

HUXLOW SCIENCE COLLEGE
(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

HUXLOW SCIENCE COLLEGE
(A Company Limited by Guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2018

Members	Mr P Kelby Mr M Fargher Mr R Barron Mr S Ward Mr D McVean (appointed 12 December 2017)
Trustees	Mr P Kelby ¹ Mr M Fargher, (Chair of Trustees) ¹ Mr R Barron ¹ Mr S Ward ¹ Mrs S Cawley (resigned 17 October 2017) ¹ Mr A Dickerson Mr S Gordon, Headteacher & Accounting Officer ¹ Mr M Hodgson (resigned 26 September 2017) Mr D McVean, (Vice Chair) ¹ Miss R Moss, Staff Trustee (resigned 12 December 2017) Mr S Pentlow (resigned 28 June 2018) Mr L Venn, Staff Trustee (resigned 8 January 2018) Mrs J Bonas, Staff Trustee Mr G Perkins (appointed 26 September 2017) ¹ Mrs T Walton (appointed 26 September 2017) ¹ Miss E Davies (appointed 30 January 2018)

¹ Members of the Finance, Personnel and Premises Committee

Company registered number	07982740
Company name	Huxlow Science College
Principal and registered office	Huxlow Science College Finedon Road Irthlingborough Northamptonshire NN9 5TY
Company secretary	Mrs H Avey
Senior management team	Mr S Gordon, Headteacher Mrs K Isaksen, Deputy Head Miss C Wood, Deputy Head Miss S Beresford, Strategic Business Manager
Independent auditor	MHA MacIntyre Hudson Chartered Accountants Statutory Auditors Peterbridge House The Lakes Northampton NN4 7HB

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REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY TRUST, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2018

Advisers (continued)

Bankers	Lloyds TSB Market Street Wellingborough NN8 1AG
Solicitors	Veale Wasbrough Vizards Barnards Inn 86 Fetter Lane London EC4A 1AD

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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2018

The academy trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2017 to 31 August 2018. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The trust operates an academy for pupils aged 11 to 19 serving a catchment area in East Northamptonshire. It has a full pupil capacity of 960 and had a roll of 896 in the school census on 4 October 2018.

Structure, governance and management

CONSTITUTION

The academy trust is a limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the academy trust. The academy trustees of Huxlow Science College are also the directors of the charitable company for the purpose of company law. The charitable company operates as Huxlow Science College. Details of the academy trustees who served during the year, and to the date these accounts are approved, are included in the Reference and Administrative details on page 1.

MEMBERS' LIABILITY

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

TRUSTEES' INDEMNITIES

Trustees benefit from indemnity insurance to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust. The details of insurance are given in Note 11.

METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF TRUSTEES

The Governing Body is responsible for appointing the new Academy trustees except for Parent Governors and Staff Governors who are elected by a secret ballot. Due regard is given to skillsets on the recruitment of new trustees. Academy trustees are subject to retirement by rotation but are eligible for re-election at the meeting at which they retire. The Academy trustees to retire are those who have served a four year term. The Headteacher shall be treated for all purposes as being an ex officio Governor.

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES

The training and induction provided for new Academy trustees will depend on their experience. All new Academy Trustees receive a minimum induction programme, a tour of the Academy Trust, are provided with an induction pack which includes The Governors Handbook, relevant policies, the structure of the trust, staffing list and are registered with Governor Hub where they can access minutes, financial reports and other relevant information to carry out their roles. All new Academy Trustees are given an opportunity to meet with staff and students.

ORGANISATIONAL STRUCTURE

The Governing Body delegates certain responsibilities to key committees, i.e. Finance, Personnel and Premises (which encompasses Health & Safety) and, Curriculum and Welfare, and delegates responsibility for operational matters to the Headteacher (Accounting Officer).

The Academy Trustees are responsible for setting the strategy and general policy, adopting an annual plan and budget, and monitoring the performance of the Academy Trust. The Academy trustees make any major decisions for the Academy Trust especially in relation to capital expenditure and senior staff appointments.

The Senior Leadership Team (SLT) comprises the Headteacher, 2 Deputy Headteachers and the Strategic Business Manager. These managers control the College at an executive level implementing the policies laid down by the Governing Body and reporting back to them. As a group the SLT are responsible for the authorisation of spending within agreed budgets and the appointment of staff in accordance with the agreed structure. Appointments for the SLT always include a Governor and the appointment of a Headteacher and Deputy Headteacher are managed by the Governing Body. Normal spending control is devolved to members of the SLT and designated budget holders in accordance with the agreed authorisation levels set by Trustees.

ARRANGEMENTS FOR SETTING PAY AND REMUNERATION OF KEY MANAGEMENT PERSONNEL

Remuneration of all staff (including key management personnel) is in line with the Academy Trust's agreed Whole School Pay Policy. The Policy is aligned with the School Teachers Pay and Conditions Document (STPC) and the NJC Agreement for support staff and is reviewed annually however, the Trustees retain the right to alter these terms in light of the current financial climate, following staff consultation. Pay progression is performance related through an annual appraisal process for all staff. The Headteacher's appraisal is conducted by a panel of 3 Governors and an external school improvement advisor.

The Academy's Trustees act in a voluntary capacity and do not receive any remuneration.

The Academy actively consults with employees on matters affecting them which include but is not limited to Personnel policies, Health and Safety policies and Staff Welfare. Staff Unions are included in consultation.

TRADE UNION FACILITY TIME

The Academy had no employees acting as union officials during the year, however the Academy does consult with all recognised Trade Unions particularly on all terms and conditions of employment and health and safety matters.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

RELATED PARTIES AND OTHER CONNECTED CHARITIES AND ORGANISATIONS

The Sixth form operates as part of a three school consortium known as The East Northamptonshire College (TENC) to deliver 16-19 education. TENC finances are maintained by Huxlow Science College. The funds are held and reported separately to the main school. As at 31 August 2018 the consortium held reserves of £25,876 (a third of which is attributed to each of the three schools).

The Academy Trust has a collaborative partnership with The Learning for Life Education Trust, which includes 2 junior schools, 1 infant school and 1 infant and nursery school. Through this group we share educational practice across the entire age range of children in education with the aim of improving outcomes for children.

Objectives and Activities

OBJECTS AND AIMS

The principal object and activity of the charitable company is the operation of Huxlow Science College to provide education for pupils of different abilities between the ages of 11 and 19.

The Academy provides 11-19 education for Irthlingborough, Finedon and surrounding villages. Our vision "safe, happy and successful students who go on to become safe, happy and successful adults" underpins our work. At Huxlow every individual is empowered to fulfil their potential through the following values:

- Students and staff feel safe and happy at school;
- Everyone is ambitious and welcomes the challenge of being the best they can;
- High quality teaching challenges every student and develops their creativity, skills and knowledge;
- We grow to meet the needs of our wider community who trust and value the school;
- Students and staff are resilient, reflective, independent and take responsibility for their own performance;
- We foster a love of learning across our entire community;
- We are active and positive members of all our partnerships;
- We celebrate everyone's successes.

OBJECTIVES, STRATEGIES AND ACTIVITIES

The Academy Trust focused on the following key objectives during the year:-

- Continue to raise achievement across the board so that all students make at least good progress;
- To develop our students so they are emotionally prepared for the ever changing demands of adult life. In particular we aim to develop the whole child in particular their leadership, organisation, resilience, independence and communication skills;
- Decide on the longer term future of the Academy Trust, including changing the age range to enable the Academy Trust to develop in line with future growth;
- To grow our student numbers to approximately 900;
- Ensuring the Academy Trust remains financially robust by good budgetary control, successfully obtaining external funding for projects and forging partnerships with other local schools.

Strategies for achieving these objectives include:-

- Continuing to improve the quality of teaching with a particular focus on questioning and improving Sixth Form Careers Advice and Guidance (CAG);
- Continue to increase student roll with the aim of achieving a student intake of 180 in Year 7 in

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- September 2019 and maintain 160 in the sixth form;
- Undertake strategic planning to decide on the future structure of the Academy Trust and consider which partner organisations to work with for mutual benefit. The Academy Trust is a Good school with improving progress and recognises that it has many strengths to add to partner organisations. The Trustees are currently developing a set of criteria to evaluate potential future partners.

PUBLIC BENEFIT

The Academy Trust promotes education for the benefit of the local community of Irthlingborough, Finedon and surrounding villages and offers recreational facilities to local community groups outside of school hours for the benefit of the general public.

Community based projects are also undertaken throughout the year by staff and students which further enhances the public benefit.

The Academy Trustees have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers and duties. In particular, Academy Trustees consider how planned activities will contribute to the aims and objectives they have set. The Academy Trust has provided a fully comprehensive education to all pupils in its care. It fully complies with all statutory guidance and seeks to support its wider educational objectives via a strong community role.

Strategic report

Achievements and performance

Following a 'Requires Improvement' Ofsted judgement in 2014, Huxlow Science College has improved year on year.

In 2016 Ofsted judged the Academy Trust to be 'Good', stating:

The new leadership team has swiftly addressed underperformance. Leaders have put in place effective support for weaker teaching. As a result, teaching is now good.

Leaders and teachers are determined that only the best is good enough for pupils at the school. They have introduced an aspirational culture which pupils have embraced. Staff say, 'Barriers for pupils have been broken. The glass ceiling has been removed'. Pupils now believe that they can achieve well. Everyone in the school puts pupils' well-being at the centre of everything that they do. Pupils trust and respect teachers to help them do the best that they can.

The Academy Trust has set out to increase our student roll. As a result, our current roll is close to 900 with an additional 100 students compared to three years ago;

There are currently 155 students in Sixth Form, having exceeded 100 for the first time in 2017. In year admissions are significant at 32, with more parents choosing our excellent education provision for their children.

2018 saw the Academy Trust admit its largest ever Year 7 (160 students) – for 2019 we have targeted 180 in Year 7 and initial indicators suggest we could achieve this.

We are negotiating additional classrooms with the Local Authority, to give us the capacity to house these extra students.

The successes achieved at Huxlow are the result of effective planning and efficient resourcing.

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Progress has increased significantly in the last three years, with Progress 8 improving from -0.4 in 2016 to -0.3 in 2017 to 0 in 2018 for best entry.

This has been achieved through a determined drive to improve the quality of teaching and an unwillingness to accept anything but a high quality of education for our students.

Earlier identification and bespoke support for the most vulnerable learners has resulted in a significant drop in the number of students considered 'Outliers' in the progress measure.

Standards in 2017 reached an all-time high for the Academy Trust, with 64% of students achieving the equivalent of 5 A*-C, including English and Maths. In 2018, with a year group significantly below average on entry, 43% achieved the new measure of a good pass (Grade 5) in English and Maths, which is above the national average.

All of our students excel, with one student going on to study Science at Cambridge University and in 2018 one student being amongst the few nationally to gain a full suit of Grade 9's in the new GCSEs.

Standards in our specialism are high, as is entry for Triple Science;

	C+ 2017	4+ 2018
Biology	80%	71%
Chemistry	85%	84%
Physics	75%	81%

In 2018 12% of all single GCSE science entries achieved the government's new standard of a grade 9.

Both English and Maths have shown improved progress year on year. In 2018 both returned positive progress 8 scores and achieved standards in line with the national, despite the year group being significantly below national average on entry.

	4+ 2017	5+ 2017	4+ 2018	5+ 2018
English	73%	54%	70%	60%
Maths	74%	48%	66%	53%

Language is mostly a core subject at Academy Trust, as we recognise the need to broaden our students' cultural experiences.,

	2017	2018
% of cohort taking GCSE	77%	71%
% achieve C+/4+	87%	82%

Progress in the Sixth Form has improved considerably in the last two years and is now average for the 3 measures of A-Level, academic and vocational. The significant increase in student numbers means that the results will be less vulnerable to the impact of the individual students and will securely improve over the next few years.

The Academy Trust enjoys excellent HR leadership and employs an imaginative pay policy. Our last Kirkland Rowell survey showed staff moral to be outstanding. As a result, the Academy Trust is typically fully staffed and in a good place to build on the rapid improvements of recent years.

KEY PERFORMANCE INDICATORS

The Academy Trust uses a number of financial key performance indicators to monitor the financial success of the Academy Trust and progress against the targets set. The academic indicators are highlighted separately

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under Achievements and Performance above.

Staffing costs are monitored as a percentage of total funding. For the year ended 31 August 2018 staffing costs amounted to 79.8% of total funding compared to a target of 82.5%. Whilst the outcome was less favourable than the previous year (75.2%) our rate of growth is above the norm and we are therefore in a funding lag situation.

Non-government income as a percentage of total income was favourable at 4.4% compared to a target of 3.5%.

Full Time Equivalent (FTE) staffing numbers stood at 85.2 FTE compared to the target of 84.7 FTE. The Pupil / Teacher ratio at 16.5 was lower than the target of 16.6.

Expenditure on Special Educational Needs was at 5.3% of total income for the year, in line with our target of 5%.

The Academy has a target liquidity of greater than 1 under the "quick ratio" and stood at 3.75 at the year end.

The Academy Trust also monitors its operating surplus or deficit (excluding restricted fixed assets and actuarial gains and losses) as a percentage of non-capital income. For the year ended 31 August 2018 the operating deficit equated to 2.3% of non-capital income (2017 surplus 3.6%).

During 2017/18 the Academy Trust continued to focus on environmental indicators to reduce costs and energy consumption through new initiatives. Electricity consumption fell for the third consecutive year with a 1.5% reduction. Due to the harsh winter there was a slight increase in gas usage of 1.7% however it is expected reductions will be achieved in 2018/19.

The Academy Trust recruitment methods proved successful, resulting in no teaching vacancies. This was a remarkable achievement in light of the national picture for recruitment of teachers.

Self-certified staff absence showed a 28% reduction compared to the previous year, however medically certified sickness showed a 23% increase.

GOING CONCERN

After making appropriate enquiries, the board of trustees 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.

Financial review

Most of the Academy's income is obtained from the DfE in the form of recurrent grants disbursed via the Education Funding Agency (ESFA), the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2018 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

During the year ended 31 August 2018, total revenue expenditure of £4,626,702 (2017 - £4,525,078) (excluding depreciation) is covered by recurrent grant funding from the DfE together with other incoming resources and use of reserves. The excess of expenditure over income for the year (excluding restricted fixed asset funds and actuarial gains and losses) was a deficit of £102,989 (2017 - surplus £169,416). During the period our rate of growth is above the norm and we are therefore in a funding lag situation. Trustees have made a decision to use a proportion of reserves for years 2017/18 and 2018/19 to fund the growth of the Trust.

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At 31 August 2018 the net book value of fixed assets was £7,814,864 and movements in tangible fixed assets are shown in Note 12 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

The Local Government Pension Scheme for the Academy Trust has a deficit which is detailed in Note 19 to the financial statements.

Under the current economic constraints the Academy Trust is unlikely to be able to achieve a balanced budget whilst continuing to provide high quality education.

RESERVES POLICY

The Academy Trust's policy on reserves is to hold a suitable level of reserves to ensure the stability of the Academy Trust's organisational operations in what is becoming a less certain economic funding environment. The Academy Trustees review 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. Current levels of reserves remain healthy.

The Academy's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £87,237 (2017 - £75,092).

Included within restricted funds at 31 August 2018 is the Local Government Pension Scheme deficit of £1,119,000 (2017 - £1,207,000). The pension deficit is viewed as long term debt and annual contributions are adjusted as necessary to mitigate the risk and reduce the deficit.

At 31 August 2018 the total funds comprised:

	£
Unrestricted	87,237
Restricted:	
Fixed asset funds	7,814,864
Pension reserve	(1,119,000)
Other	<u>659,911</u>
	<u>7,443,012</u>

INVESTMENTS POLICY

The Trust's investment policy is to invest surplus cash reserves with high street banks with a high credit rating where the capital invested is guaranteed. Investment returns are market tested periodically to ensure that returns are maximised whilst safeguarding the funds invested. Investments can only be made with the approval of Academy Trustees.

PRINCIPAL RISKS AND UNCERTAINTIES

The Academy Trustees have assessed the major risks to which the Academy is exposed, in particular, those related to the specific teaching, provision of facilities and other operational areas of the Academy Trust, and its finances and are contained in the Risk Register, compiled and reviewed regularly by the Senior Leadership team and Academy Trustees.

A continuing major risk to the Academy is the uncertainty surrounding future funding and reductions in funding. A number of funding scenarios have been considered and recurrent expenditure has been planned on the minimum likely funding. A 3 year business plan has been drawn up to test the robustness of future finances. This has highlighted the mismatch between growth, income and costs.

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Responding to changes in the national GCSE grading system and achieving the national benchmarks in subject areas remains a key focus.

Recruitment and retention of teaching staff remains a key risk due to the national shortage of teachers and lack of teachers in key subject areas. This results in additional costs in terms of recruiting, securing and retaining staff.

The capability of the Academy Trust buildings and its small site area continue to be a real challenge in an ever growing community. This represents a key risk for the Academy in the long term. A long term development plan has been established together with dialogue with the other local partners.

The Academy Trust has an effective system of internal controls and this is explained in more detail in the Governance Statement.

There are long established procedures in place for monitoring and reviewing the effectiveness of safeguarding procedures. An independent safeguarding audit was completed in the year with minor recommendations. The Academy Trustees are fully included in this and are aware of their responsibilities.

Fundraising

The Academy Trust does not currently employ professional fundraisers or have a subsidiary trading company. Current fundraising is carried out with internal staff for specific capital projects and student projects which are included in the Academy Trust's development plan. Our Parent Teacher and Friends Association (PTFA), is a separate organisation set up in July 2018 by our parents, and will contribute to future fundraising projects. The PTFA is a registered charity in its own right.

Our fundraising arrangements fully comply with relevant legal requirements; and are in our Academy Trust's best interests because:

- appropriate due diligence is undertaken;
- our fundraising values and expectations are communicated;
- the costs are justifiable and can be explained;
- proper control is kept of the money raised;
- the fundraising communications to be used are reviewed;
- compliance with the agreement is monitored;
- any conflicts of interest are recognised and dealt with.

Plans for future periods

The Academy Trust will continue to target improvements in performance and levels of progress in all subjects to enable a longer term goal to move from a good to an outstanding Ofsted rating. Developing the whole child remains a key focus to enable pupils to have the best possible outcomes in life.

Key areas for development relate to attendance management, pupil achievement for all students by continuing to improve teaching and learning as well as the quality of leadership and management.

The Academy Trust has ambitions to increase its students roll. 2018 saw our largest ever Year 7 intake (156 students), and we have ambitions to achieve 180 students in 2019. Sixth Form numbers are at a record high of 155 students.

Student numbers have increased from 800 to 900 over the last three years. We have ambitions to have 1,000 on roll by September 2021 and 1,100 by 2024.

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TRUSTEES' REPORT (continued)
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The Academy Trust has clear improvement priorities.

In terms of student progress, English and Maths have improved considerably in recent years and continuing to build on these improvements is a key priority. Both departments are fully staffed and well led and have recently developed systems that should lead to further year on year improvement in progress.

The Academy Trusts performance in the Progress 8 'Open Bucket' needs to improve. The relatively poorer performance is a result of the inclusion of subjects that are rejected from other buckets - the second English, the third Science and Humanities. The headline performances of English and Science demonstrates that these areas have the capacity to improve their consistency and performance so that it is uniformly strong. New senior leadership in Humanities is already showing a positive impact.

As the Academy Trust has improved its performance, the girls have outperformed the boys. In 2018 the gap in performance is greater than the national gap. Improving the performance of the boys is a key priority.

Sixth Form performance has improved in the last two years and is now in line with the national performance. Improving this in line with Key stage 4 performance is a key priority.

The Academy Trust recognises the need to join a larger Academy Trust. We are currently seeking a Trust that will improve us, provide financial stability and will enable us to enjoy a full roll, with school improvements across the Trust. We have considerable experience of supporting local schools at senior and governor level and wish to utilise these skills in whichever Trust we join.

Investments will be made in key areas to enhance and improve the provision and college infrastructure. In-year these investments have included improved Dance and Drama facilities and new entrance gates as well as refurbishment of existing facilities.

Also the Academy Trust has supported the creation of a parent teacher organisation to generate additional income for the benefit of our students.

There has also been the ongoing continuous review of efficiencies and cost savings which have delivered significant benefit used to improve the teaching and learning provision.

The Governing Board has also provided significant leadership resource, advice and support to other local Trusts to help them make improvements to their provision.

With the agreement of The East Northamptonshire College (TENC) partner Academies, the Academy Trust has taken on the financial management of TENC.

FUNDS HELD AS CUSTODIAN

The Trust manages the finances and holds the reserves for The East Northamptonshire College, of which the Academy Trust is a member of. The funds are held and reported separately to the main school. As at 31 August 2018 the consortium held reserves of £25,876 (a third of which is attributable to each of the three member schools).

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AUDITOR

In so far as the academy trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware, and
- that academy trustees have taken all the steps they ought to have been 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, was approved by order of trustees, as the company directors, on 18 December 2018 and signed on its behalf by:



Mr M Fargher
Chair of Trustees

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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

The board of trustees have 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 Huxlow Science College and the Secretary of State for Education. The Headteacher is also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Trustees' report and in the Statement of trustees' responsibilities. The board of trustees has formally met 6 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mr P Kelby	5	6
Mr M Fargher, (Chair of Trustees)	6	6
Mr R Barron	6	6
Mr S Ward	5	6
Mrs S Cawley	0	1
Mr A Dickerson	4	6
Mr S Gordon, Headteacher & Accounting Officer	4	6
Mr M Hodgson	0	1
Mr D McVean, (Vice Chair)	5	6
Miss R Moss, Staff Trustee	1	2
Mr S Pentlow	3	5
Mr L Venn, Staff Trustee	0	2
Mrs J Bonas, Staff Trustee	6	6
Mr G Perkins	6	6
Mrs T Walton	4	6
Miss E Davies	2	4

The Finance, Personnel & Premises Committee is a sub-committee of the main board of trustees. Its purpose is:

- Finance – to act as Audit Committee for the Academy and to consider aspects of financial planning and performance, to be fully informed about all finance matters and monitor budgets throughout the academic year;
- Personnel – to develop, review and oversee all staff related tasks associated with the Academy Trust;
- Premises – to plan, support and guide all premises, and, Health and Safety related tasks for the Academy Trust.

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GOVERNANCE STATEMENT (continued)

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mrs S Cawley	0	1
Mr M Fargher	6	7
Mr R Barron	7	7
Mr P Kelby	6	7
Mr D McVean	3	7
Mr S Ward	2	7
Mr S Gordon, Headteacher and Accounting Officer	7	7
Mr G Perkins	5	7
Mrs T Walton	4	7
Miss S Beresford, Strategic Finance Manager	7	7

Governance Reviews

Huxlow Academy Trust has a strong Board of Trustees with a broad range of skilled and experienced Trustees who support and challenge the Senior Leadership Team (SLT). This has enabled improvements to be implemented in year and the school to be well placed to meet the short and medium term challenges ahead.

Newly appointed Academy Trustees have undergone training and are now actively involved in supporting the Academy Trust in the areas of their expertise. Succession management is in place to ensure continuity of strategic leadership.

The Governing Body has carried out a skills and training audit and this will continue to be used to identify areas of expertise and experience when future positions arise. This insight has been used in-year to focus Governor training activities. The audit showed skill gaps in HR and Estate Management, as we have an HR manager this area is covered, and should expertise be required in Estate Management external agencies would be used. Currently we have a shortage of 1 parent governor and are looking to recruit in the next year.

An internal review of Governance has taken place to make the Governing Body even more effective in delivering strategic leadership to the Academy Trust. The high level of experience and accreditation on the Governing Body has enabled this to be carried out without external review this year. This review has led to changes in the structure of sub committees to focus on improving teaching and learning across the school. An external review of Governance is planned once these changes have embedded.

The Governing Body has also instigated a process of additional checks into key areas of the schools business to drive further improvement and efficiencies. In year this has included an external audit of safeguarding policy and practice.

Through the continued depth of engagement and appropriate challenge, Academy Trustees have directly supported the SLT to achieve successful outcomes for our young people. The Board of Trustees continue to drive further improvements to sustain the changes made and make provision even stronger. In year the Board of Trustees has focused on short/medium term financial constraints to ensure that the school is prepared for the financial challenges ahead.

GOVERNANCE STATEMENT (continued)

REVIEW OF VALUE FOR MONEY

As Accounting Officer, the Headteacher 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 Academy 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 appropriate. The Accounting Officer for the Academy Trust has delivered improved value for money during the year by:

- **Educational Outcomes**
The Academy Trust supports the social, emotional and academic growth of students through the delivery of an appropriate curriculum by experienced and skilled staff. The Academy Trust recognises the benefit of students acquiring independence skills, and as a result pupils are encouraged to develop abilities which will stand them in good stead throughout their lives within their chosen communities. This development of the "whole child" will continue to be a key strategic focus for the future.
- **Better Purchasing**
Trustees have a strong oversight of financial governance and challenge decisions made on their effectiveness to ensure value for money is achieved. Larger value purchases are subject to tendering and approval by the Board of Trustees. Procurement savings have been achieved through a review of major premises contracts due for renewal which has resulted in savings in excess of £35k over 3 years. This process of continual review of major contracts is carried out on an ongoing basis in conjunction with another local secondary academy in order to achieve greater savings. The continued use of our casual cover initiative has resulted in annual supply agency savings of around £60k.
- **Income Generation**
The Academy Trust explores every opportunity to generate income through the use of facilities and assets. During the year the Academy was successful in securing external funding of £6k from the Finedon Educational Charity for curriculum equipment. In June 2018 the Academy Trust supported the creation of a Parent Teacher and Friends Association (PTFA), set up by our parents. This will assist in future fundraising projects.

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 Huxlow Science College for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The board of trustees has 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 board of trustees is 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 year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. The process is regularly reviewed by the Board of Trustees.

GOVERNANCE STATEMENT (continued)

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, Personnel & Premises Committee and the full Governing Body of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties;
- identification and management of risks.

The board of trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the trustees have arranged for a peer financial audit to be carried out with a local Academy Trust, Peer Internal Auditor, and an independent safeguarding audit by Lesley Pollard Learning.

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

- testing of payroll systems;
- testing of purchase and expenses systems;
- testing of income;
- testing of control account/ bank reconciliations.
- efficiency culture

On an annual basis, the peer reviewer reports to the board of trustees through the Finance, Personnel & Premises Committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities. The schedule of audit work was delivered as planned. No issues were found requiring immediate attention however an action plan is being developed to address minor recommendations.

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 Peer Internal Auditor the external safeguarding auditor and the work of the external auditor
- the financial management and governance self-assessment process;
- 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 result of their review of the system of internal control by the Finance, Personnel & Premises Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

HUXLOW SCIENCE COLLEGE
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (continued)

Approved by order of the members of the board of trustees on 18 December 2018 and signed on their behalf, by:



Mr M Fargher
Chair of Trustees



Mr S Gordon
Headteacher and Accounting Officer

HUXLOW SCIENCE COLLEGE
(A Company Limited by Guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Huxlow Science College I have considered my responsibility to notify the academy trust Board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

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 2017.

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 ESFA.



Mr S Gordon
Headteacher and Accounting Officer

Date: 18 December 2018

HUXLOW SCIENCE COLLEGE
(A Company Limited by Guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2018

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

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



Mr M Fargher
Chair of Trustees

Date: 18 December 2018

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
HUXLOW SCIENCE COLLEGE**

OPINION

We have audited the financial statements of Huxlow Science College (the 'academy trust') for the year ended 31 August 2018 which comprise the Statement of financial activities incorporating the income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the academy trust's affairs as at 31 August 2018 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the academy trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the academy trust ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

HUXLOW SCIENCE COLLEGE
(A Company Limited by Guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
HUXLOW SCIENCE COLLEGE**

OTHER INFORMATION

The trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report and the Strategic report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of our knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report including the Strategic report.

We have nothing to report in respect of the following matters in relation to which 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.

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Statement of trustees' responsibilities, 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, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

HUXLOW SCIENCE COLLEGE
(A Company Limited by Guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
HUXLOW SCIENCE COLLEGE**

In preparing the financial statements, the trustees are responsible for assessing the academy trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the academy trust or to cease operations, or have no realistic alternative but to do so.

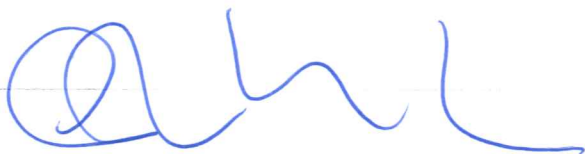
AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's report.

USE OF OUR REPORT

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.



Elaine Olson-Williams FCCA (Senior Statutory Auditor)

for and on behalf of

MHA MacIntyre Hudson

Chartered Accountants
Statutory Auditors

Peterbridge House
The Lakes
Northampton
NN4 7HB

Date: 20 December 2018

HUXLOW SCIENCE COLLEGE
(A Company Limited by Guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO HUXLOW SCIENCE COLLEGE AND THE EDUCATION & SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 01 October 2017 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Huxlow Science College during the year 1 September 2017 to 31 August 2018 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 Huxlow Science College and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Huxlow Science College and the ESFA 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 Huxlow Science College and the ESFA, for our work, for this report, or for the conclusion we have formed.

RESPECTIVE RESPONSIBILITIES OF HUXLOW SCIENCE COLLEGE'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The Accounting Officer is responsible, under the requirements of Huxlow Science College's funding agreement with the Secretary of State for Education dated 1 April 2012, and the Academies Financial Handbook extant from 1 September 2017, 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 2017 to 2018. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2017 to 31 August 2018 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 2017 to 2018 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

HUXLOW SCIENCE COLLEGE
(A Company Limited by Guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO HUXLOW SCIENCE COLLEGE AND THE EDUCATION & SKILLS FUNDING AGENCY (continued)

The work undertaken to draw to our conclusion includes:

- Reviewing the minutes of meetings of the Governing Body and other evidence made available to us, relevant to our consideration of regularity;
- A review of the objectives and activities of the academy, with reference to the income streams and other information available to us as auditors of the academy;
- Testing a sample of payroll payments to staff;
- Testing of a sample of payments to suppliers and other third parties;
- Testing a sample of grants received and other income streams;
- Evaluating the internal control procedures and reporting lines, and testing as appropriate;
- Making appropriate enquiries of the Accounting Officer.

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



MHA MacIntyre Hudson

Chartered Accountants

Peterbridge House
The Lakes
Northampton
NN4 7HB

Date: 20 December 2018

HUXLOW SCIENCE COLLEGE
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2018

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
INCOME FROM:						
Donations and capital grants	2	1,927	4,532	28,725	35,184	50,674
Charitable activities:						
Funding for the academy trust's educational operations	3	-	4,334,607	-	4,334,607	4,506,573
Other trading activities	4	6,584	172,229	-	178,813	178,433
Investments	5	3,834	-	-	3,834	3,353
TOTAL INCOME		12,345	4,511,368	28,725	4,552,438	4,739,033
EXPENDITURE ON:						
Raising funds		200	166,613	-	166,813	188,232
Charitable activities:						
Academy trust educational operations		-	4,459,889	313,600	4,773,489	4,646,237
TOTAL EXPENDITURE	6	200	4,626,502	313,600	4,940,302	4,834,469
NET INCOME /						
(EXPENDITURE) BEFORE						
TRANSFERS						
Transfers between Funds	16	12,145	(115,134)	(284,875)	(387,864)	(95,436)
		-	(111,613)	111,613	-	-
NET INCOME /						
(EXPENDITURE) BEFORE						
OTHER RECOGNISED						
GAINS AND LOSSES						
		12,145	(226,747)	(173,262)	(387,864)	(95,436)
Actuarial gains on defined benefit pension schemes	19	-	253,000	-	253,000	408,000
NET MOVEMENT IN FUNDS		12,145	26,253	(173,262)	(134,864)	312,564
RECONCILIATION OF FUNDS:						
Total funds brought forward		75,092	(485,342)	7,988,126	7,577,876	7,265,312
TOTAL FUNDS CARRIED FORWARD		87,237	(459,089)	7,814,864	7,443,012	7,577,876

The notes on pages 29 to 51 form part of these financial statements.

HUXLOW SCIENCE COLLEGE
(A Company Limited by Guarantee)
REGISTERED NUMBER: 07982740

BALANCE SHEET
AS AT 31 AUGUST 2018

	Note	£	2018 £	£	2017 £
FIXED ASSETS					
Tangible assets	12		7,814,864		7,981,932
CURRENT ASSETS					
Stocks		7,090		7,090	
Debtors	13	108,996		114,493	
Cash at bank and in hand		917,520		1,003,931	
		<u>1,033,606</u>		<u>1,125,514</u>	
CREDITORS: amounts falling due within one year	14	(275,508)		(302,440)	
NET CURRENT ASSETS			758,098		823,074
TOTAL ASSETS LESS CURRENT LIABILITIES			8,572,962		8,805,006
CREDITORS: amounts falling due after more than one year	15		(10,950)		(20,130)
NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES			8,562,012		8,784,876
Defined benefit pension scheme liability	19	(1,119,000)		(1,207,000)	
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			7,443,012		7,577,876
FUNDS OF THE ACADEMY					
Restricted income funds:					
Restricted income funds	16	659,911		721,658	
Restricted fixed asset funds	16	7,814,864		7,988,126	
Restricted income funds excluding pension liability		<u>8,474,775</u>		<u>8,709,784</u>	
Pension reserve		<u>(1,119,000)</u>		<u>(1,207,000)</u>	
Total restricted income funds			7,355,775		7,502,784
Unrestricted income funds	16		87,237		75,092
TOTAL FUNDS			7,443,012		7,577,876

HUXLOW SCIENCE COLLEGE
(A Company Limited by Guarantee)

BALANCE SHEET (continued)
AS AT 31 AUGUST 2018

The financial statements on pages 25 to 51 were approved by the trustees, and authorised for issue, on 18 December 2018 and are signed on their behalf, by:



Mr M Fargher
Chair of Trustees

The notes on pages 29 to 51 form part of these financial statements.

HUXLOW SCIENCE COLLEGE
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2018

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash provided by operating activities	21	<u>29,553</u>	<u>224,381</u>
Cash flows from investing activities:			
Dividends, interest and rents from investments		3,834	3,353
Purchase of tangible fixed assets		(146,532)	(115,190)
Capital grants from DfE Group		28,725	44,537
Net cash used in investing activities		<u>(113,973)</u>	<u>(67,300)</u>
Cash flows from financing activities:			
Repayments of borrowings		(1,991)	(15,074)
Net cash used in financing activities		<u>(1,991)</u>	<u>(15,074)</u>
Change in cash and cash equivalents in the year		(86,411)	142,007
Cash and cash equivalents brought forward		<u>1,003,931</u>	<u>861,924</u>
Cash and cash equivalents carried forward	22	<u><u>917,520</u></u>	<u><u>1,003,931</u></u>

The notes on pages 29 to 51 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgments and key sources of estimation uncertainty, is set out below.

1.1 Basis of preparation of financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

1.2 Going concern

The trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the academy trust to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.3 Income

All income is recognised once the academy trust has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants

Grants are included in the Statement of financial activities incorporating income and expenditure account 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 Statement of financial activities incorporating income and expenditure account in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

Capital grants are recognised when there is entitlement 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.

Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

Sponsorship income

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the Statement of financial activities incorporating income and expenditure account in the period in which it is receivable, where receipt is probable and it is measurable.

Donations

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

Other income

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on Raising Funds

Expenditure on raising funds includes all expenditure incurred by the academy trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Charitable Activities

Expenditure on charitable activities are costs incurred on the academy trust's educational operations, including support costs and those costs relating to the governance of the academy trust appointed to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

1.5 Tangible fixed assets and depreciation

All assets costing more than £1,000 (£100 for computer equipment) are capitalised 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. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of financial activities incorporating income and expenditure account and carried forward in the Balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of financial activities incorporating income and expenditure account. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

HUXLOW SCIENCE COLLEGE
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

Leasehold Property / Leasehold Land	-	0.8% to 10% straight line
Leasehold Property Improvements	-	10% straight line
Furniture and fixtures	-	20% straight line
Plant and machinery	-	20% to 33% straight line

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 incorporating income and expenditure account.

1.6 Provisions

Provisions are recognised when the academy trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.7 Liabilities

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

1.8 Leased assets

Rentals under operating leases are charged to the Statement of financial activities incorporating income and expenditure account on a straight line basis over the lease term.

1.9 Financial Instruments

The academy trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy trust and their measurement basis are as follows:

Financial assets – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 13. Prepayments are not financial instruments.

Cash at bank – is classified as a basic financial instrument and is measured at face value.

Financial liabilities – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 14. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.10 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

1.11 Taxation

The academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by 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 YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.12 Pension benefits

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Governments Pension Scheme ("LGPS"). These are defined benefit schemes.

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 trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 19, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit 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 the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of financial activities incorporating income and expenditure account and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

1.13 Fund accounting

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

HUXLOW SCIENCE COLLEGE
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.14 Critical accounting estimates and areas of judgment

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The academy trust makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 19, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
Donations	1,927	4,532	-	6,459	6,137
Capital Grants	-	-	28,725	28,725	44,537
	<u>1,927</u>	<u>4,532</u>	<u>28,725</u>	<u>35,184</u>	<u>50,674</u>
Total 2017	<u>3,979</u>	<u>2,158</u>	<u>44,537</u>	<u>50,674</u>	

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
DfE/ESFA grants				
General annual grant (GAG)	-	4,004,028	4,004,028	4,205,785
Other DfE/ESFA grants	-	238,308	238,308	224,188
	-	4,242,336	4,242,336	4,429,973
Other government grants				
Local authority grants	-	77,091	77,091	66,232
	-	77,091	77,091	66,232
Other funding				
Other grants	-	15,180	15,180	10,368
	-	15,180	15,180	10,368
	-	4,334,607	4,334,607	4,506,573
Total 2017	-	4,506,573	4,506,573	

4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Rental income / hire of facilities	6,584	2,335	8,919	7,099
Trip income	-	75,655	75,655	99,428
Catering	-	75,615	75,615	63,197
Other income	-	18,624	18,624	8,709
	6,584	172,229	178,813	178,433
Total 2017	7,099	171,334	178,433	

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

5. INVESTMENT INCOME

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Bank interest receivable	3,834	-	3,834	3,353
Total 2017	3,353	-	3,353	

6. EXPENDITURE

	Staff costs 2018 £	Premises 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Expenditure on raising voluntary income	-	-	200	200	3,317
Expenditure on fundraising trading	19,236	-	147,377	166,613	184,915
Academy's educational operations:					
Direct costs	3,097,020	-	316,803	3,413,823	3,324,884
Allocated support costs	650,240	470,444	238,982	1,359,666	1,321,353
	3,766,496	470,444	703,362	4,940,302	4,834,469
Total 2017	3,563,385	200,117	1,070,967	4,834,469	

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

7. CHARITABLE ACTIVITIES

	Direct costs 2018 £	Support costs 2018 £	Total 2018 £	Total 2017 £
Educational operations	3,413,823	1,359,666	4,773,489	4,646,237
Total 2017	<u>3,324,884</u>	<u>1,321,353</u>	<u>4,646,237</u>	

Analysis of support costs

	2018 £	2017 £
Support staff costs	640,560	573,060
Depreciation	313,600	309,391
Premises costs	156,844	200,117
Other support costs	231,620	222,581
Governance costs	17,042	16,204
Total support costs	<u>1,359,666</u>	<u>1,321,353</u>

8. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets: - owned by the charity	313,600	309,391
Auditor's remuneration - audit	9,000	8,600
Auditor's remuneration - other services	6,691	7,525
Operating lease rentals	<u>11,324</u>	<u>4,282</u>

HUXLOW SCIENCE COLLEGE
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

9. STAFF COSTS

a. Staff costs

Staff costs were as follows:

	2018 £	2017 £
Wages and salaries	2,887,067	2,749,025
Social security costs	268,781	257,111
Operating costs of defined benefit pension schemes	599,083	530,167
	<u>3,754,931</u>	<u>3,536,303</u>
Agency staff costs	11,565	27,082
	<u><u>3,766,496</u></u>	<u><u>3,563,385</u></u>

b. Staff numbers

The average number of persons employed by the academy trust during the year was as follows:

	2018 No.	2017 No.
Teachers	49	47
Administration	14	14
Support	54	56
Management	4	4
	<u>121</u>	<u>121</u>

Average headcount expressed as a full time equivalent:

	2018 No.	2017 No.
Teachers	47	45
Administration	9	9
Support	26	26
Management	4	4
	<u>86</u>	<u>84</u>

c. Higher paid staff

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2018 No.	2017 No.
In the band £60,001 - £70,000	1	2
In the band £70,001 - £80,000	1	1
In the band £80,001 - £90,000	1	0

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

9. STAFF COSTS (continued)

The above three employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2017, pension contributions for these staff amounted to £36,889 (2017 - £35,182).

d. Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £399,920 (2017 - £428,503).

10. TRUSTEES' REMUNERATION AND EXPENSES

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

		2018	2017
		£	£
Mr S Gordon, Headteacher and Trustee	Remuneration	80,000-85,000	75,000-80,000
	Pension contributions paid	10,000-15,000	10,000-15,000
Miss R Moss, Staff Trustee	Remuneration	0-5,000	15,000-20,000
	Pension contributions paid	0-5,000	0-5,000
Mr L Venn, Staff Trustee	Remuneration	5,000-10,000	15,000-20,000
	Pension contributions paid	0-5,000	0-5,000
Miss C Campbell, Staff Trustee	Remuneration	N/A	35,000-40,000
	Pension contributions paid	N/A	5,000-10,000
Mrs J Bonas, Staff Trustee	Remuneration	10,000-15,000	0-5,000
	Pension contributions paid	0-5,000	0-5,000
Miss E Davies, Staff Trustee	Remuneration	10,000-15,000	N/A
	Pension contributions paid	0-5,000	N/A

During the year, no trustees received any reimbursement of expenses (2017 - £NIL).

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 year ended 31 August 2018 was £144 (2017 - £159).

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

12. TANGIBLE FIXED ASSETS

	Leasehold property £	Fixtures & fittings £	Plant & machinery £	Total £
Cost				
At 1 September 2017	8,951,585	187,706	554,660	9,693,951
Additions	72,543	31,493	42,496	146,532
Disposals	-	(5,476)	(20,820)	(26,296)
At 31 August 2018	<u>9,024,128</u>	<u>213,723</u>	<u>576,336</u>	<u>9,814,187</u>
Depreciation				
At 1 September 2017	1,136,599	147,783	427,637	1,712,019
Charge for the year	229,712	18,849	65,039	313,600
On disposals	-	(5,476)	(20,820)	(26,296)
At 31 August 2018	<u>1,366,311</u>	<u>161,156</u>	<u>471,856</u>	<u>1,999,323</u>
Net book value				
At 31 August 2018	<u>7,657,817</u>	<u>52,567</u>	<u>104,480</u>	<u>7,814,864</u>
At 31 August 2017	<u>7,814,986</u>	<u>39,923</u>	<u>127,023</u>	<u>7,981,932</u>

13. DEBTORS

	2018 £	2017 £
Trade debtors	3,491	2,312
VAT repayable	5,825	6,257
Prepayments and accrued income	99,680	105,924
	<u>108,996</u>	<u>114,493</u>

14. CREDITORS: Amounts falling due within one year

	2018 £	2017 £
Other loans	17,712	10,523
Trade creditors	97,176	85,276
Other taxation and social security	64,456	66,775
Other creditors	117	56,118
Accruals and deferred income	96,047	83,748
	<u>275,508</u>	<u>302,440</u>

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14. CREDITORS: Amounts falling due within one year (continued)

	2018 £	2017 £
Deferred income		
Deferred income at 1 September 2017	38,594	56,021
Resources deferred during the year	21,694	38,594
Amounts released from previous years	(38,594)	(56,021)
	<u>21,694</u>	<u>38,594</u>
Deferred income at 31 August 2018	<u>21,694</u>	<u>38,594</u>

Deferred income relates to funding received in advance, trip contributions from parents, catering income and fundraising income.

Other loans are Salix loans.

15. CREDITORS: Amounts falling due after more than one year

	2018 £	2017 £
Other loans	<u>10,950</u>	<u>20,130</u>

Creditors include amounts not wholly repayable within 5 years as follows:

	2018 £	2017 £
Repayable by instalments	<u>995</u>	<u>2,985</u>

Other loans due after more than five years relate to a Salix loan granted in 2016, repayable by by six monthly instalments. There is no interest due on this loan.

Other loans are Salix loans.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

16. STATEMENT OF FUNDS

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/(out) £	Gains £	Balance at 31 August 2018 £
Unrestricted funds						
General unrestricted funds	75,092	12,345	(200)	-	-	87,237
Restricted funds						
General annual grant (GAG)	455,371	4,004,028	(3,945,939)	(111,613)	-	401,847
Other DfE/ESFA grants	19,281	51,645	(37,146)	-	-	33,780
Local authority grants	13,641	55,155	(68,796)	-	-	-
Pupil premium	79,584	206,601	(215,514)	-	-	70,671
Miscellaneous restricted	23,167	193,939	(194,107)	-	-	22,999
Salix loans	(30,652)	-	-	1,991	-	(28,661)
Transfer from LA	161,266	-	-	(1,991)	-	159,275
Pension reserve	(1,207,000)	-	(165,000)	-	253,000	(1,119,000)
	<u>(485,342)</u>	<u>4,511,368</u>	<u>(4,626,502)</u>	<u>(111,613)</u>	<u>253,000</u>	<u>(459,089)</u>
Restricted fixed asset funds						
DfE/ESFA Capital grants - spent	136,212	28,725	(41,000)	-	-	123,937
Capital expenditure from GAG	200,079	-	(50,000)	111,613	-	261,692
Other capital grants - spent	19,540	-	(6,448)	6,194	-	19,286
Transfer from LA	7,626,101	-	(216,152)	-	-	7,409,949
Other capital grants - unspent	6,194	-	-	(6,194)	-	-
	<u>7,988,126</u>	<u>28,725</u>	<u>(313,600)</u>	<u>111,613</u>	<u>-</u>	<u>7,814,864</u>
Total restricted funds	<u>7,502,784</u>	<u>4,540,093</u>	<u>(4,940,102)</u>	<u>-</u>	<u>253,000</u>	<u>7,355,775</u>
Total of funds	<u><u>7,577,876</u></u>	<u><u>4,552,438</u></u>	<u><u>(4,940,302)</u></u>	<u><u>-</u></u>	<u><u>253,000</u></u>	<u><u>7,443,012</u></u>

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

Restricted general funds will be used for educational purposes in line with the Academy's objectives and its funding agreement with the ESFA.

Restricted fixed asset funds amounting to £7,814,864 will be reserved against future depreciation charges.

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

16. STATEMENT OF FUNDS (continued)

the amount of GAG that it could carry forward at 31 August 2018.

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/(out) £	Gains £	Balance at 31 August 2017 £
General funds						
General unrestricted funds	67,237	14,431	(6,576)	-	-	75,092
Restricted funds						
General annual grant (GAG)	149,726	4,205,785	(3,900,140)	-	-	455,371
Other DfE/ESFA grants	20,938	33,747	(35,404)	-	-	19,281
Local authority grants	21,175	57,466	(65,000)	-	-	13,641
Pupil premium	93,314	190,441	(204,171)	-	-	79,584
Miscellaneous restricted	31,330	192,626	(200,789)	-	-	23,167
Salix loans	(45,727)	-	-	15,075	-	(30,652)
Transfer from LA	230,640	-	-	(69,374)	-	161,266
Pension reserve	(1,502,000)	-	(113,000)	-	408,000	(1,207,000)
	<u>(1,000,604)</u>	<u>4,680,065</u>	<u>(4,518,504)</u>	<u>(54,299)</u>	<u>408,000</u>	<u>(485,342)</u>
Restricted fixed asset funds						
DfE/ESFA Capital grants - spent	141,252	18,316	(45,902)	22,546	-	136,212
Capital expenditure from GAG	250,099	-	(50,020)	-	-	200,079
Other capital grants - spent	-	-	(487)	20,027	-	19,540
Transfer from LA	7,784,782	-	(212,980)	54,299	-	7,626,101
DfE/ESFA Capital grants - unspent	22,546	-	-	(22,546)	-	-
Other capital grants - unspent	-	26,221	-	(20,027)	-	6,194
	<u>8,198,679</u>	<u>44,537</u>	<u>(309,389)</u>	<u>54,299</u>	<u>-</u>	<u>7,988,126</u>
Total restricted funds	<u>7,198,075</u>	<u>4,724,602</u>	<u>(4,827,893)</u>	<u>-</u>	<u>408,000</u>	<u>7,502,784</u>
Total of funds	<u>7,265,312</u>	<u>4,739,033</u>	<u>(4,834,469)</u>	<u>-</u>	<u>408,000</u>	<u>7,577,876</u>

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A CURRENT YEAR 12 MONTHS AND PRIOR YEAR 12 MONTHS COMBINED POSITION IS AS FOLLOWS:

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/(out) £	Gains £	Balance at 31 August 2018 £
Unrestricted funds						
General unrestricted funds	67,237	26,776	(6,776)	-	-	87,237
Restricted funds						
General annual grant (GAG)	149,726	8,209,813	(7,846,079)	(111,613)	-	401,847
Other DfE/ESFA grants	20,938	85,392	(72,550)	-	-	33,780
Local authority grants	21,175	112,621	(133,796)	-	-	-
Pupil premium	93,314	397,042	(419,685)	-	-	70,671
Miscellaneous restricted	31,330	386,565	(394,896)	-	-	22,999
Salix loans	(45,727)	-	-	17,066	-	(28,661)
Transfer from LA	230,640	-	-	(71,365)	-	159,275
Pension reserve	(1,502,000)	-	(278,000)	-	661,000	(1,119,000)
	<u>(1,000,604)</u>	<u>9,191,433</u>	<u>(9,145,006)</u>	<u>(165,912)</u>	<u>661,000</u>	<u>(459,089)</u>
Restricted fixed asset funds						
DfE/ESFA Capital grants - spent	141,252	47,041	(86,902)	22,546	-	123,937
Capital expenditure from GAG	250,099	-	(100,020)	111,613	-	261,692
Other capital grants - spent	-	-	(6,935)	26,221	-	19,286
Transfer from LA	7,784,782	-	(429,132)	54,299	-	7,409,949
DfE/ESFA Capital grants - unspent	22,546	-	-	(22,546)	-	-
Other capital grants - unspent	-	26,221	-	(26,221)	-	-
	<u>8,198,679</u>	<u>73,262</u>	<u>(622,989)</u>	<u>165,912</u>	<u>-</u>	<u>7,814,864</u>
	<u>7,198,075</u>	<u>9,264,695</u>	<u>(9,767,995)</u>	<u>-</u>	<u>661,000</u>	<u>7,355,775</u>
Total of funds	<u><u>7,265,312</u></u>	<u><u>9,291,471</u></u>	<u><u>(9,774,771)</u></u>	<u><u>-</u></u>	<u><u>661,000</u></u>	<u><u>7,443,012</u></u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	7,814,864	7,814,864
Current assets	87,237	946,369	-	1,033,606
Creditors due within one year	-	(275,508)	-	(275,508)
Creditors due in more than one year	-	(10,950)	-	(10,950)
Pension scheme liability	-	(1,119,000)	-	(1,119,000)
	<u>87,237</u>	<u>(459,089)</u>	<u>7,814,864</u>	<u>7,443,012</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	7,981,932	7,981,932
Current assets	75,092	1,044,228	6,194	1,125,514
Creditors due within one year	-	(302,440)	-	(302,440)
Creditors due in more than one year	-	(20,130)	-	(20,130)
Provisions for liabilities and charges	-	(1,207,000)	-	(1,207,000)
	<u>75,092</u>	<u>(485,342)</u>	<u>7,988,126</u>	<u>7,577,876</u>

18. CAPITAL COMMITMENTS

At 31 August 2018 the academy trust had capital commitments as follows:

	2018 £	2017 £
Contracted for but not provided in these financial statements	<u>102,589</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

19. PENSION COMMITMENTS

The academy trust'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 Northamptonshire County Council. Both are Multi-employer defined benefit pension schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

Contributions amounting to £nil were payable to the schemes at 31 August 2018 (2017 - 56,118) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

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

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £309,455 (2017 - £292,408).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

19. PENSION COMMITMENTS (continued)

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx).

Under the definitions set out in FRS 102, the TPS is an unfunded 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.

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 2018 was £200,000 (2017 - £193,000), of which employer's contributions totalled £159,000 (2017 - £155,000) and employees' contributions totalled £41,000 (2017 - £38,000). The agreed contribution rates for future years are 23.6% for employers and 5.5% 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.

Principal actuarial assumptions:

	2018	2017
Discount rate for scheme liabilities	2.80 %	2.50 %
Expected return on scheme assets at 31 August	2.80 %	2.50 %
Rate of increase in salaries	2.70 %	2.70 %
Rate of increase for pensions in payment / inflation	2.40 %	2.40 %

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

	2018	2017
Retiring today		
Males	22.1 years	22.1 years
Females	24.2 years	24.2 years
Retiring in 20 years		
Males	23.9 years	23.9 years
Females	26.1 years	26.1 years

	At 31 August	At 31 August
	2018	2017
	£	£
Sensitivity analysis		
0.5% decrease in Real Discount Rate	352,000	323,000
0.5% increase in the Salary Increase Rate	43,000	45,000
0.5% increase in the Pension Increase Rate	305,000	273,000

HUXLOW SCIENCE COLLEGE
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

19. PENSION COMMITMENTS (continued)

The academy trust's share of the assets in the scheme was:

	Fair value at 31 August 2018 £	Fair value at 31 August 2017 £
Equities	1,344,000	1,157,000
Corporate bonds	272,000	250,000
Property	145,000	109,000
Cash and other liquid assets	55,000	47,000
	<u>1,816,000</u>	<u>1,563,000</u>

The actual return on scheme assets was £88,000 (2017 - £98,000).

The amounts recognised in the Statement of financial activities incorporating income and expenditure account are as follows:

	2018 £	2017 £
Interest income	41,000	28,000
Interest cost	(73,000)	(59,000)
Current service cost	(292,000)	(237,000)
	<u>(324,000)</u>	<u>(268,000)</u>

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

	2018 £	2017 £
Opening defined benefit obligation	2,770,000	2,807,000
Interest cost	73,000	59,000
Employee contributions	41,000	38,000
Actuarial gains	(206,000)	(338,000)
Benefits paid	(35,000)	(33,000)
Current service cost	292,000	237,000
	<u>2,935,000</u>	<u>2,770,000</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

19. PENSION COMMITMENTS (continued)

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

	2018 £	2017 £
Opening fair value of scheme assets	1,563,000	1,305,000
Interest income	41,000	28,000
Actuarial losses	47,000	70,000
Employer contributions	159,000	155,000
Employee contributions	41,000	38,000
Benefits paid	(35,000)	(33,000)
	<u>1,816,000</u>	<u>1,563,000</u>
Closing fair value of scheme assets	<u>1,816,000</u>	<u>1,563,000</u>

20. OPERATING LEASE COMMITMENTS

At 31 August 2018 the total of the Academy trust's future minimum lease payments under non-cancellable operating leases was:

	2018 £	2017 £
Amounts payable:		
Within 1 year	8,628	8,628
Between 1 and 5 years	6,471	15,098
	<u>15,099</u>	<u>23,726</u>
Total	<u>15,099</u>	<u>23,726</u>

21. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2018 £	2017 £
Net expenditure for the year (as per Statement of Financial Activities)	(387,864)	(95,436)
Adjustment for:		
Depreciation charges	313,600	309,391
Dividends, interest and rents from investments	(3,834)	(3,353)
Decrease in debtors	5,497	7,381
Decrease in creditors	(34,121)	(62,065)
Capital grants from EFSA/DfE and other capital income	(28,725)	(44,537)
Defined benefit pension scheme cost less contributions payable	133,000	82,000
Defined benefit pension scheme finance cost	32,000	31,000
	<u>29,553</u>	<u>224,381</u>
Net cash provided by operating activities	<u>29,553</u>	<u>224,381</u>

HUXLOW SCIENCE COLLEGE
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

22. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2018 £	2017 £
Cash in hand	917,520	1,003,931
Total	<u>917,520</u>	<u>1,003,931</u>

23. RELATED PARTY TRANSACTIONS

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 10.

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

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 10.

24. CONTROLLING PARTY

There is no ultimate controlling party.

25. 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.

