

Registered number: 07824369

HADRIAN ACADEMY TRUST
(A Company Limited by Guarantee)

TRUSTEES REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018

HADRIAN ACADEMY TRUST
(A Company Limited by Guarantee)

CONTENTS

	Page
Reference and Administrative Details	1 - 2
Trustees' Report	3 - 8
Governance Statement	9 - 12
Statement on Regularity, Propriety and Compliance	13
Statement of Trustees' Responsibilities	14
Independent Auditor's Report on the Financial Statements	15 - 17
Independent Reporting Accountant's Assurance Report on Regularity	18 - 19
Statement of Financial Activities Incorporating Income and Expenditure Account	20
Balance Sheet	21
Statement of Cash Flows	22
Notes to the Financial Statements	23 - 45

HADRIAN ACADEMY TRUST
(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2018

Members	Mrs A Roberts (resigned 12 November 2018) Mr A Meadows Miss A Leishman Mrs M Went (deceased 1 February 2018) Mr J Chatterley
Trustees	Mrs A Roberts, Chair of Trustees (resigned 12 November 2018) ^{1,2,4} Mr A Meadows, Vice Chairman ^{1,2} Miss A Leishman, Chair of Trustees (appointed 12 November 2018) ^{1,2,3,4} Mrs M Went, Trustee (deceased 1 February 2018) ¹ Mrs M Auker, Staff Trustee ³ Mrs S Norris, Staff Trustee ¹ Mr J Chatterley, Trustee ^{1,4} Mrs E Roberts, Parent Trustee ^{1,2,3,4} Mrs C Pienaar, Trustee (resigned 25 June 2018) ⁴ Mr G Linney, Trustee ^{1,2} Mr S Pala, Trustee ^{2,4} Mrs H Brown, Staff Trustee (resigned 31 August 2018) ³ Mrs E Addison, Parent Trustee ^{3,4} Mr J Gardner, Parent Trustee ^{1,3,4} Miss H Bennett, Principal & Accounting Officer (appointed 1 September 2017) ^{1,2,3,4} Mrs C Foster (appointed 12 November 2018) Mrs L McGill (appointed 12 November 2018) Mrs K Thompson (appointed 12 November 2018) Miss E Auker (appointed 12 November 2018) Miss L Went (appointed 12 November 2018)
	¹ Finance and General Purpose Committee ² Premises and Health & Safety ³ Curriculum and Standards ⁴ Personnel
Company registered number	07824369
Company name	Hadrian Academy Trust
Principal and registered office	Hadrian Academy Hadrian Avenue Dunstable Bedfordshire LU5 4SR
Company secretary	Mrs J Loisel
Senior management team	Miss H Bennett, Principal (appointed 1 September 2017) Mrs M Auker, Vice Principal

HADRIAN ACADEMY TRUST
(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2018

Advisers (continued)

Independent auditor MHA MacIntyre Hudson
Chartered Accountants
Statutory Auditors
Peterbridge House
The Lakes
Northampton
NN4 7HB

Bankers Lloyds Bank plc
12-14 High Street North
Dunstable
Bedfordshire
LU6 1JY

Solicitors Schofield Sweeney LLP
Church Bank House
Church Bank
Bradford
West Yorkshire
BD1 4DY

HADRIAN ACADEMY TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2018

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the 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 Academy Trust operates an academy for pupils aged 4 to 11 in Dunstable. It had a roll of 381 in the school census on 4 October 2018.

Structure, governance and management

CONSTITUTION

The Academy Trust is a company limited by guarantee and an exempt charity.

The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust. The Trustees of Hadrian Academy Trust Limited are also the directors of the charitable company for the purposes of company law.

The charitable company operates as Hadrian Academy.

Details of the Trustees who served during the year, and to the date these accounts are approved are included in the Reference and Administrative Details on pages 1 and 2.

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

In accordance with normal commercial practice the Academy has purchased insurance to protect governors from claims arising from negligent acts, errors or omissions occurring whilst on the academy's business. The insurance provides cover up to £1 million on any one claim. Further information is given in Note 11 to the financial statements.

METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF TRUSTEES

The articles of association require the charitable company to appoint at least three Governors and are not subject to any maximum number of Governors to be responsible for the statutory and constitutional affairs of the charitable company and the management of the Academy. In accordance with the Articles, the Academy Trust shall have the following Governors. The Articles state that the Members can appoint up to eight governors. The Secretary of State may also appoint Governors in certain circumstances.

When appointing new Governors, the board will give consideration of the skills and experience mix of existing Governors in order to ensure that the board has the necessary skills to contribute fully to the Academy's development. An annual skills' audit is undertaken by all Governors to highlight strengths and areas for development; Governor training will be targeted at those areas where additional skills are required, and recruitment of new Governors will look to address any gaps in the mix of expertise.

HADRIAN ACADEMY TRUST
(A Company Limited by Guarantee)

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

POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES

New Trustees are allocated a mentor (a current Trustee) to guide and advise them in their new role. New Trustees are also expected to attend an academies governor induction course offered by the local authority. Hadrian Academy pays an annual subscription each year to benefit from various training sessions held by the local authority.

ORGANISATIONAL STRUCTURE

The Governors are responsible for setting general policy, adopting an annual plan and budget, monitoring the Academy by use of budgets and making major decisions about the direction of the Academy, capital expenditure and senior staff appointments. The Governors establish an overall framework for the governance of the Academy and determines membership, terms of reference and procedures of committees and other groups. It receives reports including policies from its committees for ratification. It monitors the activities of the committees through the minutes of their meetings.

The Academy Management Team comprises a Core Leadership Team comprised of the Principal, Vice Principal and Chairman of Directors/Governors. The Senior Leadership Team comprises the Principal and the Vice Principal. The Board of Governors has devolved responsibility for day to day management of the academy to the Senior Leadership Team.

The Principal is the Accounting Officer.

ARRANGEMENTS FOR SETTING PAY AND REMUNERATION OF KEY MANAGEMENT PERSONNEL

The Academy has a Pay Policy that is reviewed annually which is in line with the school teachers' pay and conditions document, September 2018, and guidance on school teachers' pay and conditions. This policy relates to staff at all levels of employment. Annually, the Trustees use an external consultant to support the process of Performance Management for the Principal, which is related directly to the school priorities.

RELATED PARTIES AND OTHER CONNECTED CHARITIES AND ORGANISATIONS

The Academy Trust is not part of any wider networks and there are no related party relationships with which it cooperates in pursuit of charitable activities.

Objectives and Activities

OBJECTS AND AIMS

The principal object and activity of the charitable company is to advance, for the public benefit, education in the UK, in particular by establishing and operating Hadrian Academy Trust to provide education for students aged 4 to 11.

OBJECTIVES, STRATEGIES AND ACTIVITIES

The main objectives of the Academy during the year ended 31 August 2018 are summarised below:

- To ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care;
- To raise the standard of educational achievement of all pupils;

HADRIAN ACADEMY TRUST
(A Company Limited by Guarantee)

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

- To improve the effectiveness of the Academy by keeping the curriculum and organisational structure under continual review;
- To provide value for money for the funds expended;
- To further improve communication and develop practices which support parental involvement further;
- To enrich the curriculum with extra curricular activities;
- To develop strong links within the local and wider community;
- To comply with all appropriate statutory and curriculum requirements;
- To conduct the Academy's business in accordance with the highest standards of integrity, probity and openness.

PUBLIC BENEFIT

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

The Academy Trust promotes education for the benefit of the local community of Dunstable and offers recreational facilities to a variety of 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.

Strategic report

Achievements and performance

REVIEW OF ACTIVITIES

The Academy has successfully been operating as a convertor Academy since January 2012 and since September 2013 converted from lower school to primary school status. This academic year we have successfully achieved the prestigious Platinum Sing Up and Gold Artsmark awards.

Year 6 SATs Results in 2018 showed that our children make good progress across Key Stage 2. In Maths this is +0.2 above National, in Writing this is +0.6 and in Reading it is -1. This is well above the floor standard; Reading -5 Floor Standard, Writing -7 Floor Standard, Maths -5 Floor Standard. With the exception of Maths we are above National average in all subjects. This is particularly impressive for our local authority and cluster who this year were at or below the National Average in all areas.

We are highest in our cluster for KS1 Phonics screener (92% pass in 2018 = +1% improvement from 2017). We are consistently above National Average (4 year data trend).

In EY 2018 our children were above the 2018 Cluster average for those achieving a 'Good Level of Development' this means that more children achieve expected across Prime and Specific subjects than their local peers.

HADRIAN ACADEMY TRUST
(A Company Limited by Guarantee)

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

KEY PERFORMANCE INDICATORS

The Academy Trust uses a number of financial key performance indicators to monitor financial success of the Academy Trust and progress/improvement against the targets set.

Staffing costs are monitored as a percentage of total income. For the year ended 31 August 2018 staffing costs amounted to 77% of non capital income (2017 - 80%).

The Academy Trust also monitors its operating surplus or deficit, (excluding restricted fixed assets/depreciation and actuarial losses) as a percentage of total income. For the year ended 31 August 2018 the operating surplus equated to 2% of non capital income (2017 - deficit 6%).

The Academy Trust also uses a number of non financial key performance indicators to monitor its performance. These include student attendance rates: for the year ended 31 August 2018 student attendance was 95.5% (2017 – 95.5%).

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 and Skills 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, revenue expenditure of £1,727,588 (2017 - £1,800,496) was more than covered by recurrent grant funding from the DfE together with other incoming resources. The excess of income over expenditure for the year (excluding restricted fixed asset funds/depreciation) was £36,611 (2017 - deficit of £98,161).

At 31 August 2018 the net book value of fixed assets was £1,842,904 (2017 - £1,960,132) 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.

HADRIAN ACADEMY TRUST
(A Company Limited by Guarantee)

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

RESERVES POLICY

The Governors review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Academy's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £88,126. The Academy intends to continue building up free reserves as required.

The Academy held fund balances at 31 August 2018 of £1,662,995 comprising £1,854,869 of restricted funds and £88,126 of unrestricted general funds and a pension reserve deficit of £280,000.

Included within restricted funds at 31 August 2018 is the Local Government Pension Scheme deficit of £280,000. The pension deficit is viewed as a 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		88,126
Restricted:	Fixed asset funds	1,842,904
	Pension reserve	(280,000)
	Other	<u>11,965</u>
		<u>1,662,995</u>

INVESTMENT POLICY

There are no investments held beyond cash deposits retained with the major UK clearing banks. As no form of investment has been authorised by the Governors then there is no investment policy.

PRINCIPAL RISKS AND UNCERTAINTIES

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

Financial – the Academy has considerable reliance on continued Government funding through the ESFA. There is no assurance that Government policy or practice will remain the same or that public funding will continue at the same level or on the same terms.

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

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

Fraud and mismanagement of funds – The Academy has appointed a Responsible Officer to carry out checks on financial systems and records as required by the Academy Financial Procedures Manual.

The Governors have assessed the major risks to which the Academy is exposed and have formulated a Risk Register. The register is regularly reviewed in light of any new information and formally reviewed annually.

HADRIAN ACADEMY TRUST
(A Company Limited by Guarantee)

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

Fundraising

Staff and Governors acknowledge the importance of giving money to charities and for children to understand the importance too. Therefore every year each group undertakes enterprise activities raising monies for charities such as SigntoSing, Bobby Moore Cancer Research, Luton and Dunstable Hospital NeoNatal unit and the Make a Wish Foundation.

Plans for future periods

The Academy will continue to build on standards so that there is consistency across all core subjects year on year. We aim to embed the whole school programs that were introduced in 2017/18 and create a Creative Curriculum that covers English and Science, as well as the majority of Foundation Subjects.

A new Principal was appointed in September 2017 and the school was inspected by OFSTED in 2018 and received a rating of 'Good'. The focus of 2018/19 will be embedding the recommendations from OFSTED to ensure that Hadrian Academy continues to go from strength to strength. The school also aims to continue the induction of the staff that completed their NQT year in 2018, this is to ensure that good practice is embedded and consistent across the school.

FUNDS HELD AS CUSTODIAN

The Academy and its Governors do not act as the Custodian Trustees of any other charity.

DISCLOSURE OF INFORMATION TO AUDITOR

In so far as the Trustees are aware:

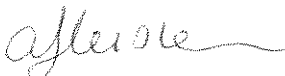
- there is no relevant audit information of which the charitable company's auditor is unaware
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

AUDITOR

The auditor, MHA Macintyre Hudson, has indicated its willingness to continue in office. The designated Trustees will propose a motion re appointing the auditor at a meeting of the Trustees.

The Trustees' Report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 30 November 2018 and signed on its behalf by:

Miss A Leishman
Chair of Trustees



HADRIAN ACADEMY TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As Trustees, we acknowledge we have overall responsibility for ensuring that Hadrian Academy Trust 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 has delegated the day-to-day responsibility to the Principal, 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 Hadrian Academy Trust and the Secretary of State for Education. They are 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 4 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
Mrs A Roberts, Chair of Trustees (to 12 November 2018)	4	4
Mr A Meadows, Vice Chairman	4	4
Miss A Leishman, Chair of Trustees (from 12 November 2018)	4	4
Mrs M Went, Trustee (Deceased 1 February 2018)	0	4
Mrs M Auker, Staff Trustee	4	4
Mrs S Norris, Staff Trustee	4	4
Mr J Chatterley, Trustee	3	4
Mrs E Roberts, Parent Trustee	4	4
Mrs C Pienaar, Trustee	3	4
Mr G Linney, Trustee	3	4
Mr S Pala, Trustee	4	4
Mrs H Brown, Staff Trustee	4	4
Mrs E Addison, Parent Trustee	4	4
Mr J Gardner, Parent Trustee	4	4
Miss H Bennett, Principal & Accounting Officer	4	4

Hadrian Academy Trust has developed its Governance Review to help Trustees improve the effectiveness of their governance and to ensure that they are compliant with current regulations in all aspects of the Trust's activities. A review has been undertaken of the following areas: The Legal Framework (documents in order, relevant and up to date); The Board (skill set of Trustees, awareness of responsibilities and liabilities); Policies and Procedures (reviewed regularly and meet the requirements of current legislation); Finance (control over finances documented and systems employed are secure); Strategy (effective strategy of what is hoped to achieve, how and by when). The Board is satisfied that the Trust is compliant in these areas.

The Finance and General Purposes Committee is a sub committee of the main Board of Trustees and meets five times a year. Its purpose is to be responsible for monitoring, evaluating and reviewing policy and performance in relation to financial management, compliance with reporting and regulatory requirements and reporting, receiving reports from the Responsible Officer and drafting the annual budget in conjunction with the Principal.

HADRIAN ACADEMY TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (continued)

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mr A Meadows	6	6
Miss H Bennett, Principal & Accounting Officer	6	6
Mrs A Roberts	5	6
Mrs M Went (Deceased 1 February 2018)	0	6
Mrs S Norris	5	6
Miss A Leishman	6	6
Mrs E Roberts	6	6
Mr J Chatterley	4	6
Mr G Linney	5	6
Mr J Gardner	3	3

REVIEW OF VALUE FOR MONEY

As Accounting Officer, the Principal has responsibility for ensuring that the Academy Trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The Accounting Officer considers how the 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:

Improving educational results

- Our diverse curriculum ensures all pupils have the opportunity to raise their individual levels of attainment (for example offering LAMDA, whole class instrument lessons for years 4, 5 and 6).
- We regularly review the staffing structure to ensure staff are efficiently deployed. This relates to teaching and non teaching.
- We bring in additional staff to target key curriculum SDP targets, such as providing extra staffing in certain year groups. We also provide targeted support for students as appropriate, such as homework club and holiday club.
- We focus on the differing needs of every individual pupil. This is reflected in the outcomes for G&T and FSM pupils.
- We have good tracking systems to record all aspects of student data including progress through school and to ensure that interventions and support are targeted to achieve Value for Money.
- We have produced good outcomes for our students, significantly exceeding national results in the majority of areas. Pupil Premium monies have been allocated to effect, as illustrated by the detailed breakdown on the Academy website

Financial Performance

- Financial governance and oversight is strong.
- Management accounts are prepared and issued monthly, to enable regular monitoring to ensure Value for Money.
- Spending proposals are costed and presented to Senior leaders / Governors and then challenged appropriately.

HADRIAN ACADEMY TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (continued)

- Regular budget updates are provided, including 3 year projections, which enables both short and long term budget decisions to be made appropriately.
- The Company Secretary has been influential in driving down costs through better procurement and negotiation throughout 2018.
- All contracts are reviewed on an annual or set period basis to ensure that they are still fit for purpose and best value for our school.
- School spend is benchmarked against other Academies and areas where we significantly over or under spend have been thoroughly investigated and assurances provided that the spend is appropriate to our school.
- Benchmarking also highlighted that income generation is low for our school and this year additional lettings have been arranged.
- The Academy ensures that tenders/quotes are obtained as appropriate to ensure Value for Money with all major projects.
- Cash flow forecasts are used to identify and invest surplus cash balances to maximise bank interest receivable.

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 Hadrian Academy Trust 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 ongoing 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. This process is regularly reviewed by the Board of Trustees.

THE RISK AND CONTROL FRAMEWORK

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- regular reviews by the Finance and General Purposes 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.

HADRIAN ACADEMY TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (continued)

- 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 appointed Claire Collins, a qualified Chartered Accountant, as Responsible Officer (RO).

The Responsible Officers'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:

- detailed checking of payments;
- the payroll process
- the expense payment process
- steps taken to ensure GDPR compliance

On a termly basis, the RO reports to the Board of Trustees through the Finance and General Purposes committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

The RO has delivered the schedule of work as planned. There were no material control issues identified.

REVIEW OF EFFECTIVENESS

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

- the work of the Responsible Officers;
- 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 and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 30 November 2018 and signed on their behalf, by:

Miss A Leishman
Chair of Trustees



Miss H Bennett
Principal & Accounting Officer



HADRIAN ACADEMY TRUST
(A Company Limited by Guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Hadrian Academy Trust 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.



Miss H Bennett
Principal & Accounting Officer

Date: 30 November 2018

HADRIAN ACADEMY TRUST
(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 on 30 November 2018 and signed on its behalf by:



Miss A Leishman
Chair of Trustees

HADRIAN ACADEMY TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
HADRIAN ACADEMY TRUST**

OPINION

We have audited the financial statements of Hadrian Academy Trust (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's 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.

HADRIAN ACADEMY TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
HADRIAN ACADEMY TRUST**

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 has 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.

HADRIAN ACADEMY TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
HADRIAN ACADEMY TRUST**

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.

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.

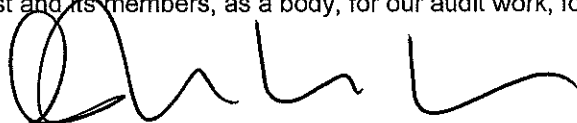
AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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: *18 December 2018*

HADRIAN ACADEMY TRUST
(A Company Limited by Guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO HADRIAN ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 4 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 Hadrian Academy Trust 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 Hadrian Academy Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Hadrian Academy Trust 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 Hadrian Academy Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

RESPECTIVE RESPONSIBILITIES OF HADRIAN ACADEMY TRUST'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The Accounting Officer is responsible, under the requirements of Hadrian Academy Trust's funding agreement with the Secretary of State for Education dated 24 October 2011, 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.

HADRIAN ACADEMY TRUST
(A Company Limited by Guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO HADRIAN ACADEMY TRUST 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
Statutory Auditors

Peterbridge House
The Lakes
Northampton
NN4 7HB

Date: *18 December 2018*

HADRIAN ACADEMY TRUST
(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 general funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
INCOME FROM:						
Donations and capital grants	2	56,628	-	7,871	64,499	72,180
Charitable activities:	3					
Funding for the Academy						
Trust's educational operations		-	1,481,654	-	1,481,654	1,440,005
Other trading activities	4	84,691	-	-	84,691	78,943
Investments	5	177	-	-	177	124
TOTAL INCOME		141,496	1,481,654	7,871	1,631,021	1,591,252
EXPENDITURE ON:						
Raising funds		105,152	-	-	105,152	122,647
Charitable activities:						
Academy Trust educational operations		-	1,481,387	141,049	1,622,436	1,677,849
TOTAL EXPENDITURE	6	105,152	1,481,387	141,049	1,727,588	1,800,496
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS						
Transfers between Funds	16	36,344	267	(133,178)	(96,567)	(209,244)
		-	(15,950)	15,950	-	-
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES						
		36,344	(15,683)	(117,228)	(96,567)	(209,244)
Actuarial gains on defined benefit pension schemes	16,18	-	111,000	-	111,000	119,000
NET MOVEMENT IN FUNDS		36,344	95,317	(117,228)	14,433	(90,244)
RECONCILIATION OF FUNDS:						
Total funds brought forward	16	51,782	(363,352)	1,960,132	1,648,562	1,738,806
TOTAL FUNDS CARRIED FORWARD		88,126	(268,035)	1,842,904	1,662,995	1,648,562

HADRIAN ACADEMY TRUST
(A Company Limited by Guarantee)
REGISTERED NUMBER: 07824369

BALANCE SHEET
AS AT 31 AUGUST 2018

	Note	£	2018 £	£	2017 £
FIXED ASSETS					
Tangible assets	12		1,842,904		1,960,132
CURRENT ASSETS					
Debtors	13	44,945		41,139	
Cash at bank and in hand	21	193,829		129,762	
			<u>238,774</u>	<u>170,901</u>	
CREDITORS: amounts falling due within one year	14	(101,311)		(114,603)	
NET CURRENT ASSETS			<u>137,463</u>		<u>56,298</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>1,980,367</u>		<u>2,016,430</u>
CREDITORS: amounts falling due after more than one year	15		<u>(37,372)</u>		<u>(48,868)</u>
NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES			<u>1,942,995</u>		<u>1,967,562</u>
Defined benefit pension scheme liability	18		<u>(280,000)</u>		<u>(319,000)</u>
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u><u>1,662,995</u></u>		<u><u>1,648,562</u></u>
FUNDS OF THE ACADEMY					
Restricted funds:					
Restricted income funds	16	11,965		(44,352)	
Restricted fixed asset funds	16	1,842,904		1,960,132	
Restricted income funds excluding pension liability		1,854,869		1,915,780	
Pension reserve	16	(280,000)		(319,000)	
Total restricted funds			<u>1,574,869</u>		<u>1,596,780</u>
Unrestricted income funds	16		<u>88,126</u>		<u>51,782</u>
TOTAL FUNDS			<u><u>1,662,995</u></u>		<u><u>1,648,562</u></u>

The financial statements on pages 20 to 45 were approved by the Trustees, and authorised for issue, on 30 November 2018 and are signed on their behalf, by:



Miss A Leishman
Chair of Trustees

HADRIAN ACADEMY TRUST
(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/(used in) operating activities	20	<u>86,849</u>	<u>(24,150)</u>
Cash flows from investing activities:			
Dividends, interest and rents from investments		177	124
Purchase of tangible fixed assets		(19,334)	(20,420)
Capital grants from DfE Group		<u>7,871</u>	<u>7,716</u>
Net cash used in investing activities		<u>(11,286)</u>	<u>(12,580)</u>
Cash flows from financing activities:			
Repayments of borrowings		(11,496)	(11,495)
Net cash used in financing activities		<u>(11,496)</u>	<u>(11,495)</u>
Change in cash and cash equivalents in the year		64,067	(48,225)
Cash and cash equivalents brought forward		<u>129,762</u>	<u>177,987</u>
Cash and cash equivalents carried forward	21	<u><u>193,829</u></u>	<u><u>129,762</u></u>

HADRIAN ACADEMY TRUST
(A Company Limited by Guarantee)

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.

Hadrian Academy Trust constitutes a public benefit entity as defined by FRS 102.

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 the 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 the 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 an unconditional 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.

Sponsorship income

Sponsorship income provided to the Academy Trust which amounts to a donation is recognised in the Statement of Financial Activities incorporating the Income and Expenditure Account in the period in which it is receivable, where receipt is probable and it is measurable.

Donated Services and Gifts in Kind

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'.

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 £2,000 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:

HADRIAN ACADEMY TRUST
(A Company Limited by Guarantee)

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

1. ACCOUNTING POLICIES (continued)

Leasehold property	-	30 years straight line
Leasehold improvements	-	10 years straight line
Furniture and fixtures	-	5 years straight line
Leasehold Land	-	over term of lease (125 years)

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 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.

1.7 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.

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 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)

1.10 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 costs 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 instruments.

1.11 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 18, 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.

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

1. ACCOUNTING POLICIES (continued)

1.12 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.

1.13 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 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 18, 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.

HADRIAN ACADEMY TRUST
(A Company Limited by Guarantee)

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

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2018 £	Restricted general funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
Donations	8,833	-	-	8,833	1,770
Parental contributions	47,795	-	-	47,795	56,820
Other income	-	-	-	-	5,874
Capital grants	-	-	7,871	7,871	7,716
	<u>56,628</u>	<u>-</u>	<u>7,871</u>	<u>64,499</u>	<u>72,180</u>
Total 2017	<u>64,464</u>	<u>-</u>	<u>7,716</u>	<u>72,180</u>	

3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2018 £	Restricted general funds 2018 £	Total funds 2018 £	Total funds 2017 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	1,283,273	1,283,273	1,253,434
Other DfE/ESFA grants	-	77,797	77,797	63,455
Pupil premium	-	67,352	67,352	70,452
	<u>-</u>	<u>1,428,422</u>	<u>1,428,422</u>	<u>1,387,341</u>
Other government grants				
Other government grants	-	3,600	3,600	-
Special educational needs	-	39,614	39,614	45,836
	<u>-</u>	<u>43,214</u>	<u>43,214</u>	<u>45,836</u>
Other funding				
Other income	-	10,018	10,018	6,828
	<u>-</u>	<u>10,018</u>	<u>10,018</u>	<u>6,828</u>
	<u>-</u>	<u>1,481,654</u>	<u>1,481,654</u>	<u>1,440,005</u>
Total 2017	<u>-</u>	<u>1,440,005</u>	<u>1,440,005</u>	

HADRIAN ACADEMY TRUST
(A Company Limited by Guarantee)

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

4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2018 £	Restricted general funds 2018 £	Total funds 2018 £	Total funds 2017 £
Rental income	8,051	-	8,051	8,913
Contributions towards clubs and educational activities	51,009	-	51,009	41,627
Catering	25,631	-	25,631	28,403
	<u>84,691</u>	<u>-</u>	<u>84,691</u>	<u>78,943</u>
Total 2017	<u>78,943</u>	<u>-</u>	<u>78,943</u>	

5. INVESTMENT INCOME

	Unrestricted funds 2018 £	Restricted general funds 2018 £	Total funds 2018 £	Total funds 2017 £
Bank interest receivable	177	-	177	124
Total 2017	<u>124</u>	<u>-</u>	<u>124</u>	

HADRIAN ACADEMY TRUST
(A Company Limited by Guarantee)

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

6. EXPENDITURE

	Staff costs 2018 £	Premises 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Expenditure on raising voluntary income	-	-	43,584	43,584	50,777
Expenditure on fundraising trading	35,790	-	25,689	61,479	71,781
Expenditure on investment management	-	-	89	89	89
Academy's educational operations:					
Direct costs	960,928	-	61,582	1,022,510	1,081,079
Allocated support costs	262,569	188,695	148,662	599,926	596,770
	<u>1,259,287</u>	<u>188,695</u>	<u>279,606</u>	<u>1,727,588</u>	<u>1,800,496</u>
Total 2017	<u>1,270,104</u>	<u>168,605</u>	<u>361,787</u>	<u>1,800,496</u>	

HADRIAN ACADEMY TRUST
(A Company Limited by Guarantee)

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	1,022,510	599,926	1,622,436	1,677,849
Total 2017	<u>1,081,079</u>	<u>596,770</u>	<u>1,677,849</u>	

Analysis of support costs

	2018 £	2017 £
Support staff costs	262,569	263,095
Depreciation	136,562	118,799
Technology costs	22,725	48,017
Premises costs	52,132	49,806
Other support costs	112,768	107,787
Governance costs	13,170	9,266
Total support costs	<u>599,926</u>	<u>596,770</u>

8. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets: - owned by the charity	136,562	118,799
Fees payable to auditor for - audit	8,600	8,600
Fees payable to auditor for - other services	4,310	7,175
Operating lease rentals	<u>2,276</u>	<u>2,276</u>

HADRIAN ACADEMY TRUST
(A Company Limited by Guarantee)

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	953,281	970,089
Social security costs	73,416	75,154
Operating costs of defined benefit pension schemes	232,590	224,861
	<u>1,259,287</u>	<u>1,270,104</u>

b. Staff numbers

The average number of persons employed by the Academy Trust during the year was as follows:

	2018	2017
	No.	No.
Teachers	18	18
Administration and support	43	40
Management	2	2
	<u>63</u>	<u>60</u>

c. Higher paid staff

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

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

The above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2018, pension contributions for this member of staff amounted to £10,616 (2017 - £11,880).

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 £211,618 (2017 - £244,358).

HADRIAN ACADEMY TRUST
(A Company Limited by Guarantee)

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

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
		£	£
Mrs S Ingham, Principal	Remuneration	N/A	70,000-75,000
	Pension contributions paid	N/A	10,000-15,000
Mrs M Auker, Staff Trustee	Remuneration	50,000-55,000	50,000-55,000
	Pension contributions paid	5,000-10,000	5,000-10,000
Mrs S Norris, Staff Trustee	Remuneration	10,000-15,000	10,000-15,000
	Pension contributions paid	0-5,000	0-5,000
Miss N Quince, Parent Trustee	Remuneration	N/A	15,000-20,000
	Pension contributions paid	N/A	0-5,000
Mrs H Brown	Remuneration	35,000-40,000	35,000-40,000
	Pension contributions paid	5,000-10,000	5,000-10,000
Miss H Bennett	Remuneration	60,000-65,000	N/A
	Pension contributions paid	10,000-15,000	N/A

During the year ended 31 August 2018, no Trustees received any reimbursement of expenses (2017 - £NIL).

11. TRUSTEES' AND OFFICERS' INSURANCE

The Academy Trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000. It is not possible to quantify the Trustees and officers indemnity element from the overall cost of the RPA scheme.

HADRIAN ACADEMY TRUST
(A Company Limited by Guarantee)

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

12. TANGIBLE FIXED ASSETS

	Leasehold Land & Property £	Furniture and fixtures £	Plant and equipment £	Total £
Cost				
At 1 September 2017	2,303,310	106,706	104,518	2,514,534
Additions	-	19,334	-	19,334
At 31 August 2018	<u>2,303,310</u>	<u>126,040</u>	<u>104,518</u>	<u>2,533,868</u>
Depreciation				
At 1 September 2017	428,200	66,332	59,870	554,402
Charge for the year	96,553	20,053	19,956	136,562
At 31 August 2018	<u>524,753</u>	<u>86,385</u>	<u>79,826</u>	<u>690,964</u>
Net book value				
At 31 August 2018	<u><u>1,778,557</u></u>	<u><u>39,655</u></u>	<u><u>24,692</u></u>	<u><u>1,842,904</u></u>
At 31 August 2017	<u><u>1,875,110</u></u>	<u><u>40,374</u></u>	<u><u>44,648</u></u>	<u><u>1,960,132</u></u>

13. DEBTORS

	2018 £	2017 £
VAT repayable	3,938	4,933
Other debtors	-	1,151
Prepayments and accrued income	41,007	35,055
	<u>44,945</u>	<u>41,139</u>

14. CREDITORS: Amounts falling due within one year

	2018 £	2017 £
Other loans	11,496	11,496
Trade creditors	4,973	5,068
Other taxation and social security	18,669	16,801
Other creditors	-	19,634
Accruals and deferred income	66,173	61,604
	<u>101,311</u>	<u>114,603</u>

HADRIAN ACADEMY TRUST
(A Company Limited by Guarantee)

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

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

	2018 £	2017 £
Deferred income		
Deferred income at 1 September 2017	43,044	44,811
Resources deferred during the year	48,897	43,044
Amounts released from previous years	(43,044)	(44,811)
	<u>48,897</u>	<u>43,044</u>
Deferred income at 31 August 2018	<u>48,897</u>	<u>43,044</u>

Deferred income relates to parental contributions received in advance for 2018/19 and ESFA grants received in advance.

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

	2018 £	2017 £
Other loans	<u>37,372</u>	<u>48,868</u>

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

	2018 £	2017 £
Repayable by instalments	<u>-</u>	<u>4,794</u>

Other loans consist wholly of Salix loans obtained through the ESFA to fund capital projects.

HADRIAN ACADEMY TRUST
(A Company Limited by Guarantee)

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	51,782	141,496	(105,152)	-	-	88,126
Restricted funds						
General Annual Grant (GAG)	16,012	1,283,273	(1,225,727)	(12,725)	-	60,833
Other DfE/ESFA grants	-	78,397	(63,676)	(14,721)	-	-
Pupil premium	-	67,352	(67,352)	-	-	-
Miscellaneous restricted	-	13,018	(13,018)	-	-	-
SEN funding	-	39,614	(39,614)	-	-	-
Salix Loans	(60,364)	-	-	11,496	-	(48,868)
Pension reserve	(319,000)	-	(72,000)	-	111,000	(280,000)
	<u>(363,352)</u>	<u>1,481,654</u>	<u>(1,481,387)</u>	<u>(15,950)</u>	<u>111,000</u>	<u>(268,035)</u>
Restricted fixed asset funds						
DfE/ESFA capital grants	142,501	-	-	3,385	-	145,886
Capital expenditure from GAG	278,015	-	-	15,950	-	293,965
Other miscellaneous	14,016	-	-	-	-	14,016
Transfer from LA	1,525,600	-	(136,563)	-	-	1,389,037
Unspent capital funds	-	7,871	(4,486)	(3,385)	-	-
	<u>1,960,132</u>	<u>7,871</u>	<u>(141,049)</u>	<u>15,950</u>	<u>-</u>	<u>1,842,904</u>
Total restricted funds	<u>1,596,780</u>	<u>1,489,525</u>	<u>(1,622,436)</u>	<u>-</u>	<u>111,000</u>	<u>1,574,869</u>
Total of funds	<u>1,648,562</u>	<u>1,631,021</u>	<u>(1,727,588)</u>	<u>-</u>	<u>111,000</u>	<u>1,662,995</u>

The transfer between the restricted General Annual Grant fund and restricted fixed asset funds represents amounts capitalised during the year.

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 objects and its funding agreement with the ESFA.

Restricted fixed asset funds amounting to £1,842,904 (2017: £1,960,132) will be reserved against future depreciation charges.

HADRIAN ACADEMY TRUST
(A Company Limited by Guarantee)

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

16. STATEMENT OF FUNDS (continued)

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 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	43,602	143,531	(122,647)	(12,704)	-	51,782
Restricted funds						
General Annual Grant (GAG)	83,553	1,253,434	(1,169,423)	(151,552)	-	16,012
Other DfE/ESFA grants	-	63,455	(65,254)	1,799	-	-
Pupil premium	-	70,452	(98,346)	27,894	-	-
Miscellaneous restricted	-	6,828	(6,828)	-	-	-
SEN funding	-	45,836	(156,199)	110,363	-	-
Salix Loans	(71,860)	-	-	11,496	-	(60,364)
Pension reserve	(375,000)	-	(63,000)	-	119,000	(319,000)
	<u>(363,307)</u>	<u>1,440,005</u>	<u>(1,559,050)</u>	<u>-</u>	<u>119,000</u>	<u>(363,352)</u>
Restricted fixed asset funds						
DfE/ESFA capital grants	168,391	-	(25,890)	-	-	142,501
Capital expenditure from GAG	301,143	7,716	(43,548)	12,704	-	278,015
Other miscellaneous	18,313	-	(4,297)	-	-	14,016
Transfer from LA	1,570,664	-	(45,064)	-	-	1,525,600
	<u>2,058,511</u>	<u>7,716</u>	<u>(118,799)</u>	<u>12,704</u>	<u>-</u>	<u>1,960,132</u>
Total restricted funds	<u>1,695,204</u>	<u>1,447,721</u>	<u>(1,677,849)</u>	<u>12,704</u>	<u>119,000</u>	<u>1,596,780</u>
Total of funds	<u>1,738,806</u>	<u>1,591,252</u>	<u>(1,800,496)</u>	<u>-</u>	<u>119,000</u>	<u>1,648,562</u>

HADRIAN ACADEMY TRUST
(A Company Limited by Guarantee)

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

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	43,602	285,027	(227,799)	(12,704)	-	88,126
Restricted funds						
General Annual Grant (GAG)	83,553	2,536,707	(2,395,150)	(164,277)	-	60,833
Other DfE/ESFA grants	-	141,852	(128,930)	(12,922)	-	-
Pupil premium	-	137,804	(165,698)	27,894	-	-
Miscellaneous restricted	-	19,846	(19,846)	-	-	-
SEN funding	-	85,450	(195,813)	110,363	-	-
Salix Loans	(71,860)	-	-	22,992	-	(48,868)
Pension reserve	(375,000)	-	(135,000)	-	230,000	(280,000)
	<u>(363,307)</u>	<u>2,921,659</u>	<u>(3,040,437)</u>	<u>(15,950)</u>	<u>230,000</u>	<u>(268,035)</u>
Restricted fixed asset funds						
DfE/ESFA capital grants	168,391	-	(25,890)	3,385	-	145,886
Capital expenditure from GAG	301,143	7,716	(43,548)	28,654	-	293,965
Other miscellaneous	18,313	-	(4,297)	-	-	14,016
Transfer from LA	1,570,664	-	(181,627)	-	-	1,389,037
Unspent capital funds	-	7,871	(4,486)	(3,385)	-	-
	<u>2,058,511</u>	<u>15,587</u>	<u>(259,848)</u>	<u>28,654</u>	<u>-</u>	<u>1,842,904</u>
	<u>1,695,204</u>	<u>2,937,246</u>	<u>(3,300,285)</u>	<u>12,704</u>	<u>230,000</u>	<u>1,574,869</u>
Total of funds	<u><u>1,738,806</u></u>	<u><u>3,222,273</u></u>	<u><u>(3,528,084)</u></u>	<u><u>-</u></u>	<u><u>230,000</u></u>	<u><u>1,662,995</u></u>

HADRIAN ACADEMY TRUST
(A Company Limited by Guarantee)

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

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2018 £	Restricted general funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	1,842,904	1,842,904
Current assets	88,126	150,648	-	238,774
Creditors due within one year	-	(101,311)	-	(101,311)
Creditors due in more than one year	-	(37,372)	-	(37,372)
Pension scheme liability	-	(280,000)	-	(280,000)
	<u>88,126</u>	<u>(268,035)</u>	<u>1,842,904</u>	<u>1,662,995</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2017 £	Restricted general funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	1,960,132	1,960,132
Current assets	51,782	119,119	-	170,901
Creditors due within one year	-	(114,603)	-	(114,603)
Creditors due in more than one year	-	(48,868)	-	(48,868)
Pension scheme liability	-	(319,000)	-	(319,000)
	<u>51,782</u>	<u>(363,352)</u>	<u>1,960,132</u>	<u>1,648,562</u>

18. 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 Bedford Borough 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 - £19,634) 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,

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

18. PENSION COMMITMENTS (continued)

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 £89,560 (2017 - £93,466).

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 £97,000 (2017 - £96,000), of which employer's contributions totalled £77,000 (2017 - £77,000) and employees' contributions totalled £20,000 (2017 - £19,000). The agreed contribution rates for future years are 22.7% 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.

HADRIAN ACADEMY TRUST
(A Company Limited by Guarantee)

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

18. PENSION COMMITMENTS (continued)

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	22.4	22.4
Females	24.0	24.5
Retiring in 20 years		
Males	24.5	24.0
Females	26.2	26.2

Sensitivity analysis	At 31 August	At 31 August
	2018	2017
	£	£
0.5% decrease in Real Discount Rate	153,000	139,000
0.5% increase in the Salary Increase Rate	16,000	17,000
0.5% increase in the Pension Increase Rate	136,000	120,000

The Academy Trust's share of the assets in the scheme was:

	Fair value at	Fair value at
	31 August	31 August
	2018	2017
	£	£
Equities	512,000	430,000
Corporate bonds	123,000	113,000
Property	79,000	68,000
Cash and other liquid assets	167,000	143,000
Total market value of assets	881,000	754,000

The actual return on scheme assets was £41,000 (2017 - £68,000).

HADRIAN ACADEMY TRUST
(A Company Limited by Guarantee)

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

18. PENSION COMMITMENTS (continued)

The amounts recognised in the Statement of Financial Activities incorporating Income and Expenditure Account are as follows:

	2018 £	2017 £
Interest income	20,000	13,000
Interest cost	(29,000)	(21,000)
Current service cost	(140,000)	(132,000)
	<u> </u>	<u> </u>
Total	<u>(149,000)</u>	<u>(140,000)</u>

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

	2018 £	2017 £
Opening defined benefit obligation	1,074,000	972,000
Interest cost	29,000	21,000
Employee contributions	20,000	19,000
Actuarial gains	(90,000)	(64,000)
Benefits paid	(12,000)	(6,000)
Current service cost	140,000	132,000
	<u> </u>	<u> </u>
Closing defined benefit obligation	<u>1,161,000</u>	<u>1,074,000</u>

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

	2018 £	2017 £
Opening fair value of scheme assets	755,000	597,000
Interest income	20,000	13,000
Actuarial gains	21,000	55,000
Employer contributions	77,000	77,000
Employee contributions	20,000	19,000
Benefits paid	(12,000)	(6,000)
	<u> </u>	<u> </u>
Closing fair value of scheme assets	<u>881,000</u>	<u>755,000</u>

HADRIAN ACADEMY TRUST
(A Company Limited by Guarantee)

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

19. 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	2,276	2,276
Between 1 and 5 years	2,276	4,552
Total	4,552	6,828

20. 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)	(96,567)	(209,244)
Adjustment for:		
Depreciation charges	136,562	118,799
Dividends, interest and rents from investments	(177)	(124)
(Increase)/decrease in debtors	(3,806)	17,608
Decrease in creditors	(13,292)	(6,473)
Capital grants from DfE and other capital income	(7,871)	(7,716)
Defined benefit pension scheme cost less contributions payable	63,000	55,000
Defined benefit pension scheme finance cost	9,000	8,000
Net cash provided by/(used in) operating activities	86,849	(24,150)

21. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2018 £	2017 £
Cash in hand	193,829	129,762
Total	193,829	129,762

22. CONTINGENT LIABILITIES

Included in the restricted fixed assets funds are assets in relation to a gift in kind from the school's catering provider to upgrade the kitchen facilities to the value of £12,000. Under the terms of the catering contract, should the contract be terminated before 21 July 2019 the Academy Trust will repay the amount invested less depreciation to date over the life of the contract.

HADRIAN ACADEMY TRUST
(A Company Limited by Guarantee)

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

23. 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.

24. RELATED PARTY TRANSACTIONS

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 Trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH and with the Trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

No related party transactions took place in the year, other than certain Trustees' remuneration and expenses as disclosed in Note 10.

25. COMPANY LIMITED BY GUARANTEE

The Academy is a company limited by guarantee and does not have share capital.

