

The Hayfield School
(A Company Limited by Guarantee)
Annual Report and Financial Statements
For the Period
1st March 2011 to 31st August 2011

The Hayfield School

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The Hayfield School

Reference and Administrative Details
For the Period 1 March 2011 to 31 August 2011

Company Registration No. 07547393 (England and Wales)

**Registered Office and
Operational Address**

Hurst Lane
Auckley
Doncaster
DN9 3HG

Governors (Trustees)

Mr Graham Hartshorn	-	Chair (appointed 01.03.11) AB
Mr Chris Dummer	-	Vice Chair to (appointed 01.03.11) AB
Mr Mark Appleyard	-	(appointed 01.03.11) CD
Mr Phil Raine	-	Responsible Officer (appointed 01.04.11) AD
Mrs Angela Scott	-	(appointed 01.04.11) BC
Mr Paul Plunkett	-	Staff Governor (appointed 01.04.11) BC
Mrs Val Stapleton	-	Staff Governor (appointed 01.04.11) D
Dr Sai Patel	-	Head teacher/Accounting Officer (appointed 01.04.11)
Mrs Charon Mills	-	Staff Governor (appointed 01.04.11) D
Mrs Yvonne Woodcock	-	(appointed 01.04.11) D
Mrs Tracey Hewer	-	(appointed 01.04.11) AC
Mr Keith Bass	-	(appointed 01.04.11) B
Mr Glyn Shephard	-	(appointed 01.04.11) BD
Mrs Lesley Gilfedder	-	(appointed 01.04.11) CD
Mr Nigel Colley	-	(appointed 01.04.11) AB
Mr David Langford	-	(appointed 01.04.11) AB
Mrs Uzma Ahmed	-	(appointed 01.04.11) CD
Mr David Lewis	-	(appointed 01.04.11) B
Mr Stephen Cross	-	(appointed 01.04.11) AC

A = members of Personnel and Salary sub-committee
B = members of Finance, Buildings and Site sub-committee
C = members of Curriculum Standards sub-committee
D = members of Child and Community sub-committee
The Head teacher is a member of all sub-committees.

Company Secretary

Mrs Suzanne Odell

Senior Management Team

Dr. Sai Patel	-	Head teacher
Ms Maria Rock	-	Associate Head
Mrs. Noelle Boyle	-	Business Manager
Ms Sharon Gibson	-	Assistant Head
Mr Peter Witherden	-	Assistant Head
Mr Rick. Huddart	-	Assistant Head
Mrs Debbie Twell	-	Assistant Head

Auditors

Allotts
Chartered Accountants
The Old Grammar School
13 Moorgate Road
Rotherham
S60 2EN

Solicitors

Stone King LLP
16 St. John's Lane
London
EC1M 4BS

Bankers

Lloyds TSB
106 High Street
Scunthorpe
DN15 6HG

The Hayfield School

Governors' Report For the Period 1 March 2011 to 31 August 2011

The Governors present their annual report together with the financial statements and auditors' report of the charitable company for the period ended 31 August 2011.

Structure, Governance and Management

Constitution

The Hayfield School (the "Academy Trust") is a company limited by guarantee and an exempt charity. The Charitable Company was incorporated on 1 March 2011 and opened as an academy on 1 April 2011. The Charitable Company's memorandum and articles of association are the primary governing documents of the Academy Trust.

The governors act as the trustees for the charitable activities of The Hayfield School and are also the directors of the Charitable Company for the purposes of company law.

Details of the governors who served throughout the year, except as noted, 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.

Governors' Indemnities

In respect of the governors and its function the Academy Trust holds the following insurance policy underwritten by Ecclesiastical Insurance Office:

Limit of indemnity, for any one claim or the aggregate in any one period of insurance is £2,000,000.
There were no third party indemnity provisions during the period April – August 2011.

Principal Activities

The principal activity of the Charitable Company is the operation of The Hayfield School to provide education for students of different abilities between the ages of 11 and 18, with an emphasis on high academic achievement and a maximum retention rate at 16. The Academy Trust has an excellent academic and pastoral reputation for preparing students for their transition to university and adult life, which has resulted in the school being over-subscribed.

Method of Recruitment and Appointment or Election of Governors

In accordance with the articles of association the governors are appointed as follows:

- a) The members may appoint up to 9 community governors and 2 appointed governors.
- b) The members may appoint staff governors through any process they determine, including by a suitable election process. The total number of governors who are employees of the Academy Trust shall not exceed one third of the total number of governors. There should be up to 3 staff governors.
- c) The Head teacher is an ex officio governor.
- d) The parent governors shall be elected by parents of registered pupils at the academy. There should be at least 2 and up to 5 parent governors.

A community governor is a person who, in the opinion of the members, is committed to the good government and success of the Academy Trust. An appointed governor is a person who is a parent of a child at the school at that time and who, in the opinion of the members, is committed to the good government and success of the Academy Trust.

The number of governors shall be not less than three but shall not be subject to any maximum. The term of office for any governor shall be four years, or any shorter period determined by the members. This time limit does not apply to the Head teacher and staff governors only hold office for as long as they continue to be employed by the school.

The Academy Trust actively advertises and organises elections for governor vacancies.

Policies and Procedures Adopted for the Induction and Training of Governors

On appointment, all governors are provided with handbooks detailing Academy legislation. Governors are initially invited to attend all sub-committee meetings to determine which areas of governance are most appropriate to their levels of expertise. Ultimately, governors usually choose to be members of two sub-committees. In-house training is provided on a bespoke scheduled or requested basis.

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Governors' Report For the Period 1 March 2011 to 31 August 2011

Organisational Structure

The governors are responsible for setting general policy, approving and adopting an annual plan and budget, monitoring the Academy Trust by the use of budgets and making major decisions about the direction of the Academy Trust, capital expenditure and senior staff appointments.

The Hayfield School Leadership Group consists of the Headteacher, the Associate Headteacher, the Business Manager and the four Assistant Headteachers.

The Leadership Group meet twice weekly to discuss both strategic and operational responsibilities. Each member of the Leadership Group has both strategic and operational responsibilities and links with Heads of Faculties, Pastoral, Administrative, Site and Training leaders.

Each member of the Leadership Group acts as a conduit and links with one or more governor committees.

The Head teacher, Associate Head and Business Manager form part of the Governors Steering Group together with the Chairs of each governors' sub-committee including the Chair and Vice-Chair of Governors, ensuring a vital link between school management and governors.

The day to day management is delegated to the Head teacher. All strategic decisions delegated to the Leadership Group are ratified by the governors.

Risk Management

The Governors have assessed the major risks to which the Academy Trust is exposed, in particular those relating to teaching, provision of facilities, financial and other operational areas of the Academy. Systems or procedures have been established to manage those risks.

The school produces an annual Statement of Internal Control. Internal control systems and exposure to risks are considered in relation to all activities and legislation discussed during weekly Leadership and termly Governors' meetings. Risk management is embedded into the day-to-day processes of the Academy Trust. Principal risk areas for the Academy Trust are the protection of students, employees and assets. Systems and procedures to minimise these are constantly being reviewed and updated.

The Academy Trust has appointed a Responsible Officer who has reviewed and reported on the Academy Trust's financial activities this year.

Connected Organisations

As part of the school's transition to academy status, the Academy Trust supports the schools nominated in the application; Auckley Primary School, Doncaster and The Elizabethan School, Retford.

The Academy Trust has an excellent transition programme and holds termly meetings with feeder schools. The Academy Trust offers in-house training and CPD programmes to Local Authority schools and links as a Training School with local Universities. During the transition to academy status and currently, the Academy Trust is proactive in advising and encouraging schools in their pursuit of academy status.

The Head teacher, Associate Head teacher and Business Manager are members of IAA, FASNA and the Schools' Network

Objectives and Activities

Objects and Aims

The objects of the Academy Trust, as set out in its articles of association, are specifically restricted to:

- a) Advancing for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum, and
- b) Promoting for the benefit of the inhabitants of Doncaster and the surrounding area the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public

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Governors' Report For the Period 1 March 2011 to 31 August 2011

at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

The Academy Trust is student focused and dedicated to the children and young people of the local community it serves. Through its ethos, environment and curriculum, the Academy Trust enables each individual to realise their true potential, encourages them to make positive contributions to society and prepares them for adult life.

The 11-18 age range provides continuity through the different stages of learning. The learning environment supports social inclusion and provides a safe and secure place where everyone matters.

The academy is committed to the pursuit of high standards of achievement in all areas of learning and behaviour. All students are challenged to achieve through a culture of high expectations and aspirations for all.

Objectives, Strategies and Activities

The Hayfield School aims to:-

- Maximise the achievement of all students at all levels.
- Provide a 'whole curriculum' to each student encompassing academic and extra-curricular activities.
- Create a caring school environment in which young people can mature and grow within a framework of guidance and discipline.
- Encourage the personal development of our students to create pro-active, positive, and self-aware life-long learners who can make a positive contribution to their community.
- Enhance young people's understanding of the world of work and career pathways, in the context of the needs of the local and the global community.
- Encourage positive values and a sense of value judgment in respect of morals, ethics, and spiritual values.
- Maximise the use of the facilities on-site, within finance available, for the general benefit of the community.
- Create a happy and positive partnership between students, staff, parents and the community.
- To seek co-operation with other educational bodies to raise standards for all.

The broad aims listed are not in any rank order - education is concerned with all of these. In essence, we seek to prepare our young people of today for today's rapidly changing global community.

Public Benefit

In setting objectives and planning activities the governors have given careful consideration to the Charity Commission's general guidance on public benefit when reviewing aims and objectives and in planning future activities.

The Governors believe that the Academy Trust's admissions policy and its achievement and performance in the period provide clear evidence that the Academy Trust is meeting its obligations as a charity to deliver public benefit.

Children residing in the catchment area have priority admission to the Academy Trust, followed by children attending feeder schools, and thereafter, children residing in closest proximity to the Academy Trust outside the catchment area.

In addition, the Academy Trust provides Community Sports Facilities and an extensive adult Further Education evening programme.

Achievements and Performance

The Academy Trust is committed to achieving increased progress for every student each year. Throughout the past year the Academy Trust's students have made progress at different rates. Some have made outstanding progress and overall all students are currently making good progress.

It has been an excellent year for achievement and standards. The introduction of the three-year Key Stage 4 in the core subjects has started to pay dividends with 79% and 80% of students gaining an A*-C grade in Mathematics and English respectively. This put us in the novel position of having secured a 71% 'crossover' by mid-March. This seems to have had a very positive effect on our students; the boost to self-esteem and confidence was well-timed and the reduced pressure in the summer examination season was welcomed by all.

Science results are similar although exact figures are somewhat complicated by the range of different courses that are currently running. The Science Faculty should be congratulated on their excellent team-work over the last three months which has transformed outcomes for our current Year 11.

Our latest analyses indicate a figure of 78% 5 A*-C including English and Mathematics. Obviously this figure should

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be treated with some caution, but with the exception of our 'annus horribilis' of 2009 our predictions have always been a little conservative and the elusive 80% is within our grasp. Perhaps it is wiser to provide a range of 78%±3%. On the English Baccalaureate measure we are aiming for 44%, but we need to be mindful that the exact criteria seem to be changing. At Key Stage 5 we anticipate results broadly in line with those of last year.

The grants received from the DfE and associated expenditure from April to August 2011 are shown as restricted funds in the statement of financial activities. Final figures were as anticipated and the school maintained its excellent financial reputation for value for money in year.

Financial Review

The largest proportion of Academy Trust income is obtained from the DfE in the form of recurrent grants, the use of which is restricted to particular purposes.

The restricted fixed asset fund balance has been reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the period ended 31st August 2011 total expenditure (excluding depreciation) of £ 2,580,000 was more than covered by recurrent grant funding from the DfE together with other incoming resources. The excess of income over expenditure for the five months (excluding restricted fixed asset funds) was £144,000.

Going Concern

After making appropriate enquiries, the governors have 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 and Risk Management Objectives and Policies

The Academy Trust is currently over-subscribed with maximum students on site and has operated for the last sixteen years with a minimal in-year surplus each year.

Principal Risks and Uncertainties

The Academy Trust is currently over-subscribed with maximum students on site. The Academy Trust must maintain this position to sustain its current budget expenditure and guard against any significant decrease in student numbers with particular reference to Year 7 and 6th Form recruitment for the Academic year 2012/13.

Reference is also made to the SYPA defined benefit pension scheme which shows a deficit of £644,000.

Reserves Policy

The finance committee, in conjunction with the Full Governors Committee, aims to carry forward sufficient funds to meet the Academy Trust's long term objectives and to provide working capital, whilst ensuring that it does not affect its current operational activities. The governors have determined that the appropriate level of free reserves should be equivalent to one month's expenditure, approximately £500,000.

The free reserves (unrestricted general funds) as at 31st August 2011 amounted to £150,000. The academy intends to continue to build up reserves to the level needed.

Investment Policies

The Academy Trust ensures that surplus funds are deposited to maximise interest. In previous years the school has successfully invested in Treasury funds for short periods of time.

Plans for Future Periods

Each year we are focused on 'raising the bar' to ensure that standards improve year-on-year. The Academy Trust is committed to its students and to changing the long term prospects of our community.

Buildings

In March the DfE announced an £80 million fund for urgent capital projects in Academies. Schools were invited to bid for the funds and were required to fill in a short pro-forma with work being prioritised under the grounds of Health and Safety and also urgent works. We put in two bids, both centred around a refurbishment of our kitchen facilities. The first was a significant project involving a total rebuild and the second was a refurbishment of the existing kitchen area. We were disappointed to hear that neither of our applications were successful and this was further compounded by

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Governors' Report For the Period 1 March 2011 to 31 August 2011

the fact that 217 applications out of 276 did receive funding.

We have spoken to the Head teachers of various other schools and to date the largest amount that we have found awarded was £500,000 for the construction of science labs.

With regard to buildings, as a school we remain committed to new buildings, and as governors we need to rationalise our options. This time last year we were speaking about having our own vocational centre of excellence, working in conjunction with North Lindsey College. This was prior to the publication of the Wolfe Report. If the recommendations of the Wolfe Report are implemented they will change significantly the curriculum offer of many schools and therefore a large dedicated vocational facility may not be the most cost-effective choice. Another option which has been discussed at various committees is the notion of a purpose-built refectory. This would obviously provide the school with much needed modern catering facilities and a semi-permanent eating area. This would free up not only the hall for innovative teaching but would potentially increase the work area available for 6th Form. A third option might be to create a dedicated 6th Form study centre or even a new faculty building e.g. Creative Arts. Of course if we consider a two-storey building then a combination of these ideas could be viable. Estimates for a single-storey building are around £600,000 whilst a larger two-storey building would be closer to £1 million.

At present there is no information from the DfE about any capital funding for next year, we do not know if it will be on the same scale as the £22,000 we have received this year or whether there will be opportunities for a more substantial amount to be accessed.

Developments in Education

The current coalition Government continues to push through its educational reforms albeit at a marginally more sedate pace than previously. A key change announced by the Secretary of State for Education, and more recently by Ofqual, was that as of September 2012 all students embarking on their GCSE courses will have to take their exams at the end of the course i.e. they will not do modules (typically 25% each in Year 9, Year 10 and Year 11). Instead they will be tested on their knowledge and understanding of a subject in one go. There seems to be a lack of clarity as to whether or not entries at the end of Year 10 will be permitted and furthermore it is unclear as to whether multiple re-sits will be allowed.

A posting on the Ofqual website last week intimated that students starting their GCSE early in September 2011 would also be subject to the same constraints. I have lodged a call with the policy division of the Department for Education querying this and asking them how schools can adapt their schemes of work and assessments prior to September 2011. To date I have not had a definitive response from the DfE on this.

The notion of moving back to linear courses, away from the more popular modular courses was first stated in 'The Importance of Teaching' white paper that was published in the autumn term. It is widely accepted that moving back to this system will probably result in a lowering of standards and achievement across the country – quite simply students are not used to this form of assessment and lack the necessary skills required. It is interesting to note however that this move coincides with an increase in the 'floor targets' that schools are required to gain – by 2014 all schools will be required to gain 50% 5 A*-C including English and Mathematics; it seems obvious that the combination of these two changes in policy will result in a significant increase in the number of 'failing schools'.

As a school we need to adapt our practice to ensure that students are well prepared for this new directive. We foresee a return to end of year exams from Year 7 upwards and for students that are already in the system we are going to have to consider carefully how we provide them with the ability to retain knowledge and information over the period of a whole year. We will need to ensure that our own internal assessment systems are robust and accurate. Much of the data that the school uses to predict future outcomes is based on externally marked exams and this helps to decrease the margin of error. These changes will affect the students that have recently moved into Year 8 and we will need to ensure that parents and students making choices for Key Stage 4 are well informed and aware of what this will mean in terms of their future school career.

There have also been some proposed changes to the Admissions Code, one of which is that a return to allowing the children of staff to be admitted to the school as one of the main criteria. I am assuming that this would be optional and would be something for the governors to consider. One would anticipate that this might have an effect on teacher recruitment and retention.

Auditors

In so far as the governors are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and

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For the Period 1 March 2011 to 31 August 2011

- the governors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Allotts Chartered Accountants, having expressed their willingness to continue in office, will be deemed reappointed for the next financial year in accordance with section 487(2) of the Companies 2006, unless the charitable company receives notice under section 488(1) of the Companies Act 2006.

Approved by the governors on 15th November 2011 and signed on their behalf by:



Graham Hartshorn (Chair)

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Statement on Internal Control For the Period 1 March 2011 to 31 August 2011

Scope of Responsibility

As governors, we acknowledge we have overall responsibility for ensuring that The Hayfield School 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 governors have delegated the day-to-day responsibility to the Head teacher, as Accounting Officer, for ensuring financial controls conform to the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between The Hayfield School and the Secretary of State for Education. He is also responsible for reporting to the governors any material weaknesses or breakdowns in internal control.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Hayfield School Academy Trust for the period ended 31 August 2011 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The governors have reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The governors are of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period ending 31 August 2011 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the governors.

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 governors;
- regular reviews by the Finance, Site and Buildings Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties;
- identification and management of risks.

The governors have considered the need for a specific internal audit function and have decided not to appoint an internal auditor. However, the governors have appointed P. Raine, a governor, as Responsible Officer ('RO'). The RO's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. On a termly basis, the RO reports to the governors on the operation of the systems of control and on the discharge of the governors' financial responsibilities. The Academy Trust can confirm that the RO function has been fully delivered in line with the YPLA's requirements. No material control issues arose as a result of the RO's work.

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Statement on Internal Control
For the Period 1 March 2011 to 31 August 2011

Review of Effectiveness

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

- the work of the Responsible Officer;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the 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, Site and Buildings Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by the governors on 15th November 2011 and signed on their behalf by:



Graham Hartshorn (Chair).

The Hayfield School

Statement of Governors' Responsibilities
For the Period 1 March 2011 to 31 August 2011

Statement of Governors' Responsibilities

The governors (who act as trustees for charitable activities of The Hayfield School and are also the directors of the Charitable Company for the purposes of company law) are responsible for preparing the governors' report and the financial statements in accordance with the Annual Accounts Requirements issued by the Young People's Learning Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

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

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

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

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

Approved by the governors on 15th November 2011 and signed on their behalf by:



Graham Hartshorn (Chair)

Report of the Independent Auditors to the Members of

The Hayfield School

We have audited the financial statements of The Hayfield School for the period ended 31 August 2011 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Annual Accounts Direction 2010/11 issued by the Young People's Learning Agency.

This report is made solely to the academy's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the academy's members those matters we are required to state to them in an 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 and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of governors and auditors

As explained more fully in the Governors' Responsibilities Statement set out on page 10, the governors (who are also the directors of the academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the governors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Governors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2011 and of its incoming resources and application of resources, including its income and expenditure, for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Annual Accounts Direction 2010/11 issued by the Young People's Learning Agency.

Report of the Independent Auditors to the Members of

The Hayfield School

Opinion on other matters prescribed by the Companies Act 2006

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

Opinion on other matters prescribed by the academy's funding agreement with the Secretary of State for Education

In our opinion grants made by the Young People's Learning Agency have been applied for the purposes intended.

Matters on which we are required to report by exception

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

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

Jacqueline Saunders BA FCA DChA (Senior Statutory Auditor)
for and on behalf of
Allotts Chartered Accountants
Statutory Auditor
The Old Grammar School
13 Moorgate Road
Rotherham
South Yorkshire
S60 2EN

Date

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Statement of Financial Activities For the Period 1 March 2011 to 31 August 2011

(Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses

	Notes	Unrestricted Funds 2011 £000	Restricted General Funds 2011 £000	Restricted Fixed Asset Funds 2011 £000	Total Funds 2011 £000
INCOMING RESOURCES					
Incoming resources from generated funds:					
Funds transferred on conversion	3	130	-	15,559	15,689
Activities for generating funds	4	56	103	-	159
Incoming resources from charitable activities:					
Funding for the Academy's educational operations	5	21	2,455	22	2,498
TOTAL INCOMING RESOURCES		207	2,558	15,581	18,346
RESOURCES EXPENDED					
Costs of generating funds					
Charitable activities	6	31	-	-	31
Academy's educational operations	7	26	2,510	109	2,645
Governance costs	8	-	13	-	13
TOTAL RESOURCES EXPENDED	6	57	2,523	109	2,689
NET INCOMING/(OUTGOING) RESOURCES BEFORE TRANSFERS					
		150	35	15,472	15,657
Gross transfers between funds	16	-	(41)	41	-
NET INCOME/(EXPENDITURE) FOR THE PERIOD		150	(6)	15,513	15,657
OTHER RECOGNISED GAINS AND LOSSES					
Pension scheme deficit transferred on conversion	22	-	(507)	-	(507)
Actuarial (losses) on defined benefit pension schemes	22	-	(124)	-	(124)
NET MOVEMENT IN FUNDS		150	(637)	15,513	15,026
RECONCILIATION OF FUNDS					
Accumulated funds brought forward	16	-	-	-	-
Accumulated funds carried forward		150	(637)	15,513	15,026

All of the Academy's activities derive from continuing operations during the above period.

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

The Hayfield School
(Company Number 07547393)

Balance Sheet as at 31 August 2011

	NOTES	2011 £000	£000
FIXED ASSETS			
Tangible assets	12		15,513
CURRENT ASSETS			
Stock	13	35	
Debtors	14	77	
Cash at bank and in hand		321	
		<u>433</u>	
CREDITORS:			
Amounts falling due within one year	15	<u>223</u>	
NET CURRENT ASSETS			<u>210</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			15,723
CREDITORS			
Amounts falling due after more than one year	15		(53)
NET ASSETS EXCLUDING PENSION LIABILITY			<u>15,670</u>
Pension scheme liability	22		(644)
NET ASSETS INCLUDING PENSION LIABILITY			<u><u>15,026</u></u>
 FUNDS OF THE ACADEMY			
RESTRICTED FUNDS			
Fixed asset funds	16		15,513
General funds	16		7
Pension reserve	16		(644)
			<u>14,876</u>
UNRESTRICTED FUNDS			
General funds	16		150
TOTAL FUNDS			<u><u>15,026</u></u>

The financial statements on pages thirteen to twenty eight were approved by the Governors, and authorised for issue on _____ and are signed on their behalf by



..... Mr Graham Hartshorn (Chair)

The Hayfield SchoolCash Flow Statement for the Period 1 March 2011 to 31 August 2011

	Notes	2011 £000
Net cash inflow from operating activities:	1	362
Capital expenditure:	2	(41)
Increase in cash and cash equivalents	4	321
Reconciliation of net cash flow to movement in net funds		
Net funds at 1 March 2011		-
Net funds at 31 August 2011		321

Notes to the Cash Flow Statement

	2011 £000		
1. Reconciliation of net income to net cash inflow from operating activities:			
Net income	15,657		
Depreciation charges	109		
Fixed assets transferred on conversion	(15,559)		
Capital grants from DfE and other capital income	(22)		
FRS 17 pension adjustments	13		
(Increase) in stocks	(35)		
(Increase) in debtors	(77)		
Increase in creditors	276		
Net cash inflow from operating activities	362		
2. Capital expenditure and financial investment			
Purchase of tangible fixed assets	(15,622)		
Fixed assets transferred on conversion	15,559		
Capital grants from DfE and other capital income	22		
Net cash outflow from capital expenditure and financial investment	(41)		
3. Analysis of changes in net funds			
	At 1 March 2011 £000	Cash Flows £000	At 31 August 2011 £000
Cash at hand and in bank	-	321	321

The Hayfield School**Notes to the Financial Statements for the Period 1 March 2011 to 31 August 2011****1. ACCOUNTING POLICIES****a) Basis of Preparation**

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice: Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction issued by the YPLA and the Companies Act 2006

b) Incoming resources

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

Grants receivable

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant 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.

Donations

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

Other income

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

Donated Services and gifts in kind

The value of donated services and gifts in kind provided to the Academy Trust are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the Academy Trust can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with Academy Trust's policies.

Freehold land and buildings transferred on conversion were valued using an Existing Use Value (market approach) for operational non-specialised assets and Existing Use Value (depreciated replacement cost approach) for operational specialised assets.

Other fixed assets transferred on conversion were valued at original cost less depreciation to the date of conversion.

The Hayfield SchoolNotes to the Financial Statements for the Period 1 March 2011 to 31 August 2011**1. ACCOUNTING POLICIES (CONTINUED)****c) Resources Expended**

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

Costs of generating funds

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

Charitable activities

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

Governance Costs

These include the costs attributable to the Academy Trust's compliance with constitutional and statutory requirements, including audit, strategic management and Governor's meetings and reimbursed expenses.

All resources expended are exclusive of VAT.

d) Tangible Fixed Assets

Assets transferred on conversion were valued in accordance with note 1b above. Assets purchased after conversion costing £500 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

Freehold buildings	over 50 years
Fixtures, fittings and equipment	over 10 years
ICT equipment	over 3 years
Motor Vehicles	over 5 years

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

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

The Hayfield School**Notes to the Financial Statements for the Period 1 March 2011 to 31 August 2011****1. ACCOUNTING POLICIES (CONTINUED)****e) Leased Assets**

Rentals under operating leases are charged on a straight line basis over the lease term.

f) Stock

Unsold uniforms, computer consumables and catering stocks are valued at the lower of cost or net realisable value.

g) Taxation

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

h) Pension Benefits

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes, are contracted out of the State Earnings-Related Pension Scheme ('SERPS'), and the assets are held separately from those of the Academy Trust.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 23, the TPS is a multi employer scheme and the Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the Academy Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current and past service costs, which are included as part staff costs. The expected return on assets and the interest cost are shown as a net finance cost in support costs. Actuarial gains and losses are recognised immediately in other gains and losses.

i) 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 governors. Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Young People's Learning Agency/Department for Education where the asset is acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received and include grants from the Young People's Learning Agency.

The Hayfield SchoolNotes to the Financial Statements for the Period 1 March 2011 to 31 August 2011**2. GENERAL ANNUAL GRANT**

	2011 £000
a) Results and carry forward for the year	
GAG brought forward from previous year	-
GAG allocation for current year	2,399
Total GAG available to spend	<u>2,399</u>
Recurrent expenditure from GAG	(2,358)
Fixed assets purchased from GAG	(41)
GAG carried forward to next year	<u>-</u>
Maximum permitted GAG carry forward at end of current year (12% of allocation for current year)	<u>(288)</u>
GAG to surrender to DfE (12% rule breached if result is positive)	<u>-</u>
	no breach

3. VOLUNTARY INCOME

	Unrestricted Funds £000	Restricted Funds £000	Total 2011 £000
Funds transferred on conversion			
Freehold land and buildings	-	15,437	15,437
Fixtures and equipment	-	122	122
School budget	41	-	41
Loan taken over	(75)	-	(75)
School fund	164	-	164
	<u>130</u>	<u>15,559</u>	<u>15,689</u>

4. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted Funds £000	Restricted Funds £000	Total 2011 £000
Hire of facilities	13	-	13
Catering income	-	40	40
Trips	-	47	47
Fundraising and events	15	-	15
Music lessons	-	6	6
Further Education Income	17	-	17
Sundry income	11	-	11
Staff cover	-	10	10
	<u>56</u>	<u>103</u>	<u>159</u>

The Hayfield SchoolNotes to the Financial Statements for the Period 1 March 2011 to 31 August 2011**5. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS**

	Unrestricted Funds £000	Restricted Funds £000	Total 2011 £000
DfE/YPLA capital grants			
Devolved formula capital	-	22	22
DfE/YPLA revenue grants			
General annual grant (GAG) - note 2	-	2,399	2,399
Other grants	-	19	19
	<u>-</u>	<u>2,418</u>	<u>2,418</u>
Other government grants			
Training school grant	-	28	28
Special Needs	-	9	9
Other grants	21	-	21
	<u>21</u>	<u>37</u>	<u>58</u>
	<u>21</u>	<u>2,477</u>	<u>2,498</u>

6. RESOURCES EXPENDED

	Staff Costs £000	Premises £000	Other Costs £000	Total 2011 £000
Costs of activities for generating funds	31	-	-	31
Academy's educational operations:				
Direct costs	1,610	91	258	1,959
Allocated support costs	366	235	85	686
	<u>1,976</u>	<u>326</u>	<u>343</u>	<u>2,645</u>
Governance costs	-	-	13	13
Total	<u>2,007</u>	<u>326</u>	<u>356</u>	<u>2,689</u>

Incoming/(outgoing) resources for the year include:

	Total 2011 £000
Operating leases	-
Fees payable to auditor: audit	7
other services	1
Depreciation	<u>109</u>

The Hayfield SchoolNotes to the Financial Statements for the Period 1 March 2011 to 31 August 2011**7. CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS**

	Unrestricted Funds £000	Restricted Funds £000	Total 2011 £000
Direct costs			
Teaching and educational support staff costs	-	1,610	1,610
Depreciation	-	109	109
Educational supplies	-	48	48
Examination fees	-	70	70
Staff development	-	5	5
Educational consultancy	-	37	37
Computer costs	-	35	35
Trips	-	45	45
	<u>-</u>	<u>1,959</u>	<u>1,959</u>
Allocated support costs			
Support staff costs	-	312	312
Depreciation	-	-	-
Recruitment and support	-	3	3
Maintenance of premises and equipment	26	108	134
Cleaning	-	10	10
Rent and rates	-	21	21
Insurance	-	49	49
Utilities	-	21	21
Security and transport	-	32	32
Catering staff costs	-	52	52
Catering supplies	-	22	22
Pension finance costs	-	2	2
Phone, postage and stationery	-	11	11
Computer costs	-	11	11
Other support costs	-	6	6
	<u>26</u>	<u>660</u>	<u>686</u>
Total	<u>26</u>	<u>2,619</u>	<u>2,645</u>

8. GOVERNANCE COSTS

	Unrestricted Funds £000	Restricted Funds £000	Total 2011 £000
Legal and professional fees	-	5	5
Auditor's remuneration			
- audit fees	-	7	7
- non-audit services	-	1	1
	<u>-</u>	<u>13</u>	<u>13</u>

The Hayfield SchoolNotes to the Financial Statements for the Period 1 March 2011 to 31 August 2011**9. STAFF COSTS AND NUMBERS**

	2011
	£000
Staff costs during the period were:	
Wages and salaries	1,644
Social Security costs	124
Pension costs	208
	<hr/> 1,976
Supply teacher costs	18
LGPS adjustments	13
	<hr/> <hr/> 2,007

The average number of persons (including senior management team) employed by the Academy during the period was as follows:

	2011
	No.
Charitable Activities	
Teachers	73
Administration and support	89
	<hr/> 162

No employee earned above £60,000 during the period.

10. GOVERNORS' REMUNERATION AND EXPENSES

The Head teacher and staff governors only receive remuneration in respect of services they provide undertaking the roles of Head teacher and staff and not in respect of their services as governors. Other governors did not receive any payments from the Academy in respect of their role as governors. The value of the Head teacher's and staff governors' remuneration was £81,304 during the period. The value of their pension contributions was £11383.

There were no governor expenses paid during the period ended 31 August 2011.

There were no related party transactions involving the governors.

Legal authority for the payments is given by provision in the Articles of Association.

11. GOVERNORS' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the period ended 31 August 2011 was £1,107.

The cost of this insurance is included in the total insurance cost.

The Hayfield School

Notes to the Financial Statements for the Period 1 March 2011 to 31 August 2011

12. TANGIBLE ASSETS

	Freehold Land and Buildings £000	Leasehold Land and Buildings £000	Furniture and Equipment £000	Computer Equipment £000	Motor Vehicles £000	Total £000
Cost or opening valuation						
At 1st March 2011	-	-	-	-	-	-
Additions	15,437	-	101	75	9	15,622
Disposals	-	-	-	-	-	-
At 31st August 2011	<u>15,437</u>	<u>-</u>	<u>101</u>	<u>75</u>	<u>9</u>	<u>15,622</u>
Depreciation						
At 1st March 2011	-	-	-	-	-	-
Charge for the year	91	-	7	11	-	109
Eliminated on disposal	-	-	-	-	-	-
At 31st August 2011	<u>91</u>	<u>-</u>	<u>7</u>	<u>11</u>	<u>-</u>	<u>109</u>
Net Book Values						
At 31st August 2011	<u>15,346</u>	<u>-</u>	<u>94</u>	<u>64</u>	<u>9</u>	<u>15,513</u>
At 31st March 2011	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Freehold land and buildings transferred on conversion at 1 April 2011 were valued at £15,437,110 by DVS, the commercial arm of the Valuation Office Agency. Included in freehold land and buildings is land valued at £4,510,500 which is not depreciated. Other assets transferred on conversion at 1 April 2011 were valued at £121,724 by the governors.

13. STOCK

	2011 £000
Computer consumables	26
Clothing	8
Catering	1
	<u>35</u>

14. DEBTORS (all due within one year)

	2011 £000
Prepayments and accrued income	6
Other debtors	71
	<u>77</u>

15. CREDITORS

Amounts falling due within one year

	2011 £000
Other taxes and social security	94
Other creditors	78
Accruals and deferred income	30
Loan	21
	<u>223</u>

Amounts falling due after more than one year

	2011 £000
Loan due between one and two years	21
Loan due between two and five years	32
	<u>53</u>

The above loan outstanding at the year end of £74,673 is an unsecured and interest free energy efficiency loan.

The Hayfield SchoolNotes to the Financial Statements for the Period 1 March 2011 to 31 August 2011

16. FUNDS

	Balance 01.03.11 £000	Incoming Resources £000	Resources Expended £000	Gains, Losses & Transfers £000	Balance 31.08.11 £000
Restricted general funds					
Activities for generating funds	-	103	(103)	-	-
General annual grant (GAG)	-	2,399	(2,358)	(41)	-
Other DfE/YPLA grants	-	19	(12)	-	7
Other government grants	-	37	(37)	-	-
	-	2,558	(2,510)	(41)	7
Restricted fixed asset funds					
Assets transferred on conversion	-	15,559	(102)	-	15,457
DfE/YPLA grants and capital expenditure from GAG	-	22	(7)	41	56
	-	15,581	(109)	41	15,513
Restricted pension reserve	-	-	(13)	(631)	(644)
Total restricted funds	-	18,139	(2,632)	(631)	14,876
Unrestricted funds					
General funds	-	207	(57)	-	150
Total unrestricted funds	-	207	(57)	-	150
Total funds	-	18,346	(2,689)	(631)	15,026

The restricted general funds relate to grants receivable from the DfE, YPLA and other sources towards the operating activities of the Academy Trust.

The restricted fixed assets funds represent the net book values of donated fixed assets and assets purchased from DfE/YPLA/other government grants, which have to be held for the continuing use of the Academy Trust.

The transfer into the restricted fixed asset funds represent fixed assets purchased out of GAG.

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Restricted Pension Reserve £000	Total Funds £000
Tangible fixed assets	-	-	15,513	-	15,513
Current assets	226	207	-	-	433
Current liabilities	(23)	(200)	-	-	(223)
Liabilities greater than 1 year	(53)	-	-	-	(53)
Pension scheme liability	-	-	-	(644)	(644)
Total net assets	150	7	15,513	(644)	15,026

The Hayfield SchoolNotes to the Financial Statements for the Period 1 March 2011 to 31 August 2011**18. CAPITAL COMMITMENTS**2011
£000

Contracted for, but not provided in the financial statements

-

19. FINANCIAL COMMITMENTS**Operating leases**

At 31 August 2011 the Academy had annual commitments under non-cancellable operating leases as follows:

2011
£000**Other**

Expiring within two and five years inclusive

17

20. CONTINGENT LIABILITIES

There were no contingent liabilities.

21. MEMBERS LIABILITY

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

22. PENSIONS AND SIMILAR OBLIGATIONS

The Academy's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by South Yorkshire Pensions Authority. Both are defined-benefit schemes.

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

Teachers' Pension Scheme

The TPS is an unfunded defined benefit scheme. Contributions on a "pay-as-you-go" basis are credited to the Exchequer under arrangements governed by the Superannuation Act 1972. A notional asset value is ascribed to the scheme for the purpose of determining contribution rates.

The total employer contributions paid to the fund during the period were £158,237, of which £31,347 were outstanding at the period end.

The Hayfield School**Notes to the Financial Statements for the Period 1 March 2011 to 31 August 2011****22. PENSIONS AND SIMILAR OBLIGATIONS (CONTINUED)****Teachers' Pension Scheme (continued)**

The pensions cost is normally assessed no less than every four years in accordance with the advice of the Government Actuary. The assumptions and other data that have the most significant effect on the determination of the contribution levels are as follows:

Latest actuarial valuation (under the new provisions)	31 March 2004
Actuarial method	Prospective benefits
Investment returns per annum	6.50%
Salary scale increases per annum	5.00%
Notional value of assets at date of last valuation	£162,650 million
Proportion of members' accrued benefits covered by the notional value of the assets	98.88%

Following the implementation of Teacher's Pension (Employers' Supplementary Contributions) Regulations 2000, the Government Actuary carried out a further review on the level of employer contributions. For the period from 1 September 2010 to 31 August 2011 the employer contribution was 14.1 per cent. The employee rate was 6.4% for the same period.

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multiemployer pension scheme. The Academy is unable to identify its share of the underlying assets and liabilities of the scheme.

Accordingly, the Academy has taken advantage of the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined-contribution scheme. The Academy has set out above the information available on the scheme and the implications for the Academy in terms of the anticipated contribution rates.

Local Government Pension Scheme

The company makes payments on behalf of employees to the South Yorkshire Pensions Authority. It is a funded defined benefit scheme, with the assets held in separate trustee-administered funds.

The total employer contributions paid to the fund during the period were £49,799, of which £9,790 were outstanding at the period end.

A full valuation was carried out at 31 March 2010 and updated to 1 April 2011 and 31 August 2011 by a qualified independent actuary.

Major assumptions

	At 31 August 2011	At 1 April 2011
	%	%
Rate of increase in salaries	4.45	4.64
Rate of increase for pensions	2.70	2.90
Rate of inflation (RPI)	3.20	3.40
Rate of inflation (CPI)	2.70	2.90
Discount rate	5.30	5.50
Commutation of pensions to lump sums	50.00	50.00

The Hayfield School

Notes to the Financial Statements for the Period 1 March 2011 to 31 August 2011

22. PENSIONS AND SIMILAR OBLIGATIONS (CONTINUED)

Local Government Pension Scheme (continued)

Life expectancy assumptions

	At 31 August 2011 years	At 1 April 2011 years
Male current pensioner age 65 now	21.4	21.4
At 65 for a male future pensioner aged 45 now	22.8	22.8
Female current pensioner age 65 now	24.1	24.1
At 65 for a female future pensioner aged 45 now	25.7	25.7

Share of assets and rate of return

	Long-term rate of return expected as at 31 August 2011 %	Value as at 31 August 2011 £000	Long-term rate of return expected as at 1 April 2011 %	Value as at 1 April 2011 £000
Equities	7.0	1,391	7.5	1,470
Government bonds	3.7	334	4.4	318
Other bonds	4.8	154	5.1	157
Property	6.0	210	6.5	214
Cash	0.5	54	0.5	22
Other		-		-
Total market value of assets		<u>2,143</u>		<u>2,181</u>
Present value of scheme liabilities		(2,787)		(2,688)
Deficit		<u>(644)</u>		<u>(507)</u>

Amounts recognised in resources expended

	2011 £000
Current service cost (net of employee contributions)	11
Past service (gain)	-
Staff costs	<u>11</u>
Analysis of pension finance income / (costs)	
Expected return on pension scheme assets	(59)
Interest on pension liabilities	<u>61</u>
Pension finance costs	<u>2</u>

Amounts recognised in other gains and losses

Actuarial losses	<u>124</u>
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The Hayfield School

Notes to the Financial Statements for the Period 1 March 2011 to 31 August 2011

22. PENSIONS AND SIMILAR OBLIGATIONS (CONTINUED)

Local Government Pension Scheme (continued)

Movement in deficit

	2011
	£000
At start of period	(507)
Current service cost	(53)
Employer contributions	42
Interest on pension liabilities	(61)
Expected return on assets	59
Actuarial (loss)	(124)
At end of period	(644)

Movements in the fair value of scheme assets

	2011
	£000
At start of period	2,181
Expected return on assets	59
Actuarial (loss)	(124)
Employer contributions	42
Member contributions	18
Benefits/transfers paid	(33)
At end of period	2,143

Movements in the present value of scheme liabilities

	2011
	£000
At start of period	2,688
Current service costs	53
Interest on pension liabilities	61
Member contributions	18
Benefits/transfers paid	(33)
At end of period	2,787

Amounts for the current and previous periods

	31.08.2011	31.03.2011
	£000	£000
Present value of scheme liabilities	(2,787)	(2,688)
Fair value of scheme assets	2,143	2,181
(Deficit) in the scheme	(644)	(507)

The pension deficit is not expected to have any material impact on the financial viability of the organisation. A full scheme valuation is undertaken every three years by the scheme actuary which addresses the actions necessary over the long term to ensure the sustainability of the South Yorkshire Pensions Authority.