

Light Hall School
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

for the year ended
31 August 2014

Company Registration No.07687583

Light Hall School

REFERENCE AND ADMINISTRATIVE DETAILS

Members	Andrew Hobday Christine Thomas Elizabeth Baker
Governors (Trustees)	Annette Kimblin (appointed 6 th January 2014) Christine Thomas (Chair) Ann Hunter Stefan March Jane Spicer Joanna Tomkinson Shirley Moss (former Chair, resigned 24 th June 2014) Elizabeth Baker (appointed 25 th March 2014) Andrew Hobday Razina Ashraf Michella Lea (appointed 2 nd September 2013) John Greenan Marina Davis Yasmin Ashraf (appointed 17 th March 2014) Richard Hart (appointed 24 th June 2014) Robert Barr (resigned 5 th January 2014) H Cosford (resigned 25 March 2014)
Senior Management Team:	
Headteacher	AB Kimblin
Deputy Headteacher	R Barr
Assistant Headteacher	R Hall
Assistant Headteacher	S Purewal
Assistant Headteacher	R McCrainor
Principal and Registered Office	Hathaway Road Shirley Solihull West Midlands, B90 2PZ
Company Registration Number	07687583 (England and Wales)
Independent Auditor	Baker Tilly UK Audit LLP Chartered Accountants St Phillips Point Temple Row Birmingham West Midlands, B2 5AF
Bankers	Lloyds Bank PLC 9-11 Poplar Road Solihull, B91 3AN
Solicitors	Veale Wasbrough Vizards Bristol Office Orchard Court Orchard Lane Bristol BS1 5WS
Responsible Officer	Solihull Audit Services Solihull Metropolitan Borough Council PO Box 9 Solihull, B91 9QU

Light Hall School

GOVERNORS REPORT INCLUDING STRATEGIC REPORT

The governors present their annual report together with the financial statements and auditor's report of the charitable company for the year ended 31 August 2014.

The trust operates an academy for pupils aged 11 to 16. During academic year 2013/14 there were 1,168 pupils on role, pupils attending are from South Solihull, South Birmingham and further afield.

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 company was incorporated on 29 June 2011. On 1 August 2011 Light Hall School converted from a specialist college to academy trust status under the Academies Act 2010 and all the operations, and assets and liabilities were transferred to Light Hall School from the Governors of Light Hall School.

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.

In accordance with normal commercial practice the Academy Trust has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business.

Principal activities

The Academy Trust's principal activities are specifically restricted to advance, 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.

The Academy Trust operates under a Funding Agreement issued by the Department for Education on 29 July 2011 and commenced operations on 1 August 2011.

Method of recruitment and appointment or election of governors

The Governors are directors of the charitable company for the purposes of the Companies Act 2006 and Trustees for the purposes of charity legislation. The governors who were in office at 31 August 2014 and served throughout the year, except where shown, are listed on page 1.

The Members may appoint Governors but this will not be subject to any maximum. They may appoint staff Governors through such processes as they may determine, usually by secret ballot, provided that the total number of governors (including the Head Teacher), who are employees of the Academy Trust does not exceed one third of the total number of governors. The Head Teacher shall be treated for all purposes as being an ex-officio governor. There will be a minimum of 2 parent governors who shall be elected by parents of registered students at the Academy. The governors may appoint up to 3 co-opted governors.

Light Hall School

GOVERNORS REPORT INCLUDING STRATEGIC REPORT

Policies and procedures adopted for the induction and training of governors

New governors attend full governing body meetings and subsequently populate committees, often according to interests and personal expertise. Each new governor has a nominated mentor governor and training is offered each term by Governor Services and appropriate records are kept of this. Copies of policies, handbooks and literature are disseminated throughout the year.

Organisational structure

A unified leadership structure operates to help improve the way the Academy is run. The structure consists of Governors and the Senior Leadership Team. The aim of the management structure is to devolve responsibility and encourage decision making at all levels.

The governors are responsible for the strategic development of the Academy, adopting an annual School Improvement Plan (SIP) and budget, monitoring the Academy by the use of budgets and management accounts and making major decisions about the direction of the Academy, capital expenditure and senior staff appointments.

To ensure an efficient and effective committee structure with the Academy's School Improvement Plan at its core, there are governor committees responsible for strategy and finance, pay and student discipline.

The core Senior Leadership Team is made up of the Head Teacher, Deputy Head Teacher and 2 Senior Assistant Head Teachers. (For Autumn 2013, due to the semi-retirement of the Head Teacher, a modified structure was introduced for one term, consisting of an Executive Head Teacher, Associate Head Teacher, 2 Deputy Head Teachers and 4 Assistant Head Teachers). A new headteacher was appointed who took up post in January and from January to August the leadership structure consisted of the Headteacher, deputy headteacher, 3 senior assistant headteachers and 3 assistant headteachers leading English, mathematics and science. These leaders direct the Academy at an executive level implementing the policies laid down by the governors and reporting back to them. The Senior Leaders are responsible for the authorisation of spending within agreed budgets and appointment of staff, though appointment boards for posts in the Senior Leadership Team always contain a governor. Some spending control is devolved to members of the Senior Leadership Team, with limits above which the Head Teacher must countersign.

During the academic year 2013/14 Head of Departments were responsible for the day to day operation of curriculum subject areas and accordingly organise the teaching staff, capitation resources, facilities and students. The new headteacher restructured the teaching staff during the academic year 2013/14 and introduced Heads of Faculty and subject leaders for the academic year 2014/15.

Risk management

The Governors have responsibility for assessing the strategic risks to which the Academy is exposed and have a risk register which produces a systematic analysis of all risks, placing them in priority order. It will be reviewed and updated during the academic year 2014/15.

The governors are implementing a number of systems to assess the risks the Academy faces, especially in the strategic risk areas and in relation to the control of finance. They have introduced systems, including operational procedures and internal financial controls in order to minimise risk. The Academy has an effective system of internal financial controls and this is explained in more detail in this report.

Connected organisations, including related party relationships

As part of its operation the Academy liaises with organisations such as the Local Authority as well as with other education providers and trainers such as local schools, further education institutions and universities and independent educational consultants. These links are maintained in the interests of supporting good practice and information sharing and consolidate well established mutually supportive associations.

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GOVERNORS REPORT INCLUDING STRATEGIC REPORT

Public Benefit

The governors have taken The Charity Commission's specific guidance on public benefit (contained within the guidance document "The Advancement of Education for the Public Benefit") into consideration in preparing their statements on public benefit contained within this governors' annual report.

The Trust Governors have complied with the duty in the Section 17 of the Charities Act 2011, to have due regard to public benefit guidance published by the Charity Commission in exercising their powers and duties. In particular the Governors consider how planned activities will contribute to the aims and objectives they have set. The Academy has provided a fully comprehensive education to all pupils in its care. It fully complies with all statutory guidance and seeks to support its wider educational objective via a strong community role.

Objectives and Activities

Objectives and aims

For the autumn term 2013 the Academy's main objectives were encompassed in its mission statement. The appointment of the new headteacher for January 2014 enabled the academy to revisit its mission statement and reaffirm its core values. The academy has a new motto; 'The best from everyone, all of the time' which encompasses Light Hall's aspiration to be a leading, innovative academy, demonstrating excellence in all that it does.

Underpinning this are the core values of excellence, love of learning, high aspirations and expectations, sound moral compass, care and respect and active participation. Each of the leaves of the Light Hall 'tree' emblem represents one of these core values with excellence being the gold leaf, pointing to the sky.

The academy's aim is that every student leaves us, not only having achieved their full potential academically, but with a lifelong love of learning, a sound moral compass and high aspirations and expectations of themselves. Care and respect for others and our environment are the given norm at Light Hall and there is an expectation that everyone will participate actively and positively in the life of our learning community.

To this end the activities provided include:

- Tuition and learning opportunities for all students to attain the highest standard in academic qualifications
- Training opportunities for all staff, to encourage them to be effective models of learning and development
- Specialist activities in all curricular areas
- A programme of sporting and after-school extra curricular activities for all students to widen their experiences
- A system of pre and after-school clubs to allow students to develop as learners
- Community learning links that can support other learners in Shirley and surrounding areas

Objectives, strategies and activities

For the Autumn term 2013 the academy continued to follow the 2012/13 school improvement plan. The appointment of the new headteacher and review of the vision and values of the academy led to the production of a new school improvement plan, which aligned activities and plans to the core values and priorities of the academy.

The main objectives for the year were stated in the School Improvement Plan 2014-16, along with actions required.

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GOVERNORS REPORT INCLUDING STRATEGIC REPORT

The overriding aims include:

- Students exceed expected levels of progress
- All leaders and managers are highly ambitious for pupils and lead by example
- There is a pursuit of excellence in all of the school's activities
- Learning and teaching are of the highest quality, all groups of students learn exceptionally
- Students have a real pride in the school, they demonstrate excellent conduct, well manners and punctuality. Parents, staff and pupils are reservedly positive about behaviour and safety

Objectives for the academic year 2013-14 included:

Student Achievement

- Improving rates of student progress throughout the school
- Developing the use of pupil premium funding to address underachievement
- Introducing new procedures for pupil target setting and monitoring of pupil progress
- Introducing a new curriculum model in line with government proposals

Leadership and Management

- Appointing a new Headteacher
- Introducing a new middle leadership structure to include a faculty system for plus learning and 5 Heads of Year to support pupil progress and welfare
- Enhancing the effectiveness of the governing body

Teaching and Learning

- Improving the quality of marking and formative assessment
- Developing the effectiveness of homework
- Expanding and developing CPD provision for all

Behaviour and Safety

- Improving overall attendance of students
- Improving the monitoring of specific groups of students for pastoral issues

Strategic Report

Achievements and Performance

The academic year 2013-14 saw an overall increase in student outcomes compared to all previous years. The results were the best on record with a total of 76 % of students achieving 5-A*-C including English and Maths. Areas of major concern in the previous year such as English and Science, demonstrated a significant improvement

Exam Results – Summary

Measure	External Data (First entry results)	Internal Data (Re-sit results included)	Mock Exam Results December	2013 Results
5A*-C (inc English/Maths) %	74	75	41	58.6
TPS	429	439	327	421
Capped TPS	347	352	302	333
Average Grade (capped)	B-	B-	C	C+
English 3LP %	83	83	38	65
Maths 3LP %	80	84	57	83
Science 3LP %	85	85	37	44

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GOVERNORS REPORT INCLUDING STRATEGIC REPORT

English 4LP %	37	38	19	22
Maths 4LP %	45	47	22	46
Science 4LP %	43	43	9	17
Ebacc %	21	21	13	26
School Value Added	998.5	999.7		985.7
FSM English 3LP %	85	85	24	40
FSM Maths 3LP %	70	77	42	81
FSM Science 3LP %	83	83	37	34
FSM English 4LP %	38	42	8	13
FSM Maths 4LP %	34	40	12	38
FSM Science 4LP %	40	40	4	11

Going concern

After making appropriate enquiries, the Governing Body has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing its 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 Department for Education (DfE) via the Education Funding Agency (EFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2014 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The Academy also receives grants for fixed assets from the DfE. In accordance with the Charities Statement of Recommended Practice "Accounting and Reporting by Charities ("SORP 2005") such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the year ended 31 August 2014, total expenditure of £6,406,793 was more than covered by recurrent grant funding from the DfE together with other incoming resources. The excess of expenditure over income for the year before other recognised gains and losses was £36,167.

At 31 August 2014 the net book value of fixed assets was £21,532,290 and movements in tangible fixed assets are shown in note 14 to the financial statements. The assets were used exclusively for providing education and the associated support services to the students of the Academy

The Governors would like to clarify the bank account was not overdrawn at 31 August 2014; the £51,135 liability has arisen due to payments made prior to 31 August 2014 clearing after date. Investments consists of short term deposits which have been classified as an investment as the academy's intention is to continue to re-invest these funds.

Financial and risk management objectives and policies

Principal risks and uncertainties

The Governors consider that the principal risks and uncertainties facing the Academy are:

- Meeting requisite standards of education for students in core subjects

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GOVERNORS REPORT INCLUDING STRATEGIC REPORT

- Complying with legislative requirements regarding employment law, data protection, discrimination, Companies House and HMRC, child protection, the Charity commission and the National Curriculum.
- Financial risk – not operating within its budget and running a deficit, changes in funding, inappropriate or insufficient financial controls and systems, fraudulent activity and or financial commitments made without adequate authorisation
- Operational risks resulting from inexperienced or inappropriate staff being employed and inaccurate, out of date or inappropriate information

The key controls used by the academy include:

- Detailed terms of reference for all committees
- Formal agendas for the academy board and committees
- Schemes of delegation and formal financial regulations
- Formal written policies
- Clear authorisation and approval levels
- Policies and procedures required by law to protect the vulnerable

Reserves policy

The Governors review the reserves 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 Governors have determined that an appropriate level of free reserves should be equivalent to 1 weeks expenditure approximately £100,000. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. The academy's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £497,938.

The Academy's share of the Local Government Pension Scheme deficit is £1,058,000 as at 31 August 2014. The Governors have agreed to fund this deficit in accordance with the recommendations of the latest actuarial valuation carried out on 31 August 2014. Further details are provided in note 17.

Investment policy

The Governors' policy is to invest any surplus funds in low risk short term bank deposits.

Plans for Future Years

The main objectives for 2013/14 are stated in the School Improvement Plan as follows:-

Achievement: Aim – Students exceed levels of progress

- Implement half termly analysis of student data in all year groups
- Put in place appropriate intervention for all under achieving students
- Improve outcomes for PP students compared to in school and national variations
- Put in place a whole school literacy strategy

Leadership and Management: Aim – All leaders and managers are highly ambitious for the students and lead by example. The pursuit of excellence in all of the schools' activities

- Develop and train new Heads of Faculty
- Further enhance the effectiveness of the governing body

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GOVERNORS REPORT INCLUDING STRATEGIC REPORT

Teaching and Learning: Aim – Learning and teaching are of the highest quality. All groups of students learn exceptionally well

- Develop personalised coaching for all members of teaching staff
- Further improve marking and formative assessment to ensure consistency across Light Hall
- Develop and embed the Light Hall learning policy
- Further develop KS3 and KS4 curriculum in line with national expectations

Behaviour and Safety: Aim – Pupils safe

- Appoint 5 Heads of Year and 5 pastoral managers to lead on behaviour, safety, attendance and progress
- Introduce a house system
- Further improve ICT and security
- Further improve the learning environment

Funds held as Custodian Trustee on behalf of others

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

Auditors

From January 2015 the school will be appointing Chantrey Vallacott for audit services.

Statement as to disclosure of information to auditors

The Governors have confirmed that, as far as they are aware, there is no relevant audit information of which the auditors are unaware. Each of the Governors have confirmed that they have taken all the steps that they ought to have taken as Governors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

The Governors' Annual Report and the Strategic Report (included therein) is approved by order of the Governing Board in their capacity as the directors at its meeting on 2nd December 2014 and signed on its behalf by:

C. Thomas

C Thomas
Chair

Light Hall School

GOVERNANCE STATEMENT

Scope of responsibility

As governors, we acknowledge we have overall responsibility for ensuring that Light Hall 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 Governing Body has delegated the day-to-day responsibility to the Headteacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the Funding Agreement between Light Hall School and the Secretary of State for Education. The Accounting Officer is also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Governors' Report and in the Statement of Governors' Responsibilities. The Governing Body has formally met 5 times during the year. Attendance during the year at meetings of the Full governing body was as follows:

Governor	Meetings attended	Out of possible
Ann Hunter	4	5
Stefan March	3	5
Jane Spicer	4	5
Joanna Tomkinson	5	5
Shirley Moss/Worth (resigned 24 th June 2014)	5	5
Elizabeth Baker (appointed 25 th March 2014)	3	3
Christine Thomas	5	5
Andrew Hobday	5	5
Razina Ashraf	2	5
Michella Lea	4	5
John Greenan	5	5
Marina Davis	5	5
Annette Kimblin (appointed 6 th January 2014)	3	3
Yasmin Ashraf (appointed 17 th March 2014)	1	1
Richart Hart (appointed 24 th June 2014)	0	0
Robert Barr (resigned 5th January 2014)	2	2
H Cosford (resigned 25 March 2014)	0	4

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 Light Hall School for the period ended 31 August 2014 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Governing Body 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.

Light Hall School

GOVERNANCE STATEMENT

The risk and control framework

The Academy Trusts' 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 yearly financial reports which are reviewed and agreed by the governing body
- Regular reviews by the strategy and finance committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- Setting targets to ensure financial and other performance
- Clearly defined purchasing (asset purchase or capital investment) guidelines
- Delegation of authority and segregation of duties
- Identification and management risks

The Governing Body has considered the need for a specific internal audit function and have decided to appoint a Responsible Officer. The Responsible Officer role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. The Responsible Officer reports to the Governing Body on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities.

Review of effectiveness

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

- The work of the Responsible Officer
- The work of the external auditor
- The work of the senior 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 the reviews of the system of internal control by the Finance and General Purpose Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Governing Body
behalf by:

2014 and signed on its



AB Kimblin
Accounting Officer



C Thomas
Chair

Light Hall School

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Light Hall School I have considered my responsibility to notify the academy trust governing body and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State. As my part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

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

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date.



AB Kimblin
Accounting Officer

Light Hall School

STATEMENT ON GOVERNORS' RESPONSIBILITIES

The governors (who act as trustees for charitable activities of Light Hall School and are also the directors of the Charitable Company for the purposes of company law) are responsible for preparing the Governors' Report including the Strategic Report and the financial statements in accordance with the Annual Accounts Requirements issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the governors to prepare financial statements for each financial year. Under company law the governors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charitable Company and of its incoming resources and application of resources, including its income and expenditure, for that year. 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 with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the EFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the governing body on
behalf by:

2014 and signed on its



C Thomas
Chair

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LIGHT HALL SCHOOL FOR YEAR ENDED 31 AUGUST 2014

We have audited the financial statements of Light Hall School for the year ended 31 August 2014 on pages 16 to 38. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), and the Academies: Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

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

Respective responsibilities of governors and auditor

As explained more fully in the Statement of Governors' Responsibilities set out on page 14, the governors (who act as trustees for the charitable activities of the charitable company, and are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2014 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the Companies Act 2006; and
- have been prepared in accordance with the Academies: Accounts Direction 2013 issued by the Education Funding Agency.

Opinion on other requirement of the Companies Act 2006

In our opinion the information given in the Governors' Report and the incorporated strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LIGHT HALL SCHOOL
FOR YEAR ENDED 31 AUGUST 2014 (continued)

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:

- the charity has not kept adequate accounting records, 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.

MICHAEL HUGGINS (Senior Statutory Auditor)

For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor

Chartered Accountants

St Philips Point

Temple Row

Birmingham

West Midlands

B2 5AF

2014

Light Hall School
STATEMENT OF FINANCIAL ACTIVITIES
(including Income & Expenditure Account)
for the year ended 31 August 2014

	Notes	Unrestricted Funds £	Year ended 31 August 2014		Total 2014 £	Total 2013 £
			Restricted Funds General	Fixed Assets £		
INCOMING RESOURCES						
Incoming resources from generated funds:						
Activities for generating funds	3	465,022	-	-	465,022	402,569
Investment income	4	9,090	-	-	9,090	10,771
Voluntary income	2	-	-	373,878	373,878	738,245
Incoming resources from charitable activities:						
Funding for academy's educational operations	5	-	5,851,109	-	5,851,109	5,822,575
TOTAL INCOMING RESOURCES		474,112	5,851,109	373,878	6,699,099	6,974,160
RESOURCES EXPENDED						
Costs of generating funds	7	(302,967)	-	-	(302,967)	(311,130)
Charitable activities:						
Academy's educational operations	8&9	-	(6,066,697)	(340,096)	(6,406,793)	(6,203,366)
Governance costs	10	-	(25,506)	-	(25,506)	(27,608)
TOTAL RESOURCES EXPENDED		(302,967)	(6,092,203)	(340,096)	(6,735,266)	(6,542,104)
NET INCOMING/ (OUTGOING) RESOURCES & NET INCOME/ (EXPENDITURE) FOR THE YEAR						
		171,145	(241,094)	33,782	(36,167)	432,056
TRANSFERS						
Gross transfers between funds		-	(22,614)	22,614	-	-
OTHER RECOGNISED GAINS/LOSSES						
Actuarial gains on defined benefit pension schemes	17	-	149,000	-	149,000	42,000
NET MOVEMENT IN FUNDS		171,145	(114,708)	56,396	112,833	474,056
RECONCILIATION OF FUNDS						
Fund balances brought forward At 1 September 2013		326,793	(915,148)	21,475,894	20,887,539	20,413,483
FUND BALANCES CARRIED FORWARD AT 31 August 2014	18	497,938	(1,029,856)	21,532,290	21,000,372	20,887,539

The net movement in funds for the year arises from the charitable company's continuing operations.

No separate statement of total recognised gains and losses has been presented as all such gains and losses are dealt with in the statement of financial activities.

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BALANCE SHEET

as at 31 August 2014

	Notes	2014		2013	
		£	£	£	£
FIXED ASSETS					
Tangible assets	14	21,532,290		21,363,549	
CURRENT ASSETS					
Debtors	15	233,704		151,794	
Investments		720,000		800,000	
Cash at bank and in hand		-		14,966	
		<u>953,704</u>		<u>966,760</u>	
LIABILITIES					
Creditors: Amounts falling due within one year	16	(427,622)		(271,770)	
NET CURRENT ASSETS					
		<u>526,082</u>		<u>694,990</u>	
TOTAL ASSETS LESS CURRENT LIABILITIES & NET ASSETS EXCLUDING PENSION LIABILITY					
		22,058,372		22,058,539	
Defined benefit pension scheme liability	17	(1,058,000)		(1,171,000)	
NET ASSETS INCLUDING PENSION LIABILITY					
		<u>21,000,372</u>		<u>20,887,539</u>	
FUNDS OF THE ACADEMY					
RESTRICTED FUNDS					
Fixed asset fund	18	21,532,290		21,475,894	
General	18	28,144		255,852	
Pension reserve	17, 18 & 19	(1,058,000)		(1,171,000)	
TOTAL RESTRICTED FUNDS					
	18 & 19	<u>20,502,434</u>		<u>20,560,746</u>	
UNRESTRICTED FUNDS					
General fund	18 & 19	497,938		326,793	
TOTAL UNRESTRICTED FUNDS					
	18 & 19	<u>497,938</u>		<u>326,793</u>	
TOTAL FUNDS					
	18 & 19	<u>21,000,372</u>		<u>20,887,539</u>	

The financial statements on pages 16 to 39 were approved by the Governors and authorised for issue on 2014 and are signed on their behalf by


Chair

Company number: 07687583

Light Hall School
 CASH FLOW STATEMENT
 for the year ended 31 August 2014

	Notes	2014 £	2013 £
NET CASH (OUTFLOW) FROM OPERATING ACTIVITIES	12	(20,232)	(3,988)
Capital expenditure	12	(134,959)	21,373
Interest received	12	9,090	10,771
Management of liquid resources	12	80,000	(800,000)
DECREASE IN CASH FOR THE YEAR	13	<u>(66,101)</u>	<u>(771,844)</u>
RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS			
Net funds at beginning of year	13	14,966	786,810
Decrease in cash		(66,101)	(771,844)
Net (debt)/funds at end of year	13	<u>(51,135)</u>	<u>14,966</u>

Light Hall School

ACCOUNTING POLICIES

BASIS OF PREPARATION

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Statement of Recommended Practice ('SORP 2005') 'Accounting and Reporting by Charities', the Academies: Accounts Direction 2013 issued by the Education Funding Agency and Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently are set out below.

GOING CONCERN

The Governors 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 governors make this assessment in respect of a period of one year from the date of approval of the financial statements and have concluded the academy is a going concern.

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

Grant income is 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.

The general annual grant ('the GAG') from the DfE, which is intended to meet recurrent costs, is recognised on a receivable basis and is credited directly to the Statement of Financial Activities, incoming resources from charitable activities, to the extent of the entitlement of the funds, any abatement in respect of the period is deducted from income and is recognised as a liability.

Capital grants are recognised as voluntary income on a receivable basis to the extent there is entitlement.

Other grants from government agencies and other bodies are recognised in the period in which they are receivable to the extent the conditions of funding have been met. 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.

Other income

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

Interest receivable

Interest receivable is included in the Statement of Financial Activities on a receivable basis, and is stated inclusive of related tax credits.

RESOURCES EXPENDED

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

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

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

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

Light Hall School

ACCOUNTING POLICIES

TAXATION

The charitable company is considered to pass the tests set out in paragraph 1 schedule 6 of the Finance Act 2010 and therefore meets the definition of a charitable company for United Kingdom corporation tax purposes. Accordingly, the charitable company is potentially exempt from taxation in respect of income or capital gains received within categories covered by chapter 3 part 11 of the Corporation Tax Act 2010 or section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

FUND ACCOUNTING

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

Restricted General funds are resources subject to specific restrictions imposed by funders or donors, and include grants from the Education Funding Agency.

Restricted Fixed Assets Funds are resources which are to be applied to specific capital purposes imposed by the Education Funding Agency, sponsor or other funders, where the asset acquired or created is held for a specific purpose.

TANGIBLE FIXED ASSETS

Tangible fixed assets costing £1,000 or more are capitalised at cost 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 the related grants require the asset to be held for a specific purpose and continued use they are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet, with this amount being reduced over the useful economic life of the related asset on a basis consistent with the 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 over its expected useful lives, as follows:

Leasehold land	- no depreciation
Leasehold buildings	- 2% straight line
Computer equipment	- 25% straight line

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 17, 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.

Light Hall School

ACCOUNTING POLICIES

PENSION BENEFITS (continued)

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 service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the year until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

LEASED ASSETS AND OBLIGATIONS

All leases are "operating leases" and the annual rentals are charged to the statement of financial activities on a straight line basis over the lease term.

Light Hall School
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2014

1. GENERAL ANNUAL GRANT (GAG)

Under the funding agreement with the Secretary of State the academy trust was subject to limits at 31 August 2014 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes. The academy trust has not exceeded these limits during the year ended 31 August 2014.

	Unrestricted funds £	Restricted funds £	Restricted fixed assets £	2014 £	2013 £
2. VOLUNTARY INCOME					
Capital grants	-	-	373,878	373,878	738,245
	-	-	373,878	373,878	738,245

	Unrestricted funds £	Restricted funds £	Total 2014 £	Total 2013 £
3. ACTIVITIES FOR GENERATING FUNDS				
Trip income	131,765	-	131,765	105,004
Catering income	166,508	-	166,508	150,863
Sales of goods/services	40,874	-	40,874	51,214
Sundry lettings and hire of facilities	125,875	-	125,875	95,488
	<u>465,022</u>	<u>-</u>	<u>465,022</u>	<u>402,569</u>

Light Hall School
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2014

	Unrestricted funds	Total 2014 £	Total 2013 £		
4. INVESTMENT INCOME					
Bank interest receivable on short term cash deposits	9,090	9,090	10,771		
	<u>9,090</u>	<u>9,090</u>	<u>10,771</u>		
	Unrestricted Funds £	Restricted Funds General £	Fixed Assets £	Total 2014 £	Total 2013 £
5. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS					
DfE/EfA Revenue Grants:					
Other DfE/EFA grants	-	32,723	-	32,723	23,490
General Annual Grant (GAG)	-	5,493,471	-	5,493,471	5,479,462
Pupil premium	-	309,607	-	309,607	273,533
Other government funding:					
Special Educational Needs income	-	15,308	-	15,308	46,090
	<u>-</u>	<u>5,851,109</u>	<u>-</u>	<u>5,851,109</u>	<u>5,822,575</u>
6. RESOURCES EXPENDED					
	Staff costs £	Non pay expenditure Premises Other costs £ £		Total 2014 £	Total 2013 £
Costs of activities for generating funds	-	-	302,967	302,967	311,130
Academy Trust's educational operations					
Direct costs	4,141,171	169,111	100,193	4,410,475	4,171,745
Allocated support costs	645,662	521,979	828,677	1,996,318	2,031,621
	<u>4,786,833</u>	<u>691,090</u>	<u>1,231,837</u>	<u>6,709,760</u>	<u>6,514,496</u>
Governance costs including allocated support costs	-	-	25,506	25,506	27,608
	<u>4,786,833</u>	<u>691,090</u>	<u>1,257,343</u>	<u>6,735,266</u>	<u>6,542,104</u>

Light Hall School
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2014

6. RESOURCES EXPENDED (continued)

Net incoming/(outgoing) resources for the year are stated after charging:	2014 £	2013 £
Operating leases - plant and machinery	-	-
- other	10,919	10,173
Fees payable to Baker Tilly UK Audit LLP and its associates for:		
- audit	12,875	12,518
- other services	10,601	12,400
	<u> </u>	<u> </u>

7. COSTS OF GENERATING FUNDS

	Unrestricted Funds £	Restricted Funds General £	Fixed Assets £	Total 2014 £	Total 2013 £
Catering	166,508	-	-	166,508	150,863
Trips	130,432	-	-	130,432	105,004
Examination fees	6,027	-	-	6,027	51,214
VAT write off	-	-	-	-	4,049
	<u>302,967</u>	<u>-</u>	<u>-</u>	<u>302,967</u>	<u>311,130</u>

8. ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted Funds £	Restricted Funds General £	Fixed Assets £	Total 2014 £	Total 2013 £
Direct costs:					
Teaching – staff costs	-	4,141,171	-	4,141,171	3,946,625
Teaching – other costs	-	100,193	-	100,193	45,335
Premises – other costs	-	169,111	-	169,111	179,783
Support costs (see note 9)	-	1,656,222	340,096	1,996,318	2,031,623
	<u>-</u>	<u>6,066,697</u>	<u>340,096</u>	<u>6,406,793</u>	<u>6,203,366</u>

Light Hall School
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2014

	Unrestricted Funds £	Restricted Funds General £	Fixed Assets £	Total 2014 £	Total 2013 £
9. SUPPORT					
Staff costs	-	645,662	-	645,662	706,426
Net finance expense on pension					
Scheme assets and liabilities – see note 17	-	37,000	-	37,000	45,000
Premises – other costs	-	521,979	-	521,979	532,032
Welfare – other costs	-	28,914	-	28,914	53,041
Depreciation – owned assets	-	-	340,096	340,096	321,938
Recruitment and training	-	53,420	-	53,420	22,806
Other costs	-	369,247	-	369,247	350,380
	-	1,656,222	340,096	1,996,318	2,031,623

	Unrestricted Funds £	Restricted Funds General £	Fixed Assets £	Total 2014 £	Total 2013 £
10. GOVERNANCE COSTS					
Legal and professional fees	-	530	-	530	3,690
Auditor's remuneration:					
Audit of the financial statements	-	12,875	-	12,875	12,518
Preparation of accounts	-	2,500	-	2,500	2,500
Other services	-	8,101	-	8,101	7,400
Responsible officer	-	1,500	-	1,500	1,500
	-	25,506	-	25,506	27,608

Light Hall School
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2014

11.	STAFF COSTS	2014	2013
		No.	No.
	The average monthly number of persons employed by the charitable company during the year was as follows:		
	Teaching	108	109
	Administration and support	31	30
	Management	4	4
		<u>143</u>	<u>143</u>
		2014	2013
		£	£
	Staff costs for the above persons:		
	Wages and salaries	3,874,151	3,748,120
	Social security costs	287,938	302,618
	Pension costs - defined benefit schemes:		
	Teachers' Pension Scheme	367,441	357,519
	Local Government Pension Scheme	182,942	176,998
	Supply teacher costs	74,361	40,284
	Settlement costs	-	27,510
		<u>4,786,833</u>	<u>4,653,049</u>

No employees (2013: 1) received settlement costs in excess of £5,000.

		2014	2013
		No.	No.
			(restated)
	The number of employees whose emoluments for the year (pro-rata'd where applicable) exceeded £60,000 fell within the following ranges:		
	£60,001 to £70,000	1	1
	£70,001 to £80,000	1	1
		<u>1</u>	<u>1</u>

The Academy made contributions to pension schemes on behalf of all employees whose emoluments exceeded £60,000, and the total contributions payable during the year amounted to £17,278 (2013: £21,158).

No other member of staff received total emoluments in excess of £60,000 during the current year.

Light Hall School

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2014

11. STAFF COSTS (Continued)

GOVERNORS' REMUNERATION AND EXPENSES

In addition to being a governor, until 31 December 2013, V Scutt was the Headteacher. In respect of his role as Headteacher, V Scutt received emoluments for qualifying services in the 4 month period amounting to £18,186 (2013: £84,271) and the charitable company incurred pension costs of £nil (2013: £11,944) in respect of the pension benefits accruing to him.

From 1 January 2014, in addition to being a governor, AB Kimblin was the Headteacher. In respect of her role as Headteacher, AB Kimblin received emoluments for qualifying services in the 8 month period amounting to £52,235 and the charitable company incurred pension costs of £7,271 in respect of the pension benefits accruing to her.

In addition to being governors, R Barr, J Greenan and M Davis were also members of staff. On 5 January 2014 R Barr resigned as governor. In respect of their role as members of staff, these governors received aggregate emoluments for qualify services amounting to £114,230 (2013: £183,439) and the charitable company incurred aggregate pension costs of £15,839 (2013: £26,325) in respect of the pension benefits accruing to them. Previous year's figures also include M Beattie who resigned as governor on 24 July 2013.

Other than as disclosed above, none of the governors received any remuneration for services as a trustee of the charity or as a director of the company during the current year. No governors were reimbursed for travel and subsistence expenses (2013: no reimbursements made).

GOVERNORS' AND OFFICERS' INSURANCE

In accordance with normal commercial practice Light Hall School has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Light Hall School business. The insurance provides cover up to £1,000,000 on any one claim and the cost for the year ended 31 August 2014 was £1,050 (2013: £748).

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

Light Hall School
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2014

	2014	2013	
	£	£	
12. RECONCILIATION OF NET CASH INFLOW FROM OPERATING ACTIVITIES			
Net income	(36,167)	432,056	
Capital grants from DfE and other capital income	(373,878)	(738,245)	
FRS 17 pension service cost less contributions paid	(999)	9,000	
FRS 17 pension finance expense	37,000	36,000	
Depreciation	340,096	321,938	
Interest receivable	(9,090)	(10,771)	
(Decrease)/ Increase in debtors	(81,910)	50,254	
Increase/(Decrease) in creditors	104,716	(104,220)	
NET CASH (OUTFLOW) FROM OPERATING ACTIVITIES	<u>(20,232)</u>	<u>(3,988)</u>	
INTEREST RECEIVED	<u>9,090</u>	<u>10,771</u>	
MANAGEMENT OF LIQUID RESOURCES			
Cash withdrawn from/ (placed) on short term deposit	<u>80,000</u>	<u>(800,000)</u>	
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT			
Purchase of tangible fixed assets	(508,837)	(716,872)	
Capital funding received from DfE/EFA	373,878	738,245	
NET CASH (OUTFLOW)/INFLOW FROM CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	<u>(134,959)</u>	<u>21,373</u>	
13. ANALYSIS OF CHANGES IN NET FUNDS			
	2013	Cash flows	2014
	£	£	£
Cash in hand and at bank/(debt)	14,966	(66,101)	(51,135)
Total	<u>14,966</u>	<u>(66,101)</u>	<u>(51,135)</u>

Light Hall School
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2014

14. TANGIBLE ASSETS

	Long leasehold land and buildings £	Computer equipment £	Fixtures, fittings and equipment £	Total £
Cost or valuation:				
1 September 2013	21,864,223	131,808	19,282	22,015,313
Additions	508,837	-	-	508,837
	<hr/>	<hr/>	<hr/>	<hr/>
31 August 2014	22,373,060	131,808	19,282	22,524,150
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Depreciation				
1 September 2013	593,958	57,806	-	651,764
Charged in the year	302,323	32,952	4,821	340,096
	<hr/>	<hr/>	<hr/>	<hr/>
31 August 2014	896,281	90,758	4,821	991,860
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Net book value				
31 August 2014	21,476,779	41,050	14,461	21,532,290
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
31 August 2013	21,270,265	74,002	19,282	21,363,549
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The leasehold land and buildings inherited by the charitable company upon conversion were valued at £21,173,520 on a depreciated replacement costs basis by Solihull Council. The land element of this valuation was £6,755,520.

	2014 £	2013 £
15. DEBTORS		
Amounts falling due within one year:		
Trade debtors	158	3,455
Other tax and social security	76,860	37,339
Prepayments and accrued income	156,686	111,000
	<hr/>	<hr/>
	233,704	151,794
	<hr/> <hr/>	<hr/> <hr/>

Light Hall School
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2014

		2014	2013
		£	£
16.	CREDITORS		
	Amounts falling due within one year:		
	Trade creditors	123,757	37,814
	Bank	51,135	-
	Other creditors	65,735	6,250
	Deferred income	38,061	36,041
	Accruals	59,569	108,475
	Other taxation and social security	89,365	83,190
		<u>427,622</u>	<u>271,770</u>
		<u><u>427,622</u></u>	<u><u>271,770</u></u>
	 Deferred income		 £
	Deferred income at 1 September 2013		36,041
	Resources deferred in the year		38,061
	Amounts released from previous years		(36,041)
	Deferred income at 31 August 2014		<u>38,061</u>
			<u><u>38,061</u></u>

Deferred income consists of £30,275 (2013: £29,716) received relating to trips occurring in 2014/2015, £5,031 (2013: £6,325) catering income received and £2,755 relating to lettings income.

Light Hall School

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2014

17. PENSION AND SIMILAR OBLIGATIONS

The Academy Trust'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 Solihull Metropolitan Council. Both are defined-benefit schemes.

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

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

Teachers' Pension Scheme

The Teachers' Pensions Scheme ("TPS") is a statutory, contributory, defined benefit scheme. The regulations under which the TPS operates are the Teachers' Pensions Regulations 2010. Retirement and other pension benefits, including annual increases payable under the Pensions (Increase) Acts are, as provided for in the Superannuation Act 1972, paid out of monies provided by Parliament. Under the unfunded TPS, teachers' contributions on a 'pay as-you-go' basis, and employers' contributions, are credited to the Exchequer under arrangements governed by the above Act.

The Teachers' Pensions Regulations require an annual account, the Teachers' Pensions Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pensions' increases). From 1 April 2001 to 31 March 2011, the Account has been credited with a real rate of return (in excess of price increases and currently set at 3.5%), which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

Valuation of the Teachers' Pensions Scheme

Not less than every four years the Government Actuary ("GA"), using normal actuarial principles, conducts a formal actuarial review of the TPS. 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. Many of these were being discussed in the context of the design for a reformed TPS, and as set out in the Proposed Final Agreement, scheme valuations had been suspended since the last valuation in 2004.

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

Valuations of the TPS are now required under the Public Service Pensions Act 2013 every 4 years and are required to be carried out in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury.

Light Hall School
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2014

17. PENSION AND SIMILAR OBLIGATIONS (continued)

Teachers' Pension Scheme (*continued*)

An actuarial valuation of the TPS in accordance with these Directions was published in June 2014 assessing the TPS as at 31 March 2012. The GA's report revealed that the total liabilities of the Scheme (pensions currently in payment and the estimated cost of future benefits) amounted to £191,500 million. The value of the notional assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) was £176,600 million. 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%.

Employer and employee contribution rates

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

From 1 April 2013 to 31 March 2014, the employee contribution rate ranged between 6.4% and 11.2%, depending on a member's Full Time Equivalent salary and for 2014/15 will range between 6.4% and 12.4%. Thereafter members will be expected to pay an average contribution rate of 9.6%.

The TPS valuation for 2012 determined an employer rate of 16.4% from September 2015 and an employee cost cap of 10.9%, both to be set in regulations. The employer contribution rate will be payable during the implementation period until the next valuation as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

There will be further reforms and changes to the TPS with a new 2015 scheme.

The pension costs paid to TPS in the year amounted to £367,441 (2013: £357,519).

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

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

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August was £239,000, of which employer's contributions totalled £185,000 and employees' contribution totalled £54,000. The agreed rates for future years are 17.5% for employers and an average of 6.5% for employees.

Light Hall School
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2014

17. PENSION AND SIMILAR OBLIGATIONS (continued)

Principal actuarial assumptions

	2014 %	2013 %
Rate of increase in salaries	3.85	4.15
Rate of increase for pensions in payment	2.10	2.40
Discount rate	3.90	4.50
Inflation – cpi	2.10	2.40

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

	2014	2013
Retiring today:		
Males	22.9	22.1
Females	25.5	24.8
Retiring in 20 years:		
Males	25.1	23.9
Females	27.8	26.7

The Academy Trust's share of the assets and liabilities in the scheme and the expected rates of return were:

	Expected return at 31 August 2014	Fair value at 31 August 2014 £'000	Expected return at 31 August 2013	Fair value at 31 August 2013 £'000
Equities	7.0%	679 (45%)	7.0%	480 (42.4%)
Bonds	6.7%	274 (18.2%)	7.8%	222 (19.6%)
Property	6.2%	131 (8.7%)	5.7%	98 (8.7%)
Cash	0.5%	66 (4.4%)	0.5%	46 (4.1%)
Alternative assets	7.0%	357 (23.7%)	7.0%	285 (25.2%)

**TOTAL MARKET VALUE OF
ASSETS**

1,507

1,131

**Present value of scheme
liabilities**

- Funded

(2,565)

(2,302)

DEFICIT IN THE SCHEME

(1,058)

(1,171)

The actual return on scheme assets was £72,000 (2013: £95,000)

Light Hall School
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2014

17. PENSION AND SIMILAR OBLIGATIONS (continued)

Principal actuarial assumptions

The expected return on assets is based on the long-term future expected investment return for each asset class at the beginning of the year. The return on bonds is assumed to be the gilt yield and corporate bond yield at the relevant date. The return on equities and property are then assumed to be a margin above gilt yields.

Amounts recognised in the statement of financial activities	2014 £'000	2013 £'000
Current service cost (net of employee contributions)	184	186
Past service cost	-	-
	<u>184</u>	<u>186</u>
Total operating charge	184	186
	<u><u>184</u></u>	<u><u>186</u></u>
Analysis of pension finance costs		
Expected return on pension scheme assets	72	54
Interest on pension liabilities	(109)	(90)
	<u>(37)</u>	<u>(36)</u>
Pension finance costs	(37)	(36)
	<u><u>(37)</u></u>	<u><u>(36)</u></u>
Movements in the present value of defined benefit obligations were as follows:		
At 1 September	2,302	1,974
Current service cost	184	186
Interest cost	109	90
Employee contributions	54	55
Actuarial gain	(69)	-
Benefits transferred	16	(3)
	<u>2,596</u>	<u>2,302</u>
At 31 August	2,596	2,302
	<u><u>2,596</u></u>	<u><u>2,302</u></u>
Movements in the fair value of Academy Trust's share of scheme assets:		
At 1 September	1,131	806
Expected return on assets	72	54
Actuarial gain/ (loss)	80	42
Employer contributions	185	177
Employee contributions	54	55
Benefits transferred	16	(3)
	<u>1,538</u>	<u>1,131</u>
At 31 August	1,538	1,131
	<u><u>1,538</u></u>	<u><u>1,131</u></u>

The estimated value of employer contributions for the year ended 31 August 2014 is £167,000 (2013: £150,000).

Light Hall School
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2014

17. PENSION AND SIMILAR OBLIGATIONS (continued)

Local Government Pension Scheme (continued)

The actuarial gains and losses for the current year are recognised in the SOFA.

The cumulative amount of actuarial gains and losses recognised in the statement of recognised gains and losses since the adoption of FRS 17 is £261,000 (gain).

The experience adjustment summary is as follows:

	2014 £'000	2013 £'000
Present value of defined benefit obligations	(2,596)	(2,302)
Fair value of share of scheme assets	1,538	1,131
	<u> </u>	<u> </u>
Deficit in the scheme	<u>(1,058)</u>	<u>(1,171)</u>
Experience adjustments on share of scheme assets Amount £'000	80	42
Experience adjustments on scheme liabilities: Amount £'000	138	-

Light Hall School
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2014

18. THE FUNDS OF THE CHARITY

	Brought forward £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31-Aug-14 £
Restricted fixed assets funds:					
Inherited on conversion	20,893,920	-	(298,935)	-	20,594,985
DfE/YPLA capital grants	581,974	373,878	(41,161)	22,614	937,305
	<u>21,475,894</u>	<u>373,878</u>	<u>(340,096)</u>	<u>22,614</u>	<u>21,532,290</u>
Restricted general funds:					
Pension reserve	(1,171,000)	-	(36,000)	149,000	(1,058,000)
General Annual Grant	255,852	5,493,471	(5,698,565)	(22,614)	28,144
Other DfE/YPLA grants	-	357,638	(357,638)	-	-
	<u>(915,148)</u>	<u>5,851,109</u>	<u>(6,092,203)</u>	<u>126,386</u>	<u>(1,029,856)</u>
Unrestricted funds					
Inherited on conversion	101,476	-	-	-	101,476
Activities for generating funds	213,517	465,022	(302,967)	-	375,572
Investment income	11,800	9,090	-	-	20,890
	<u>326,793</u>	<u>474,112</u>	<u>(302,967)</u>	<u>-</u>	<u>497,938</u>
Total funds	<u>20,887,539</u>	<u>6,699,099</u>	<u>(6,735,266)</u>	<u>149,000</u>	<u>21,000,372</u>

The Inherited fixed assets fund has been set up to recognise the tangible assets gifted to the academy upon conversion which represent the school site including the leasehold land and buildings and all material items of plant and machinery included therein. Depreciation charged on those inherited assets is allocated to the fund.

The General Annual Grant fixed assets fund has been set up to recognise the tangible assets purchased by the academy following conversion that have been funded from the General Annual Grant. This fund has been created by a transfer from the General Annual Grant fund of an amount equivalent to the cost of the tangible assets involved. Depreciation charged on those tangible assets is allocated to the fund.

The Capital grants fixed assets fund has been set up to recognise the tangible assets purchased by the academy following conversion that have been funded by capital grants received by the academy. This fund has been created by a transfer from the Capital grants fund of an amount equivalent to the cost of the tangible assets involved. Depreciation charged on those tangible assets is allocated to the fund.

Light Hall School
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2014

18. THE FUNDS OF THE CHARITY (Continued)

The General Annual Grant (GAG) represents the core funding for the educational activities of the school that has been provided to the academy via the Education Funding Agency (formerly the Young People's Learning Agency) by the Department for Education. The General Annual Grant Fund has been set up because the GAG must be used for the normal running costs of the academy. The academy is allowed to carry forward up to 12% of the current GAG, and of the carried forward amount, up to 2% of GAG can be used for general purposes at the discretion of the academy, but any balance over 2% must be used for capital purposes.

The pension reserve deficit fund has been created to separately identify the pension deficit inherited from the local authority upon conversion to academy status, and through which all the pension scheme movements are recognised.

The Capital grants fund has been created to recognise the restricted grant funding received from all sources towards capital expenditure projects undertaken throughout the school. Transfers are made to the Capital grants fixed asset fund for expenditure incurred that is in respect of tangible fixed assets.

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	21,532,290	21,532,290
Current assets	925,560	28,144	-	953,704
Current liabilities	(427,622)	-	-	(427,622)
Pension scheme liability		(1,058,000)	-	(1,058,000)
	<u>497,938</u>	<u>(1,029,856)</u>	<u>21,532,290</u>	<u>21,000,372</u>

20. MEMBERS' LIABILITY

Light Hall School is an exempt charity and a company limited by guarantee, not having share capital. Every member undertakes to contribute an amount not exceeding £10 to the assets of the company in the event of the company being wound up during the year of membership, or within one year thereafter.

21. CAPITAL COMMITMENTS

At the balance sheet date, the charitable company had no capital commitments.

Light Hall School
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2014

22. COMMITMENTS UNDER OPERATING LEASES

	2014	2013
	£	£
At 31 August 2014, the charitable company was committed to make the following payments during the next year under non-cancellable operating leases as follows:		
In respect of plant and machinery leases -		
Expiring within one year	3,380	4,793
expiring within one and two years	-	3,380
expiring within two to five years	7,539	2,000
	<u>7,539</u>	<u>2,000</u>

23. RELATED PARTY TRANSACTIONS

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

No such transactions have been identified for the year ended 31 August 2014 (2013: £nil).

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO LIGHT HALL SCHOOL AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated September 2014 and further to the requirements of the Education Funding Agency ('EFA') as included in the Academies Accounts Direction 2013 to 2014, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Light Hall School during the period 1 September 2013 to 31 August 2014 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Light Hall School and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Light Hall School and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Light Hall School and the EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Light Hall School's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Light Hall School's funding agreement with the Secretary of State for Education dated 29 July 2011 and the Academies Financial Handbook extant from 1 September 2013, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2013 to 2014. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2013 to 31 August 2014 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2013 to 2014 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity. A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant 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.

Our work included identification and assessment of the design and operational effectiveness of the controls, policies and procedures that have been implemented to ensure compliance with the framework of authorities including high level financial control areas and areas assessed of presenting a higher risk of impropriety. We undertook detailed testing, based on our assessment of risk of material irregularity, where such controls, policies and procedures apply to classes of transactions. This work was integrated with our audit on the financial statements to the extent evidence from the conduct of that audit supports the regularity conclusion.

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO LIGHT
HALL SCHOOL AND THE EDUCATION FUNDING AGENCY

Conclusion

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

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2014