprises three primary schools - Lord Scudamore, Sutton and Kings Cuple. Each school has its own Governing Body responsible for day to day operations and management of the school's budget. The Trust Board comprises of Directors elected by the three Member Directors

The Headteacher; Peter Box is the Accounting Officer.

## STRUCTURE, GOVERNANCE AND MANAGEMENT

### Related parties

The Academy has strong collaborative links with 4 other primary schools; Canon Pyon Primary Academy, Llangrove Primary Academy, Marden Primary Academy and St Weonards Primary School. The Headteachers P.Box and P.Whitcombe are Executive Headteachers at Llangrove & Canon Pyon. KP Smith is Executive Headteacher at St Weonards.

Related Party Relationships have been recorded on a Register of Director's Declarations of Interest and any additional declarations noted at the start of each Board of Directors Meeting. The following companies have been identified as having a Related Party Relationship with HMFA as they share common Directors; Activate Education Ltd, The Courtyard Trust, PLP Associates Ltd, D&D Network Services Ltd & Calon Solutions Ltd.

### Risk management

The Academy has a formal risk management process to assess business risks and to implement risk management strategies. This process involves identifying the types of risk the Academy faces, scoring and prioritising the risks in terms of their potential operational and financial impact, assessing the likelihood of occurrence and identifying means of mitigating the risks. A Risk Register is maintained and reviewed on a regular basis.

The Directors have implemented a system to assess risks that the Academy faces, especially in the operational areas (e.g. in relation to teaching, health & safety and trips) and in relation to the control of finance. They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of Academy grounds) and internal financial controls in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover.

The Academy has an effective system of internal financial controls and this is explained in more detail in the Statement of Internal Control.

Herefordshire Marches Federation of Academies

Report of the Governors  
for the Year Ended 31 August 2014

OBJECTIVES AND ACTIVITIES

Objectives and aims

The principal object and activity of the Academy is to advance for the public benefit education in the United Kingdom, in particular by establishing, maintaining, carrying on, managing and developing a school, offering a broad range of curriculum for pupils of different abilities.

The principal object and activity of the Charitable Company is the operation of Hereford Marches Federation of Academies to provide free education and care for pupils of different abilities between the ages of 3 and 11

The aims of the Academy during the year ended 31 August 2014 are summarised below:

- to continue to raise the standard of educational attainment and achievement of all pupils
- to provide a broad and balanced curriculum, including extra-curricular activities
- to develop students as more effective learners
- to develop the Academy sites so that it enables students to achieve their full potential
- to ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care
- to improve the effectiveness of the Academy by keeping the curriculum and organisational structure under continual review
- to provide value for money for the funds expended
- to develop greater coherence, clarity and effectiveness in school systems
- to comply with all appropriate statutory and curriculum requirements
- to develop the Academy's capacity to manage change, and
- to conduct the Academy's business in accordance with the highest standards and integrity, probity and openness.

At HMFA, we aim to get the best for, and from, each child. We intend to enable each child to realise his or her full academic, creative and physical potential and to develop positive social and moral values. Our Academy is a community in which children, staff and parents should be part of a happy and caring environment.

Objectives, Strategies and Activities

Key priorities for the year are contained in the school's Strategic Development Plan which is available from each school office.

Public benefit

The Directors confirm that they have complied with the duty in Section 4 of the Charities Act 2006 to have due regard to the Charity Commissioner's general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Academy's aims and objectives and in planning its future activities.

The Academy aims to advance for the public benefit education in Herefordshire. In particular, but without prejudice to the generality of the forgoing by establishing, maintaining, managing and development schools, offering a broad curriculum.

The Academy provides facilities for recreational and other leisure time occupation for the community at large in the interests of social welfare and with the interest of improving the life of the said community.

As an Academy we have a duty to support other schools. Our named schools as part of our wider federation are; Canon Pyon Primary Academy, Llangrove Primary Academy, St Weonards Primary School & Marden Primary Academy. We support these schools through use of shared expertise, staffing, resources and group purchasing discounts.

Herefordshire Marches Federation of Academies

Report of the Governors  
for the Year Ended 31 August 2014

ACHIEVEMENT AND PERFORMANCE

Charitable activities

Lord Scudamore Academy had a successful Ofsted inspection in May 2013; achieving Good overall with Leadership considered as Outstanding.

All schools have taken part in shared Federation Olympics, dance and gymnastics events.

Pupils from Year 5 and Year 6 across the schools have taken part in residential trips to Condover Hall and the Black Mountains activity centre.

Teachers have received training in Basic Skills maths and English as well as a wide variety of "responsibility specific" training.

Attainment results at the end of the academic year have been high across HMFA, with significant improvements particularly in Maths attainment at Lord Scudamore; and at Sutton Academy, where all pupils made expected or exceeded progress across Key Stage 2.

The Early Years team have worked systematically across all schools to moderate assessment data, with all schools scoring above the County and national average. This is also the case with Year 1 phonics screening data, where all HMFA schools achieved significantly above National Average pass rates.

Going concern

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

Key financial performance indicators

The main financial performance indicator is the level of reserves held at the Balance Sheet date. In particular, the management of spending against General Annual Grant (GAG) requires careful monitoring. In the year under review, £202,994 was carried forward (2013: £NIL).

As funding is based on pupil numbers this is a key performance indicator.

Pupil numbers for 13/14 were 758 (based on the Spring Term Census), an increase of 25 since 12/13. It is anticipated that pupil numbers will rise for the next financial year.

## FINANCIAL REVIEW

### Financial Review

Most of the Academy's income is obtained from the DfE via the EFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2014 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

The Academy also receives grants for fixed assets from the DfE and these are shown in the Statement of Financial Activities as restricted income in the Fixed Asset Fund. The Restricted Fixed Asset Fund balance is reduced by annual depreciation charges over the useful life of the assets concerned, as defined in the Academy's accounting policies.

During the year ended 31 August 2014, total expenditure of £2,765,957 (2013: £2,850,484) was covered by recurrent grant funding from the DfES. The net incoming resources before transfers and revaluations for the year was £227,075 (2013: £21,169 deficit).

At 31 August 2014, the net book value of fixed assets was £4,153,640 (2013: £4,185,611) and movements in tangible fixed assets are shown in Note 14 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

The land and buildings for Lord Scudamore School were transferred to the Academy upon conversion. Land and buildings for Sutton and Kings Caple Schools were transferred on a 125 year lease.

The EFA provided a land and buildings valuation as at 31 August 2012 for the purposes of completing the WGA return. Lord Scudamore was valued at £1,926,648, Sutton at £1,513,964 and Kings Caple at £544,054. Other assets have been included in the financial statements at a best estimate, taking into account purchase price and remaining useful lives.

In 2011/12 the Academy took on the deficit in the Local Government Pension Scheme in respect of its non-teaching staff transferred on conversion. The deficit is incorporated within the Statement of Financial activity with details in Note 20 to the financial statements.

Key financial policies adopted or reviewed during the year include the Financial Regulations Manual and Policy June 2014 which lays out the framework for financial management, including financial responsibilities of the Board, Headteachers, finance staff and budget holders, as well as delegated authority for spending.

Directors have appointed Chris Brooks as the internal auditor who is not a Director, to undertake a programme of internal checks on financial controls. During the year, the Directors received four reports from him which have been reviewed by the Audit Committee and contained no matters of significance.

### Reserves Policy

The Directors review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Directors take into consideration the future plans of the Academy, the uncertainty over future income streams and other key risks identified during the risk review.

### Investment policy and objectives

Due to the nature of funding, the Academy may at times hold cash balances surplus to its short term requirements. The Directors have authorised the opening of additional short term bank investment accounts to take advantage of higher interest rates. No other form of investment is authorised.

Herefordshire Marches Federation of Academies

Report of the Governors  
for the Year Ended 31 August 2014

FUTURE DEVELOPMENTS

The Academy will continue to strive to provide outstanding education and improve the levels of performance of its pupils at all levels. The Academy will continue to aim to attract high quality teachers and support staff in order to deliver its objectives.

The Academy will continue to work with partner schools to improve the educational opportunities for students in Herefordshire. The Academy's intention is to increase the number of schools within the wider HMFA federation, as long as they can see that strategically it enhances the organisation.

Key Initiatives for 2014-2015

- Review of ICT.
- Assessment without levels.
- Review of management structure.
- Review of the curriculum.

HMFA Directors passed a resolution in July 2014 to set up a trading subsidiary company named HMFA Enterprises Ltd. It will commence trading in Autumn 2014. The intention is for activities generating income such as Student training through Schools Direct scheme & After-school/Holiday clubs will trade through this new company. A separate bank account will operate and separate financial accounts will be kept. The Board of Directors will receive termly financial reports.

Full details of our plans for the future are given in our School Strategic Plan, which is available from the Company Secretary.

FUNDS HELD AS CUSTODIAN FOR OTHERS

The Academy and its Directors do not act as the Custodian Trustees of any other Charity.

FINANCIAL AND RISK MANAGEMENT OBJECTIVES AND POLICIES

The Directors have assessed the major risks to which the Academy is exposed, in particular those relating to its finances, teaching, facilities and other operational areas through the Risk Register, reviewed July 2014 (a working document). The Directors have implemented a number of systems to assess and minimise those risks, including internal controls described elsewhere. Where significant financial risk still remains they have ensured they have adequate insurance cover.

HMFA pupil numbers are continuing to rise so risks to revenue funding from a falling roll are small, however the lagged funding system means that funding on current pupil numbers can be delayed by almost 12 months. It is important to remember that the freeze on the Government's overall education budget, changes in funding arrangements for special educational needs and increasing employment and premises costs mean that budgets will be increasingly tight in coming years.

The Directors examine the financial health formally every term, reviewing performance against budgets and overall expenditure by means of regular update reports at all full Directors' and Finance Committee meetings. The Directors also consider cash flow to ensure sufficient funds are held to cover all known and anticipated commitments.

At the year end, the Academy had no significant liabilities arising from trade creditors or debtors where there would be a significant effect on liquidity.

The Governing Body recognises that the defined benefit scheme deficit (Local Government Pension Scheme), which is set out in Note 19 to the financial statements, represents a significant potential liability. However as the Directors consider that the Academy is able to meet its known annual contribution commitments for the foreseeable future, this risk from this liability is minimised.

#### PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks and uncertainties facing the Academy are as follows:

Financial - the Academy has considerable reliance on continued Government Funding through the EFA. In the last year 97% (2013: 95%) of the Academy's incoming resources was ultimately Government funded and whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

Failures in governance and/or management - the risk in this area arises from potential failure to effectively manage the Academy's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Directors continue to review and ensure that appropriate measures are in place to mitigate these risks.

Reputational - the continuing success of the Academy is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Directors ensure that student success and achievement are closely monitored and reviewed.

Safeguarding and child protection - the Directors continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline.

Staffing - the success of the Academy is reliant on the quality of its staff and so the Directors monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.

Fraud and mismanagement of funds - The Academy has appointed an Internal Auditor to carry out checks on financial systems and records as required by the Academy Financial Handbook. All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area.

The Academy has continued to strengthen its risk management process throughout the year by improving the process and ensuring staff awareness. A risk register is maintained and reviewed and updated on a regular basis.

#### AUDITORS

Insofar as the governors are aware:

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

The auditors, Thorne Widgery Accountancy Ltd, are willing to continue in office and a resolution to appoint them will be proposed at the annual general meeting.

This report was approved by order of the members of the Board of Directors and signed on its behalf by

Approved by order of the board of governors on 10 December 2014 and signed on its behalf by:

R North - Chair of Governors

Herefordshire Marches Federation of Academies

Governance Statement  
for the Year Ended 31 August 2014

Scope of Responsibility

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

The Board of Directors has delegated the day-to-day responsibility to the Headteacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between The Herefordshire Marches Federation of Academies and the Secretary of State for Education. They are also responsible for reporting to the Board of Directors any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Report of the Governors and in the Governors Responsibility Statement. The board of governors has formally met 5 times during the year. Attendance during the year at meetings of the board of governors was as follows:

Governor		Meetings attended	Out of a possible
R J Blackman		4	5
P Box	Headteacher	4	5
G D Brisland		0	0
G Corrick	Vice Chair	4	5
H Field	Staff Governor	1	5
D A Greenough		4	5
W J Griffiths		3	5
A Harvey		4	5
K E Higgins		2	5
N J Jones	Staff Governor	4	5
E Klein		3	5
J M McColl		3	5
D Milne		0	4
Prebendary R North	Chair	5	5
K P Smith	Headteacher	4	5
P Whitcombe	Headteacher	5	5

In addition to this, the local Governors of the individual schools meet termly.

The Finance Committee is a sub-committee of the main Board of Directors. The committee is responsible for monitoring, evaluating and reviewing policy and performance in relation to financial management, compliance with reporting and regulatory requirements and reporting, receiving reports from the Internal Auditor and examining the annual budget including reviewing staffing levels.

The finance committee has formally met 3 times during the year.

Attendance at meetings in the year was as follows:

Governor	Meetings Attended	Out of a possible
P Box	3	3
P Whitcombe	3	3
K P Smith	2	3

Herefordshire Marches Federation of Academies

Governance Statement  
for the Year Ended 31 August 2014

W J Griffiths	3	3
A Harvey	3	3
G Corrick	1	3
R J Blackman	1	3
N J Jones	3	3
D Milne	0	2
Prebendary R North      Chair	3	3

The Audit Committee is a sub-committee of the main Board of Directors. The duties of the committee are to ensure the internal and external audit function fulfils the statutory and governing bodies requirements.

The audit committee has formally met twice during the year.

Attendance at meetings in the year was as follows:

Governor	Meetings Attended	Out of a possible
P Box	1	2
P Whitcombe	2	2
K P Smith	1	2
H Field	1	2
J M McColl	2	2
N J Jones	1	2
D A Greenough	2	2

#### The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in HMFA for the year ended 31 August 2014 and up to the date of approval of the annual report and financial statements.

#### Capacity to Handle Risk

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

#### The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Directors,
- regular reviews by the Finance and General Purposes Committee of reports which indicate financial performance

Governance Statement  
for the Year Ended 31 August 2014

The Risk and Control Framework

- against the forecasts and of major purchase plans, capital works and expenditure programmes,
- setting targets to measure financial and other performance,
- clearly defined purchasing (as set purchase or capital investment) guidelines,
- delegation of authority and segregation of duties,
- identification and management of risks

The Governing Body has considered the need for a specific internal audit function and has decided to appoint an Audit committee. The Governors have also appointed Chris Brooks, as Internal Auditor. The IA's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. On a quarterly basis, the IA reports to the Governing Body on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities. The IA is also supported by the external auditors in this role.

Review of Effectiveness

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

- the work of the Internal Auditor
- the work of the external Auditor
- the financial management and governance self-assessment process
- the work of the Academy Finance Director who has responsibility for the development and maintenance of the internal control framework

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

Approved by order of the members of the board of trustees on 10 December 2014 and signed on its behalf by:

R North - Chair of Governors

Peter Box - Accounting Officer

Herefordshire Marches Federation of Academies

Statement on Regularity, Propriety and Compliance for the Year Ended 31 August 2014

As accounting officer of Herefordshire Marches Federation of Academies I have considered my responsibility to notify the charitable company board of governors and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the charitable company 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 charitable company board of governors are able to identify any material irregular or improper use of funds by the charitable company, or material non-compliance with the terms and conditions of funding under the charitable company'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 governors and EFA.

I would like to refer to the related and connected party transactions highlighted in note 20 in the attached accounts.

Peter Box - Accounting Officer

10 December 2014

Herefordshire Marches Federation of Academies

Governors Responsibility Statement  
for the Year Ended 31 August 2014

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

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

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

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

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

In so far as the governors are aware:

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

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

Approved by order of the board of governors on 10 December 2014 and signed on it's behalf by:

R North - Chair of Governors

We have audited the financial statements of Herefordshire Marches Federation of Academies for the year ended 31 August 2014 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 2013 to 2014 issued by the Education Funding Agency (EFA).

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

#### Respective responsibilities of governors and auditors

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

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's 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 charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the governors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Governors 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 charitable company's affairs as at 31 August 2014 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2013 to 2014 issued by the EFA.

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

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

Report of the Independent Auditors to the Members of  
Herefordshire Marches Federation of  
Academies

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the governors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Governors.

Mr Kevin M Tong FCCA, ACA (Senior Statutory Auditor)  
for and on behalf of Thorne Widgery Accountancy Ltd  
Chartered Accountants  
Statutory Auditors  
2 Wyevale Business Park  
Kings Acre  
Hereford  
Herefordshire  
HR4 7BS

10 December 2014

Independent Reporting Accountant's Assurance Report on Regularity to  
Herefordshire Marches Federation of  
Academies and the Education Funding Agency

In accordance with the terms of our engagement and further to the requirements of the Education Funding Agency (EFA), as included in the Academies Accounts Direction 2013 to 2014, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Herefordshire Marches Federation of Academies during the period 1 September 2013 to 31 August 2014 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 Herefordshire Marches Federation of Academies and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Herefordshire Marches Federation of Academies and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Herefordshire Marches Federation of Academies and the EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Herefordshire Marches Federation of Academies's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Herefordshire Marches Federation of Academies's funding agreement with the Secretary of State for Education and the Academies Financial Handbook, extant from 1 September 2012, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2013 to 2014. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2013 to 31 August 2014 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 2013 to 2014 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw our conclusions includes:

- detailed testing of a sample of items of income and expenditure to ensure appropriately applied for the purposes intended
- specific testing, on a sample basis, of system controls relevant to the above
- a general review of correspondence with the appropriate authorities regarding Academy governance matters during the year
- a general review and discussion of the Academy's internal procedures for establishing and maintaining systems of control and documentation regarding these matters

Independent Reporting Accountant's Assurance Report on Regularity to  
Herefordshire Marches Federation of  
Academies and the Education Funding Agency

This work was integrated with our audit on the financial statements to the extent evidence from the conduct of that audit supports the regularity conclusion.

Without qualifying our opinion, we would like to refer to the related and connected party transactions highlighted in note 20 in the attached accounts.

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2013 to 31 August 2014 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Thorne Widgey Accountancy Ltd  
Chartered Accountants  
2 Wyevale Business Park  
Kings Acre  
Hereford  
Herefordshire  
HR4 7BS

10 December 2014

Herefordshire Marches Federation of  
Academies

Statement of Financial Activities  
for the Year Ended 31 August 2014

				31.8.14	31.8.13
	General Fund	Restricted	Restricted	Total	Total
	Notes	Fund	Fixed Assets	funds	funds
		£	Fund	£	£
			£	£	£
<b>INCOMING RESOURCES</b>					
Incoming resources from generated funds					
Voluntary income	3	-	24,756	66,814	91,570
Activities for generating funds	4	79,572	-	105,215	184,787
Investment income	5	259	-	-	259
Incoming resources from charitable activities					
Academy's educational operations	6	-	-	3,160,800	3,160,800
Total incoming resources		79,831	24,756	3,332,829	3,437,416
<b>RESOURCES EXPENDED</b>					
Charitable activities					
Academy's educational operations					
Governance costs	9	62,169	227,650	3,118,045	3,407,864
Total resources expended	7	-	-	13,370	13,370
NET INCOMING RESOURCES		17,662	(202,894)	201,414	16,182
Other recognised gains/losses					
Actuarial gains/losses on defined benefit schemes					
Net movement in funds		-	-	(64,000)	(64,000)
Net movement in funds		17,662	(202,894)	137,414	(47,818)
<b>RECONCILIATION OF FUNDS</b>					
Total funds brought forward		195,116	4,183,614	(718,310)	3,660,420
TOTAL FUNDS CARRIED FORWARD		212,778	3,980,720	(580,896)	3,660,420

CONTINUING OPERATIONS

All incoming resources and resources expended arise from continuing activities.

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

The notes form part of these financial statements

Herefordshire Marches Federation of  
Academies

Balance Sheet  
At 31 August 2014

	Notes	31.8.14 £	31.8.13 £
FIXED ASSETS			
Tangible assets	13	4,153,640	4,185,611
CURRENT ASSETS			
Debtors	14	112,778	120,652
Cash at bank and in hand		431,030	189,897
		<hr/>	<hr/>
		543,808	310,549
CREDITORS			
Amounts falling due within one year	15	(297,846)	(120,740)
		<hr/>	<hr/>
NET CURRENT ASSETS		245,962	189,809
		<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		4,399,602	4,375,420
PENSION LIABILITY	19	(787,000)	(715,000)
		<hr/>	<hr/>
NET ASSETS		<u>3,612,602</u>	<u>3,660,420</u>
FUNDS	18		
Unrestricted funds:			
General fund		212,778	195,116
Restricted funds:			
General Annual Grant		202,994	(7,876)
Other DfE/TPLA Grants		3,109	-
Other restricted		-	4,567
Restricted Pension Reserve		(787,000)	(715,000)
Dfe/YPLA capital grants		80,956	117,212
Fixed Assets on Conversion		3,899,765	4,066,401
		<hr/>	<hr/>
		3,399,824	3,465,304
		<hr/>	<hr/>
TOTAL FUNDS		<u>3,612,602</u>	<u>3,660,420</u>

The notes form part of these financial statements

Herefordshire Marches Federation of  
Academies

Balance Sheet - continued  
At 31 August 2014

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies.

The financial statements were approved by the Board of Governors on 10 December 2014 and were signed on its behalf by:

R North -Chair of Governors

Herefordshire Marches Federation of Academies

Cash Flow Statement  
for the Year Ended 31 August 2014

	Notes	31.8.14 £	31.8.13 £
Net cash inflow/(outflow) from operating activities	1	330,227	(269,495)
Returns on investments and servicing of finance	2	(668)	(806)
Capital expenditure and financial investment	2	(88,426)	(55,647)
		<u>          </u>	<u>          </u>
Increase/(decrease) in cash in the period		<u>241,133</u>	<u>(325,948)</u>
<hr/>			
Reconciliation of net cash flow to movement in net debt	3		
		<u>241,133</u>	<u>(325,948)</u>
Increase/(decrease) in cash in the period		<u>241,133</u>	<u>(325,948)</u>
Change in net debt resulting from cash flows		<u>241,133</u>	<u>(325,948)</u>
Movement in net debt in the period		241,133	(325,948)
Net debt at 1 September		<u>189,897</u>	<u>515,845</u>
Net debt at 31 August		<u>431,030</u>	<u>189,897</u>

The notes form part of these financial statements

Notes to the Cash Flow Statement  
for the Year Ended 31 August 2014

1. RECONCILIATION OF NET INCOMING RESOURCES TO NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES

	31.8.14	31.8.13
	£	£
Net incoming resources	16,182	11,810
Depreciation charges	145,151	122,761
Capital grants from DfE/EFA	(24,756)	(170,739)
Interest received	(259)	-
Interest paid	927	806
Decrease/(increase) in debtors	7,875	(20,822)
Increase/(decrease) in creditors	177,107	(228,311)
Difference between pension charge and cash contributions	8,000	15,000
	<u>330,227</u>	<u>(269,495)</u>

2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	31.8.14	31.8.13
	£	£
Returns on investments and servicing of finance		
Interest received	259	-
Interest paid	(927)	(806)
	<u>        </u>	<u>        </u>
Net cash outflow for returns on investments and servicing of finance	<u>(668)</u>	<u>(806)</u>
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(113,182)	(226,386)
Capital grants from DfE/EFA	24,756	170,739
	<u>        </u>	<u>        </u>
Net cash outflow for capital expenditure and financial investment	<u>(88,426)</u>	<u>(55,647)</u>

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.9.13	Cash flow	At 31.8.14
	£	£	£
Net cash:			
Cash at bank and in hand	189,897	241,133	431,030
	<u>        </u>	<u>        </u>	<u>        </u>
Total	<u>189,897</u>	<u>241,133</u>	<u>431,030</u>

1. ACCOUNTING POLICIES

Company status

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

Basis of preparation

The financial statements have been prepared under the historical cost convention, the Companies Act 2006, the requirements of the Statement of Recommended Practice, Accounting and Reporting by Charities and the Academies Accounts Direction 2013 to 2014 issued by the EFA.

Going concern

The Academy has considerable reliance on continued Government funding through the EFA. Although there is no assurance that Government funding will continue at its current level for the period covered by the going concern review, the Governors have a reasonable expectation that the Academy will have adequate resources to continue its activities for the foreseeable future. Accordingly they continue to adopt the going concern basis in preparing the financial statements as outlined in the Statement of Governors' Responsibilities.

Incoming resources

All incoming resources are included in the Statement of financial activities when the academy is legally entitled to the income and the amount can be quantified with reasonable accuracy.

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 year 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.

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

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

Resources expended

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

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

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

All resources expended are inclusive of irrecoverable VAT.

Notes to the Financial Statements - continued  
for the Year Ended 31 August 2014

1. ACCOUNTING POLICIES - continued

Tangible fixed assets

All individual assets costing more than £2,500 are capitalised with other expenditure considered on an individual basis.

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

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

Long Leasehold Property	-	2% Straight line
Motor Vehicles	-	20% Straight line
Fixtures and Fittings	-	20% Straight line
Computer Equipment	-	33% Straight line

Taxation

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

Fund accounting

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

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

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

Notes to the Financial Statements - continued  
for the Year Ended 31 August 2014

1. ACCOUNTING POLICIES - continued

Pension costs and other post-retirement 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 23, the TPS is a multi-employer scheme and the Academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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

2. GENERAL ANNUAL GRANT

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2014.

3. VOLUNTARY INCOME

	Unrestricted funds	Restricted funds	31.8.14 Total funds	31.8.13 Total funds
	£	£	£	£
Grants	-	24,756	24,756	170,739
School Trips	-	48,627	48,627	58,737
Other grants & payments	-	18,187	18,187	25,857
	<u>-</u>	<u>91,570</u>	<u>91,570</u>	<u>255,333</u>

Grants received, included in the above, are as follows:

	31.8.14	31.8.13
	£	£
Capital Grants	<u>24,756</u>	<u>170,739</u>

Notes to the Financial Statements - continued  
for the Year Ended 31 August 2014

4. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds £	Restricted funds £	31.8.14 Total funds £	31.8.13 Total funds £
Lettings	5,800	-	5,800	5,858
Recharges of staff to other organisations	-	105,215	105,215	8,000
Catering income	41,727	-	41,727	45,749
Other	32,045	-	32,045	16,780
	<u>79,572</u>	<u>105,215</u>	<u>184,787</u>	<u>76,387</u>

5. INVESTMENT INCOME

	Unrestricted funds £	Restricted funds £	31.8.14 Total funds £	31.8.13 Total funds £
Deposit account interest	<u>259</u>	<u>-</u>	<u>259</u>	<u>-</u>

6. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds £	Restricted funds £	31.8.14 Total funds £	31.8.13 Total funds £
DfE/EFA revenue grant				
General Annual Grant(GAG)	-	2,883,051	2,883,051	2,813,467
Other DfE/YPLA Grants	-	234,735	234,735	194,022
	<u>-</u>	<u>3,117,786</u>	<u>3,117,786</u>	<u>3,007,489</u>
Other government grant				
Other Government Grants	-	43,014	43,014	72,835
	<u>-</u>	<u>3,160,800</u>	<u>3,160,800</u>	<u>3,080,324</u>

	Unrestricted Funds 2014 £	Restricted Funds 2014 £	Total Funds 2014 £	Total Funds 2013 £
Education	-	3,131,215	3,131,215	2,992,868
Nursery	-	97,662	97,662	87,456
	<u>-</u>	<u>3,228,877</u>	<u>3,228,877</u>	<u>3,080,324</u>

Notes to the Financial Statements - continued  
for the Year Ended 31 August 2014

6. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS - continued

7. RESOURCES EXPENDED

		Non-pay expenditure		31.8.14	31.8.13
	Staff costs	Premises	Other costs	Total	Total
	£	£	£	£	£
Charitable activities					
Academies educational operations					
Direct costs	2,158,225	62,763	386,167	2,607,155	2,625,206
Allocated support costs	435,387	185,458	179,864	800,709	754,711
	<u>2,593,612</u>	<u>248,221</u>	<u>566,031</u>	<u>3,407,864</u>	<u>3,379,917</u>
Governance costs including allocated support costs	-	-	13,370	13,370	20,317
	<u>2,593,612</u>	<u>248,221</u>	<u>579,401</u>	<u>3,421,234</u>	<u>3,400,234</u>

Net resources are stated after charging/(crediting):

	31.8.14	31.8.13
	£	£
Auditors' remuneration	9,664	9,475
Depreciation - owned assets	145,153	122,761
Operating leases	6,264	6,110
	<u>161,081</u>	<u>138,346</u>

During the year, no Governors received any Benefits in Kind.

No Governors received reimbursement of expenses in the current or previous year.

8. RESOURCES EXPENDED FROM CHARITABLE ACTIVITIES

	Unrestricted funds	Restricted funds	31.8.14 Total funds	31.8.13 Total funds
	£	£	£	£
Direct costs - academy's educational operations				
Teaching and educational support staff	-	2,158,225	2,158,225	2,156,451
Depreciation	-	135,115	135,115	114,126
Educational supplies	-	152,702	152,702	177,143
Staff development	-	22,800	22,800	15,483
Educational consultancy	-	107,381	107,381	91,050
Other costs	-	17,682	17,682	27,749
		<u>2,593,905</u>	<u>2,593,905</u>	<u>2,582,002</u>
Carried forward	-	2,593,905	2,593,905	2,582,002



Notes to the Financial Statements - continued  
for the Year Ended 31 August 2014

8. RESOURCES EXPENDED FROM CHARITABLE ACTIVITIES - continued

		Unrestricted funds £	Restricted funds £	31.8.14 Total funds £	31.8.13 Total funds £
	2014 £	2014 £	2014 £	2014 £	2013 £
Education	2,520,044	230,055	562,020	3,312,119	3,265,650
Nursery	73,568	18,166	4,011	95,745	86,267
	<u>2,593,612</u>	<u>248,221</u>	<u>566,031</u>	<u>3,407,864</u>	<u>3,351,917</u>
CHARITABLE ACTIVITIES					
	<u>-</u>	<u>-</u>	<u>13,370</u>	<u>13,370</u>	<u>20,317</u>
GOVERNANCE					
	<u>2,593,612</u>	<u>248,221</u>	<u>579,401</u>	<u>3,421,234</u>	<u>3,372,234</u>

9. GOVERNANCE COSTS

	Unrestricted funds £	Restricted funds £	31.8.14 Total funds £	31.8.13 Total funds £
Accountancy	-	-	-	7,652
Auditors' remuneration	-	9,664	9,664	9,475
Legal and Professional Fees	-	3,706	3,706	3,190
	<u>-</u>	<u>13,370</u>	<u>13,370</u>	<u>20,317</u>

Notes to the Financial Statements - continued  
for the Year Ended 31 August 2014

10. GOVERNORS' REMUNERATION AND BENEFITS

During the year, retirement benefits were accruing to 5 (2013: 6) Governors in respect of defined benefit pension schemes.

The Head Teacher and staff governors only receive remuneration in respect of services they provide undertaking their roles of Head Teacher and Staff and not in respect of their services as Governors. Other Governors did not receive any payments, other than expenses, from the Academy in respect of their role as Governors. The value of Governors' remuneration before deductions in the year to 31 August 2014 was as follows:

		Salary(including Ers NI and Pension) 2014 £	Salary(including Ers NI and Pension) 2013 £
P Box	Head Teacher	£85,000 - £90,000	£85,000 - £90,000
P Whitcombe	Head Teacher	£85,000 - £90,000	£85,000 - £90,000
P Smith	Head Teacher	£55,000 - £60,000	£55,000 - £60,000
H Field	Staff Governor	£35,000 - £40,000	£40,000 - £45,000
J McColl	Staff Governor	£35,000 - £40,000	£35,000 - £40,000
N Jones	Staff Governor	£45,000 - £50,000	£45,000 - £50,000
K Higgins	Supply Teacher	£5,000 - £10,000	£5,000 - £10,000

Governors' expenses

There were no governors' expenses paid for the year ended 31 August 2014 nor for the year ended 31 August 2013.

Notes to the Financial Statements - continued  
for the Year Ended 31 August 2014

11. STAFF COSTS

	31.8.14	31.8.13
	£	£
Wages and salaries	2,144,066	2,132,786
Social security costs	134,777	142,025
Other pension costs	314,769	293,912
	<u>2,593,612</u>	<u>2,568,723</u>

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

	31.8.14	31.8.13
Teachers	28	27
Administration and support	32	35
Management	14	13
	<u>74</u>	<u>75</u>

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

	31.8.14	31.8.13
£70,001 - £80,000	<u>2</u>	<u>2</u>

Employer's Pension Contributions made on behalf of the 2 above employees amounted to £20,219 (2013: £20,019).

12. GOVERNORS' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £1,000,000 (2013: £1,000,000) on any one claim and the cost for the year ended 31 August 2014 was £609, (2013: £566).

Notes to the Financial Statements - continued  
for the Year Ended 31 August 2014

13. TANGIBLE FIXED ASSETS

	Freehold property £	Long leasehold £	Fixtures and fittings £
COST			
At 1 September 2013	1,960,482	2,100,725	253,374
Additions	-	-	70,845
At 31 August 2014	<u>1,960,482</u>	<u>2,100,725</u>	<u>324,219</u>
DEPRECIATION			
At 1 September 2013	61,577	77,727	46,515
Charge for year	27,743	35,019	51,616
At 31 August 2014	<u>89,320</u>	<u>112,746</u>	<u>98,131</u>
NET BOOK VALUE			
At 31 August 2014	<u>1,871,162</u>	<u>1,987,979</u>	<u>226,088</u>
At 31 August 2013	<u>1,898,905</u>	<u>2,022,998</u>	<u>206,859</u>
	Motor vehicles £	Computer equipment £	Totals £
COST			
At 1 September 2013	50,181	49,889	4,414,651
Additions	-	42,337	113,182
At 31 August 2014	<u>50,181</u>	<u>92,226</u>	<u>4,527,833</u>
DEPRECIATION			
At 1 September 2013	15,927	27,294	229,040
Charge for year	10,037	20,738	145,153
At 31 August 2014	<u>25,964</u>	<u>48,032</u>	<u>374,193</u>
NET BOOK VALUE			
At 31 August 2014	<u>24,217</u>	<u>44,194</u>	<u>4,153,640</u>
At 31 August 2013	<u>34,254</u>	<u>22,595</u>	<u>4,185,611</u>

Notes to the Financial Statements - continued  
for the Year Ended 31 August 2014

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.8.14	31.8.13
	£	£
Trade debtors	3,999	4,386
VAT	27,209	15,185
Prepayments and accrued income	81,570	101,081
	<u>112,778</u>	<u>120,652</u>

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.8.14	31.8.13
	£	£
Trade creditors	14,531	21,285
Social security and other taxes	39,972	40,112
Other creditors	40,549	36,350
Accruals and deferred income	155,203	11,712
Accrued expenses	47,591	11,281
	<u>297,846</u>	<u>120,740</u>

DEFERRED INCOME

	2014	2013
	£	£
Resources deferred in the year	<u>155,204</u>	<u>11,712</u>

Income has been deferred based on the period to which it relates

£11,627	(2013:	£11,712)	has been deferred in relation to Devolved FormulaCapital income
£48,000	(2013:	£NIL)	has been deferred in relation to Capital Maintenance Grant
£14,251	(2013:	£NIL)	has been deferred in relation to Universal Infant Free School Meals Capital Income
£81,326	(2013:	£NIL)	has been deferred in relation to Universal Infant Free School Meals Revenue Income

Notes to the Financial Statements - continued  
for the Year Ended 31 August 2014

16. OPERATING LEASE COMMITMENTS

The following operating lease payments are committed to be paid within one year:

	31.8.14	31.8.13
	£	£
Expiring:		
Within one year	2,868	-
Between one and five years	4,801	3,504
In more than five years	260	1,010
	<u>7,929</u>	<u>4,514</u>

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	31.8.14		31.8.13		
	General Fund	Restricted Fixed Assets Fund	Restricted General Fund	Total funds	Total funds
	£	£	£	£	£
Fixed assets	-	4,153,640	-	4,153,640	4,185,611
Current assets	281,540	(158,668)	420,936	543,808	310,549
Current liabilities	(68,762)	(14,251)	(214,833)	(297,846)	(120,740)
Pension liability	-	-	(787,000)	(787,000)	(715,000)
	<u>212,778</u>	<u>3,980,721</u>	<u>(580,897)</u>	<u>3,612,602</u>	<u>3,660,420</u>

18. MOVEMENT IN FUNDS

	At 1.9.13	Net movement in funds	At 31.8.14
	£	£	£
Unrestricted funds			
General fund	195,116	17,662	212,778
Restricted funds			
General Annual Grant	(19,314)	222,308	202,994
Other DfE/TPLA Grants	14,072	(10,963)	3,109
Other restricted	1,932	(1,932)	-
Restricted Pension Reserve	(715,000)	(72,000)	(787,000)
Dfe/YPLA capital grants	201,351	(120,395)	80,956
Fixed Assets on Conversion	3,982,263	(82,498)	3,899,765
	<u>3,465,304</u>	<u>(65,480)</u>	<u>3,399,824</u>
TOTAL FUNDS	<u>3,660,420</u>	<u>(47,818)</u>	<u>3,612,602</u>

Notes to the Financial Statements - continued  
for the Year Ended 31 August 2014

18. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	79,831	(62,169)	-	17,662
Restricted funds				
General Annual Grant	2,988,265	(2,765,957)	-	222,308
Other DfE/TPLA Grants	226,499	(237,462)	-	(10,963)
Other restricted	118,065	(119,997)	-	(1,932)
Restricted Pension Reserve	-	(8,000)	(64,000)	(72,000)
Dfe/YPLA capital grants	24,756	(145,151)	-	(120,395)
Fixed Assets on Conversion	-	(82,498)	-	(82,498)
	<u>3,357,585</u>	<u>(3,359,065)</u>	<u>(64,000)</u>	<u>(65,480)</u>
TOTAL FUNDS	<u>3,437,416</u>	<u>(3,421,234)</u>	<u>(64,000)</u>	<u>(47,818)</u>

18. MOVEMENT IN FUNDS - continued

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

Restricted General Funds

General Annual Grant - Income from the EFA which is to be used for the normal running costs of the Academy, including education and support costs.

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2014.

Restricted Pension Fund

Pension reserve - This represents the Academy's share of the assets and liabilities in the Local Government Pension Scheme.

Restricted Fixed Asset Funds

Capital Grants - These funds were received for direct expenditure on fixed asset projects. The balance at the year-end represents the NBV of assets and any unspent grant amounts.

Fixed assets transferred on conversion - This represents the buildings and equipment donated to the school from the Local Authority on conversion to an Academy.

Unrestricted Funds

Are all those income and expenses for general use in the Academy.

Funds

ANALYSIS OF ACADEMIES BY FUND BALANCE

Total  
£

Fund balances at 31 August 2014 were allocated as follows:

Lord Scudamore Academy	301,907
Sutton Primary Academy	19,770
Kings Caple Academy	14,706
	<hr/>
Total before fixed assets and pension reserve	336,383
	<hr/> <hr/>
Restricted Fixed Asset Fund	4,063,219
Pension reserve	(787,000)
	<hr/>
Total	3,612,602
	<hr/> <hr/>

18. MOVEMENT IN FUNDS - continued

ANALYSIS OF ACADEMIES BY COST

Expenditure incurred by each academy during the year was as follows:

	Teaching And Educational Support Staff Costs	Other Support Staff Costs	Educational Supplies	Other Costs (excluding Depreciation)	Total
	£	£	£	£	£
Lord Scudamore Academy	1,748,599	316,702	120,264	330,322	2,515,887
Sutton Primary Academy	266,187	87,455	12,675	134,295	500,612
Kings Caple Academy	143,440	31,230	19,763	65,1522	259,585
	<u>2,158,226</u>	<u>435,387</u>	<u>152,702</u>	<u>529,769</u>	<u>3,276,084</u>

19. PENSION AND SIMILAR OBLIGATIONS

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS was 31 March 2004 and of the LGPS 31 March 2010.

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

19. PENSION AND SIMILAR OBLIGATIONS - continued

Teachers' pension scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme. The regulations under which the TPS operates are the Teachers' Pensions Regulations 2010.

Although teachers and lecturers are employed by various bodies, their retirement and other pension benefits, including annual increases payable under the Pensions (Increase) Acts are, as provided for in the Superannuation Act 1972, paid out of monies provided by Parliament. Under the unfunded TPS, teachers' contributions on a 'pay as you go' basis, and employers' contributions are credited to the Exchequer under arrangements governed by the above Act.

The Teachers' Pensions Regulations require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pensions' increases). From 1 April 2001, the Account has been credited with a real rate of return (in excess of price increases and currently set at 3.5%), which is equivalent to assuming that the balance in the account is invested in notional investments that produce that real rate of return.

The Government Actuary (GA), using normal actuarial principles, conducts formal actuarial reviews of the TPS. The aim of the reviews is to specify the level of future contributions.

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

The last valuation of the TPS related to the period 1 April 2001 - 31 March 2004. The GA's report of October 2006 revealed that the total liabilities of the Scheme (pensions currently in payment and the estimated cost of future benefits) amounted to £166,500 millions. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) was £163,240 millions. The assumed real rate of return is 3.5% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 1.5%. The assumed gross rate of return is 6.5%.

As from 1 January 2007, and as part of the cost sharing agreement between employers' and Teachers' representatives, the SCR was assessed at 19.75%, and the supplementary contribution rate was assessed to be 0.75% (to balance assets and liabilities as required by the regulations within 15 years). This resulted in a total contribution rate of 20.5%, which translated into an employee contribution rate of 6.4% and employer contribution rate of 14.1% payable. The cost-sharing agreement also introduced - effective for the first time for the 2008 valuation - a 14% cap on employer contributions payable.

From 1 April 2014 to 31 March 2015, the employee contribution rate will range between 5.5% and 12.5%, depending on a member's Full Time Equivalent salary. Further changes to the employee contribution rate will be applied in 2015/16 and 2016/17.

Notes to the Financial Statements - continued  
for the Year Ended 31 August 2014

19. PENSION AND SIMILAR OBLIGATIONS - continued

Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. Many of these are being discussed in the context of the design for a reformed TPS and scheme valuations are, therefore, currently suspended. The Government, however, has set out a future process for determining the employer contribution rate under the new scheme, and this process will involve a full actuarial valuation.

Under the definitions set out in Financial Reporting Standard (FRS17) Retirement Benefits, the TPS is a multi-employer pension scheme. The Academy is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the Academy has taken advantage of the exemption in FRS17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Academy has set out above the information available on the scheme and the implications for the Academy in terms of the anticipated contribution rates.

Local government pension scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2014 was £147,442 (2013: £128,444) of which employer's contributions totalled £116,888 (2013: £101,583). The agreed contribution rates for future years are 13.4% for employers and 5.5-12.5% for employees.

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

As the scheme is in deficit, the School has entered into an agreement with the trustees to make additional contributions in addition to normal funding levels.

The rates payable over a six year period will be the Future Service Rate of 13.4% of payroll plus phased lump sum deficit contributions starting at £51,900 for the year to 31 March 2015, increasing by approximately 4% per annum. The rate payable from 1 April 2017 will be further revised following the next valuation of the Pension Fund on 31 March 2016.

The current estimated recovery period is 18 years.

The amounts recognised in the balance sheet are as follows:

	Defined benefit pension plans	
	31.8.14	31.8.13
	£	£
Fair value of plan assets	434,000	302,000
	<hr/>	<hr/>
	434,000	302,000
	<hr/>	<hr/>
Surplus	434,000	302,000
	<hr/>	<hr/>
Net asset	434,000	302,000
	<hr/> <hr/>	<hr/> <hr/>

Notes to the Financial Statements - continued  
for the Year Ended 31 August 2014

19. PENSION AND SIMILAR OBLIGATIONS - continued

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

	Defined benefit pension plans	
	31.8.14 £	31.8.13 £
Current service cost	100,000	89,000
Interest cost	48,000	41,000
Expected return	(23,000)	(13,000)
	<u>125,000</u>	<u>117,000</u>
Actual return on plan assets	<u>32,000</u>	<u>34,000</u>

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

	Defined benefit pension plans	
	31.8.14 £	31.8.13 £
Defined benefit obligation	(1,017,000)	(860,000)
Current service cost	(100,000)	(89,000)
Contributions by scheme participants	(31,000)	(27,000)
Interest cost	(48,000)	(41,000)
Actuarial losses/(gains)	(58,000)	-
Benefits paid	33,000	-
	<u>(1,221,000)</u>	<u>(1,017,000)</u>

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

	Defined benefit pension plans	
	31.8.14 £	31.8.13 £
Fair value of scheme assets	302,000	140,000
Contributions by employer	117,000	102,000
Contributions by scheme participants	31,000	27,000
Expected return	23,000	13,000
Actuarial gains/(losses)	(6,000)	20,000
Benefits paid	(33,000)	-
	<u>434,000</u>	<u>302,000</u>

Notes to the Financial Statements - continued  
for the Year Ended 31 August 2014

19. PENSION AND SIMILAR OBLIGATIONS - continued

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

	31.8.14	Defined benefit pension plans	31.8.13
Equities	92.3%		90.2%
Government bonds	0%		0.1%
Bonds	6.5%		6%
Cash/liquidity	1.2%		3.7%

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

	31.8.14	31.8.13
Discount rate	4%	4.6%
Expected return on scheme assets	6.35%	6.32%
Future salary increases	3.7%	3.9%
Future pension increases	2.2%	2.4%
Inflation assumption (CPI)	2.2%	2.4%

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

	2013	2012
Retiring today		
Males	22.5	22.4
Females	25	24.9
Retiring in 20 years		
Males	24.3	24.2
Females	27	26.9

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

	31.8.14	31.8.13	31.8.12
	£	as restated £	£
Defined benefit pension plans			
Defined benefit obligation	(1,221,000)	(1,017,000)	(860,000)
Fair value of scheme assets	434,000	302,000	140,000
Deficit	(787,000)	(715,000)	(720,000)
Experience adjustments on scheme liabilities	-	-	(67,000)
Experience adjustments on scheme assets	-	20,000	(9,000)

The cumulative amount of actuarial gains and losses recognised in the Statement of total recognised gains and losses was £44,000 loss (2013: £20,000 gain).

The Academy expects to contribute £122,000 (2013: £102,000) to its Defined benefit pension scheme in 2015.

20. RELATED PARTY DISCLOSURES

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

During the period to 21st May 2014, the date at which D Milne resigned as a director of HMFA, payments totalling £65,404 (2013:£44,210) to D&D Network Services Limited, a company in which D Milne is a director and shareholder for the provision of IT services.

During the 12 month period to 31 August 2014 payments totalling £74,167 (2013:£66,667) to PLP Associates Limited, a company in which P Box and P Whitcombe are directors and shareholders, for the provision of executive headship services.

During the 12 month period to 31 August 2014 payments totalling £5,650 (2013:£16,796) and receipts totalling £15,000 (2013: £10,000) to/from Activate Educational Ltd, a company in which P Box and P Whitcombe are directors for the provision of staff training.

During the 12 month period to 31 August 2014 payments totalling £2,330 and receipts totalling £2,667 to/from Calon Solutions, a company in which P Box, P Whitcombe and K P Smith are directors for the provision of staff training.

During the 12 month period to 31 August 2014 receipts totalling £2,839 from Sutton Seedlings, a business in which G Corrick is a manager, for the provision of pre-school services.

The Academy contributed to the Ofsted Inspector training of P Box, P Whitcombe and K P Smith. The amount contributed was £4,500 out of a total cost of £9,000.

21. ULTIMATE CONTROLLING PARTY

Due to the nature of entity, there is no overall controlling party.

Herefordshire Marches Federation of Academies

Detailed Statement of Financial Activities for the Year Ended 31 August 2014

	31.8.14 £	31.8.13 £
<b>INCOMING RESOURCES</b>		
Voluntary income		
Grants	24,756	170,739
School Trips	48,627	58,737
Other grants & payments	18,187	25,857
	<hr/>	<hr/>
	91,570	255,333
Activities for generating funds		
Lettings	5,800	5,858
Recharges of staff to other organisations	105,215	8,000
Catering income	41,727	45,749
Other	32,045	16,780
	<hr/>	<hr/>
	184,787	76,387
Investment income		
Deposit account interest	259	-
Incoming resources from charitable activities		
Grants	3,160,800	3,080,324
Other incoming resources		
Expected return on pension scheme assets	-	20,000
Interest on pension scheme liabilities	-	(20,000)
	<hr/>	<hr/>
	-	-
	<hr/>	<hr/>
Total incoming resources	3,437,416	3,412,044
<b>RESOURCES EXPENDED</b>		
Charitable activities		
Wages	1,791,072	1,782,938
Social security	115,446	122,557
Pensions	251,707	250,956
Educational supplies	152,702	177,143
Staff development	22,800	15,483
Educational consultancy	107,381	91,050
Other costs	17,682	27,749
Other direct costs	5,250	28,204
Freehold property	27,743	27,743
Long leasehold	35,020	35,020
Carried forward	2,526,803	2,558,843

This page does not form part of the statutory financial statements

Herefordshire Marches Federation of  
Academies

Detailed Statement of Financial Activities  
for the Year Ended 31 August 2014

	31.8.14 £	31.8.13 £
Charitable activities		
Brought forward	2,526,803	2,558,843
Fixtures and fittings	51,615	35,840
Computer equipment	20,737	15,523
Expected return on pension scheme assets	8,000	15,000
	<hr/> 2,607,155	<hr/> 2,625,206
Governance costs		
Accountancy	-	7,652
Auditors' remuneration	9,664	9,475
Legal and Professional Fees	3,706	3,190
	<hr/> 13,370	<hr/> 20,317
Support costs		
Management		
Wages	352,994	349,848
Social security	19,331	19,468
Pensions	63,062	42,956
Recruitment and support	5,702	10,862
Maintenance of premises and equipment	62,687	48,556
Cleaning	9,738	6,871
Rent and rates	14,343	10,819
Energy costs	29,163	35,421
Insurance	37,043	34,401
Professional Services	89,741	56,357
Catering	62,169	63,977
Motor vehicles	10,036	8,635
Bank Interest and Charges	927	806
Administrative supplies	43,773	65,734
	<hr/> 800,709	<hr/> 754,711
Total resources expended	<hr/> 3,421,234	<hr/> 3,400,234
Net income	<hr/> <hr/> 16,182	<hr/> <hr/> 11,810