

**The Southfield Grange Trust**  
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

for the 13 Month period ended

31 August 2014

# The Southfield Grange Trust

## REFERENCE AND ADMINISTRATION DETAILS

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### Members

Prof D Pankhurst  
Mr M Salim  
Mr H Atkinson  
Mrs J Klonowski  
Ms S Marsh

### Trustees

Prof D Pankhurst\*  
Mr H Atkinson#  
Mrs L Clayton#  
Mr M Salim\*  
Mrs S Smith\*  
Mr P Thompson#  
Mr P Burluraux (CEO and Accounting Officer)\*  
Mr D Wall (Deputy CEO and Head Southfield)  
Mr N Bell (Head Grange)  
\* members of the finance committee  
# members of the audit committee

All members and trustees were in office on 1 August 2013 (except Mrs S Smith, Mr H Atkinson and Mr N Bell who were appointed in September 2013) and continued in office until 31 August 2014

### Company Secretary

Mrs P Helyar

### Campus Leadership Team

Chief Executive Officer  
Deputy CEO and Head Southfield  
Head Grange  
Deputy Head Southfield  
Deputy Heads Grange

Mr P Burluraux  
Mr D Wall  
Mr N Bell  
Mrs J Hill  
Mr M Auger  
Ms L Parsell  
Mrs A Williams

### Principal and Registered Office

Haycliffe Lane  
Bradford  
BD4 9ET  
07754077

### Company Number

### Independent auditor

Baker Tilly UK Audit LLP  
Whitehall Quay  
Leeds  
LS1 4HG

### Bankers

Lloyds Bank  
45 Hustlergate  
Bradford BD1 1NT

### Solicitors

Schofield Sweeney LLP  
Church Bank House  
Church Bank  
Bradford  
BD1 4DY

# The Southfield Grange Trust

## TRUSTEES' REPORT

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The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 August 2013 to 31 August 2014. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The trust operates two academies, one secondary and one special, in Bradford, West Yorkshire. Its academies have a combined pupil capacity of 2072 and had a roll of 2072 in the school census in Spring 2014.

The trust converted to an Academy Trust on 1 August 2013.

### 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 dated 26 August 2011 are the primary governing documents of the academy trust. The trustees of The Southfield Grange Trust are also the directors of the charitable company for the purpose of company law. The charitable company is known as The Southfield Grange Trust.

Details of the trustees who served during the period are included in the Reference and Administrative Details on page 1.

#### Members' Liability

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

#### Trustees' Indemnities

In accordance with normal commercial practice The Southfield Grange Trust has purchased indemnity insurance to protect Governors (including Members, Trustees and members of the Local Governing Bodies) and Officers from claims occurring whilst on Academy business. Cover is up to £2,000,000 and the cost for the period ended 31 August 2014 was £1,300.

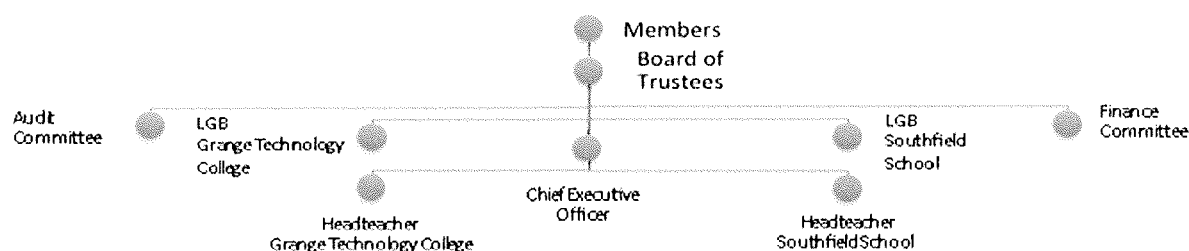
#### Method of Recruitment and Appointment or Election of Trustees

The Members of the Trust may appoint up to 6 Trustees. These Trustees may then co-opt further Trustees without limit except that the number of Trustees who are also employees of the Trust shall not exceed one third of the total number of Trustees. At least two Trustees shall be parents of registered pupils at one or more of the schools unless there are Local Governing Bodies which include at least two parent members. The term of office for Trustees is four years and any Trustee may be re-appointed. The Members may appoint directors through such process as they may determine.

#### Policies and Procedures Adopted for the Induction and Training of Trustees

New Trustees are inducted by the Chair of the Trust Board, the Clerk and Chief Executive Officer. This induction determines specific training needs. Induction includes information about the governing documents of the Trust, policies, procedures, records, accounts and budget planning as appropriate. A budget is available for Trustee training and training needs are determined by the Board at annual review.

#### Organisational Structure



# The Southfield Grange Trust

## TRUSTEES' REPORT

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The Members have a duty to ensure that the Trust exerts its powers well in delivering the Objects of the Trust. The Board of Trustees is responsible for setting the aims and objectives of the Trust and its schools, for monitoring and review of policies, the setting of targets and major priorities. It agrees and sets budgets and agrees expenditure over limits which it sets in a scheme of delegation and reviews annually. The Board approves staffing establishments and structures, sets policy of staffing matters and supports the executive leadership of the Trust in disciplinary and grievance matters. The Board is supported by the Finance and Audit Committees which have delegated responsibility to monitor and advise the Board on financial management and regulatory compliance respectively. The Board has two further committees, the Local Governing Bodies of each school which have the responsibility to provide scrutiny, challenge and support to the individual schools. The Board is responsible for delegating powers and setting the terms of reference for the LGBs subject to annual review as appropriate.

The Executive Leadership of the Trust, CEO, Headteachers, Business Manager and respective school leadership teams have delegated responsibility for the operation of the Trust and its schools by implementing its policies. Budget monitoring (including variances from approved budgets) is reported monthly to the Finance Committee and spending control exercised through the scheme of delegation. The CEO is the Accounting Officer for the Trust.

### **Connected Organisations including Related Party Relationships**

The Trust has no connected organisations.

## **Objectives and Activities**

### **Objects and Aims**

The Trust's object is to advance education for the public benefit, offering a broad and balanced curriculum within its schools. In the case of Southfield School, in a school specially organised to make special educational provision for pupils with Special Educational Needs. The Trust, through operating two schools in a co-located arrangement, aims to provide inclusive education meeting the needs of all pupils from our communities, regardless of faith, ethnic origin, gender, ability or specific special need.

### **Objectives, Strategies and Activities**

The key priorities are:

1. Securing high levels of progress for all pupils in all subjects as appropriate to their starting points and life context thus ensuring that levels of attainment and qualification are high, preparing pupils for further study, work and meaningful lives after school.
2. Ensuring that curriculum and pathways are improved for all students taking into account recent extensive changes to national qualifications and in support of raising aspiration for all pupils.
3. Ensuring that the standard of teaching in the Trust reflects best practise, and is of high quality and consistency.
4. Improving the quality of assessment and feedback ensuring that formative assessment leads to high levels of progress and summative assessment secures good understanding of attainment and progress achieved.
5. Ensuring the well-being and safeguarding of all members of the Trust community through best practice in pupils and staff welfare and child care and protection.
6. Developing the wider experiences of pupils to improve aspiration, knowledge of the wider world, independence, creativity and confidence.
7. Developing effective governance and leadership to secure the objectives above.

These objectives will be delivered through: rigorous improvement planning; target setting and monitoring of impact throughout the year; curriculum planning and pathway design; the development of best practice in assessment through research and training for staff; external consultancies and support; the monitoring of teaching and formative assessment on pupils progress more frequently with subsequent targeted interventions; the monitoring of teaching quality – linked to pay progression and training/support; the review and monitoring of care and safeguarding arrangements for pupils; human resource support for staff; the quality of leadership is developed through training, coaching and is monitored by the CEO and in turn both LGBs and the Board.

# The Southfield Grange Trust

## TRUSTEES' REPORT

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Individual School Improvement Plans contain the detailed plans for each school and reflect objectives for a three year period.

### Public Benefit

In setting the objectives of the Trust for the year, the Trustees have given careful consideration to the Charity Commission's guidance on public benefit.

## Strategic Report

### Achievements and Performance

#### Grange Technology College

Over a five year timescale the school has demonstrated rising performance improving the key measure of GCSE 5A\*-C (EM) from 39% (in 2010) to 46% in 2013. In 2014 this measure declined to 41% as a result of changes to the value of qualifications and a degrees of volatility caused by changes to public examination marking methodology. The gap in performance for Pupil Premium pupils is lower than the national average. Progress for pupils is strong to GCSE in most subjects but the progress of pupils in Mathematics in 2013 and 2014 remains a concern. At AS/A2 level, progress is in line with national expectations but the number of pupils failing to achieve a pass grade in one of their AS subjects in year 12 remains a concern and reflects the school's willingness in the past to allow pupils to progress to AS study with minimal qualifications.

#### Southfield School

Since its opening in 2011 Southfield has shown consistently strong results in measures of pupil progress with virtually all students making expected, or above expected, levels of progress when compared with students with similar needs nationally. Progress in Mathematics has been the most significant area for improvement and gains have been realised in 2014. It should be noted that a more rigorous assessment framework was adopted for 2014. Student progression has been a focus area, particularly in terms of maximising numbers progressing to employment. Attendance is improving but unauthorised absence remains a challenge.

### Key Performance Indicators

#### Educational

#### Grange Technology College

	Actual			Targets	
	2012	2013	2014	2015	2016
<b>5 A*-C inc English and Maths</b>	<b>47%</b>	<b>46%</b>	<b>40%</b>	<b>46%</b>	<b>51%</b>
<b>English 3+</b>	<b>67%</b>	<b>77%</b>	<b>74%</b>	<b>80</b>	<b>85</b>
<b>English 4+</b>	<b>23%</b>	<b>33%</b>	<b>35%</b>	<b>38</b>	<b>41</b>
<b>Maths 3+</b>	<b>73%</b>	<b>59%</b>	<b>48%</b>	<b>75</b>	<b>80</b>
<b>Maths 4+</b>	<b>33%</b>	<b>22%</b>	<b>22%</b>	<b>39</b>	<b>42</b>
<b>Science 3+</b>	<b>64%</b>	<b>72%</b>	<b>47%</b>	<b>65</b>	<b>70</b>
<b>Science 4+</b>	<b>38%</b>	<b>39%</b>	<b>24%</b>	<b>29</b>	<b>32</b>
<b>Post 16 Avg pts per entry</b>					
<b>Academic</b>	<b>173.6</b>	<b>181.1</b>	<b>180.72</b>	<b>195</b>	<b>210</b>
<b>Vocational</b>	<b>*</b>	<b>201.5</b>	<b>212.84</b>	<b>225</b>	<b>230</b>
<b>Attendance</b>	<b>93.9%</b>	<b>92.5%</b>	<b>94.1%</b>	<b>95%</b>	<b>95.5%</b>
<b>Persistent absence</b>	<b>8.2%</b>	<b>10.8%</b>	<b>7.2%**</b>	<b>5%</b>	<b>4%</b>

# The Southfield Grange Trust

## TRUSTEES' REPORT

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Southfield School

	Actual			Targets	
	2012	2013	2014	2015	2016
<b>English</b>					
KS3 Expected	100%	100%	95%	100%	100%
KS4 Expected	100%	88%	93%	100%	100%
<b>Maths</b>					
KS3 Expected	100%	92%	95%	100%	100%
KS4 Expected	92%	88%	93%	100%	100%
<b>Post 16 Destinations</b>					
College	60%	65%	42%	41%	44%
Employment routes	7%	15%	31%	26%	50%
Valued Lifestyles	33%	19%	27%	33%	6%
<b>Attendance</b>					
Raw attendance	89.5%	90.1%	91.0%	91.5%	92%
Unauthorised absence	1.7%	1.2%	2.6%	2%	1.5%

At its last inspection (November 2011) Grange Technology College was graded as Good, with several outstanding features. Southfield School was last inspected in September 2011 and was graded as Satisfactory with Good leadership and management.

### Financial

The Trust met its KPIs for in-year budget variance, cash position and reserves. Variance in staffing budgets was considered to be an area for improvement since forecasts of staffing expenditure for the Trust were 0.65% below actual staffing expenditure for the year.

### Environmental

The performance of environmental impact is monitored by the Trusts PFI contractor. Indications are of falling utilities use in 2013-2014 as a result of tighter controls on heating and lighting usage. Summary data is not available at this time.

### Employee Matters

An independent audit in Feb/March 2014 indicated an audit rating higher than average reflecting the continued development and implementation of good HR systems, processes and controls within the campus.

### Going Concern

After forecasting the Trust's Statement of Financial Activities for 16 months ending 31 December 2015, a Balance Sheet at that date and a monthly cashflow 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. The forecast current assets and liabilities falling due within year are £1,999,000 and £965,000 respectively, with £1,884,000 held in bank balances. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

# The Southfield Grange Trust

## TRUSTEES' REPORT

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### Financial Review

The financial statements show a surplus for the accounting period of £579,258. The balance sheet shows net assets of £629,341 including fixed assets transferred from the Local Authority of £662,619 and a pension deficit of £1,180,000 also transferred from the Local Authority. The principal sources of funding for both academies were GAG income from EFA together with Local Authority funding primarily in relation to students with special needs.

### Reserves Policy

The Southfield Grange Trust has three categories of reserve. These are:

- Restricted General Funds comprising the funding detailed above
- Fixed Asset Reserve used to finance fixed assets
- Unrestricted Reserve used under the direction of the Board of Trustees.

The unrestricted reserves of £779,792 are available for general purposes. It is likely that a proportion of these reserves will be used over the next few years to refresh ICT across the campus (up to £410k); maintain the remaining building (£170k); replace the All Weather Pitch (£170k).

The Trust's pension scheme liability at 31 August 2014 amounted to £1,180,000. This liability does not have an immediate impact on cash flow but may result in increased contributions in future years. Parliament has agreed that the request of the Secretary of State for Education, to guarantee that in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department of Education.

### Investment Policy

The Trustees are responsible through the Accounting Officer for ensuring that all funds belonging to the Trust are managed appropriately and this includes maximising income to be used in accordance with the objects of the Trust. As such, any excess balances held by the Trust will be invested in low risk vehicles to generate income.

### Principal Risks and Uncertainties

The risks, including all major risks, to which the Trust is exposed have been addressed in the Trust's Risk Register. This register is reviewed on a regular basis by executive leaders and by the Audit Committee of the Trust at its meetings. The Risk Register was developed with internal auditors who have reviewed its effectiveness.

Risk	Management
The Board of Trustees does not provide adequate strategic direction.	Review of governance September 2014
The BoT fails effectively to monitor or to hold Local Governing Bodies to account	Review of governance September 2014. Training 2014/2015
The BoT fails effectively to monitor or to hold Executive Leadership to account	Improvement of scrutiny arrangements 2014, Performance management 2014
Failure to achieve standards above floor targets	See objectives and activities above
Evaluation (self/Ofsted) indicates progress levels require improvement	See objectives and activities above
Failure to attract sufficient students due to competition from other schools	Communication and branding strategy. Appointment of Communications Officer
Recruitment and retention difficulties lead to provision inadequacies	Improvement of recruitment campaigns/practices, key in Mathematics 2013/2014. Use of Teach First.
National Funding Formula/PFI contract costs reduces funding available for educational provision.	Key risk with significant degree of uncertainty at present. Manage PFI cost where we can exert control. Prioritisation of pupil provision in budget planning.

### Plans for Future Periods

Forward planning for the Trust is encompassed in the section Objects, objectives and activities above.

# The Southfield Grange Trust

## TRUSTEES' REPORT

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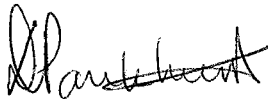
### **Auditor**

Baker Tilly UK Audit LLP have been appointed to the office of auditor and have indicated their willingness to continue in office.

### **Statement as to disclosure of information to the auditor**

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

The Trustees' Report is approved by order of the board of trustees and the Strategic Report (included therein) is approved by the board of trustees in their capacity as directors at a meeting on 10/12/14, and signed on its behalf:



Prof Donna Pankhurst  
Chair of Trustees



# The Southfield Grange Trust

## GOVERNANCE STATEMENT

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### Scope of Responsibility

As trustees we acknowledge we have overall responsibility for ensuring that The Southfield Grange Trust Limited 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 Chief Executive, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between The Southfield Grange 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 period. Attendance during the period at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
Prof D Pankhurst (chair)	4	4
Mrs S Smith	1	4
Mr P Thompson	3	4
Mr H Atkinson	3	4
Mrs I Clayton	4	4
Mr M Salim	4	4
Mr P Burluraux (CE and Accounting Officer)	4	4
Mr D Wall (Deputy CE and Head Southfield)	4	4
Mr N Bell (Head Grange)	4	4

There have been no key changes in the structure or membership of the board in 2013-2014.

The key challenge that has arisen for the Board stems from the new responsibilities associated with Academy conversion (in Aug 2013) and the change in role of the two schools' previous Governing Bodies which became local governing bodies at that time.

The Board began a detailed review of its effectiveness and impact in July 2014. Interim findings: the need for a detailed workstream description; the need for changes to the size and composition of the local governing bodies; the undertaking of a skills audit and evaluation, are underway. This review has taken into account the research work of the NCTL and will include external assurance.

# The Southfield Grange Trust

## GOVERNANCE STATEMENT

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The **finance committee** is a sub-committee of the main board of trustees. Its purpose is to:

Monitor and review procedures for financial organisation, budget planning and setting, spending control and financial probity. It monitors income and expenditure on a monthly basis, receiving reports from the Principal Finance Officer and the Accounting Officer. In turn it reports to the Board at each Board meeting.

Attendance at meetings in the year was as follows:

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Mrs S Smith (Chair)	4	4
Prof D Pankhurst	4	3
Mr M Salim	4	4
Mr P Burluraux	4	4

The **audit committee** is also a sub-committee of the main board of trustees. Its purpose is to:

Monitor and review procedures for regulatory compliance and standards for the Trust. It has delegated responsibility for the approval of policy in this area or for recommendation for approval to the board for key policies. In monitors the Risk Register and compliance with policy by the schools taking into account regulatory frameworks and statutory orders or guidance.

Attendance at meetings in the year was as follows:

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Mr P Thompson (Chair)	3	4
Mr H Atkinson	4	4
Mrs L Clayton	4	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 on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Southfield Grange Trust Limited for the period 1 August 2013 to 31 August 2014 and up to the date of approval of the annual report and financial statements.

### **Capacity to Handle Risk**

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 August 2013 to 31 August 2014 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees through its Audit Committee.

# The Southfield Grange Trust

## GOVERNANCE STATEMENT

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

The board of trustees has considered the need for a specific internal audit function and has decided:

- to appoint Baker Tilly as internal auditor;

The **internal auditor's** role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. On a periodic basis, Baker Tilly will report to the board of trustees, through the **audit committee** on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

### **Review of Effectiveness**

As accounting officer the Chief Executive has responsibility for reviewing the effectiveness of the system of internal control. During the period in question the review has been informed by:

- the work of the internal auditor and Principal Finance Officer;
- 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 audit committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

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



Prof Donna Pankhurst  
Trustee



Mr Paul Burluraux  
Accounting Officer

# The Southfield Grange Trust

## STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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As accounting officer of The Southfield Grange Trust I have considered my responsibility to notify the board of trustees 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 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 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.

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 EFA.



**Paul Burluraux**  
Accounting Officer

**10 December 2014**

# The Southfield Grange Trust

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

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The trustees (who act as governors of The Southfield Grange Trust) and 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 Annual Accounts Direction published by the Education 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:

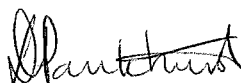
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 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 EFA/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 10 December 2014 and signed on its behalf by:



Prof Donna Pankhurst  
Chair of Trustees

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE SOUTHFIELD GRANGE TRUST

We have audited the financial statements of The Southfield Grange Trust for the period ended 31 August 2014 which comprise the Statement of Financial Activities, the Summary Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement, and related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice, and the 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 trustees and auditor**

As explained more fully in the Statement of Trustees' Responsibilities set out on page 12, the trustees (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 period 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 to 2014 issued by the Education Funding Agency.

### **Opinion on other requirement of the Companies Act 2006**

In our opinion the information given in the Trustees' 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 THE SOUTHFIELD  
GRANGE TRUST (*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 trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Baker Tilly UK Audit LLP.

VICTORIA CRAVEN (Senior Statutory Auditor)

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

2 Whitehall Quay

Leeds

West Yorkshire

LS1 4HG

Date: 17/12/14 .

# The Southfield Grange Trust

## STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT AND STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES)

for the 13 month period ended 31 August 2014

	Notes	Unrestricted funds £	Restricted General Funds £	Restricted fixed asset Funds £	13 month period 1 August 2013 to 31 Aug 2014 £	Period from 1 Sept 12 to 31 July 2013 £
<b>INCOMING RESOURCES</b>						
Incoming resources from generated funds:						
Voluntary income	1	-	-	45,733	45,733	-
Voluntary income - Transfer from local authority on conversion	1	896,767	-	1,032,619	1,929,386	-
Activities for generating funds	2	88,036	-	-	88,036	-
Investment income	3	2,901	-	-	2,901	45
Incoming resources from charitable activities:						
Academy Trust's educational operations	4	417,255	18,687,004	-	19,104,259	-
<b>Total incoming resources</b>		<b>1,404,959</b>	<b>18,687,004</b>	<b>1,078,352</b>	<b>21,170,315</b>	<b>45</b>
<b>RESOURCES EXPENDED</b>						
Charitable activities:						
Academy Trust's educational operations	6	625,250	17,508,107	80,529	18,213,886	-
Governance costs	7	-	70,171	-	70,171	-
Other resources expended – transfer from local authority on conversion	23	-	1,180,000	-	1,180,000	-
<b>TOTAL RESOURCES EXPENDED</b>	<b>5</b>	<b>625,250</b>	<b>18,758,278</b>	<b>80,529</b>	<b>19,464,057</b>	<b>-</b>
<b>NET INCOMING/(OUTGOING) RESOURCES BEFORE TRANSFERS</b>		<b>779,709</b>	<b>(71,274)</b>	<b>997,823</b>	<b>1,706,258</b>	<b>45</b>
Transfers between funds	15	-	-	-	-	-
<b>NET INCOMING/(EXPENDITURE) FOR PERIOD</b>		<b>779,709</b>	<b>(71,274)</b>	<b>997,823</b>	<b>1,706,258</b>	<b>45</b>
<b>OTHER RECOGNISED GAINS AND LOSSES</b>						
Actuarial losses on defined benefit schemes		-	(1,127,000)	-	(1,127,000)	-
<b>NET MOVEMENT IN FUNDS</b>	<b>15</b>	<b>779,709</b>	<b>(1,198,274)</b>	<b>997,823</b>	<b>579,258</b>	<b>45</b>
<b>TOTAL FUNDS BROUGHT FORWARD</b>		<b>83</b>	<b>50,000</b>	<b>-</b>	<b>50,083</b>	<b>50,038</b>
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>779,792</b>	<b>(1,148,274)</b>	<b>997,823</b>	<b>629,341</b>	<b>50,083</b>

All of the Academy Trust's activities derive from acquisitions during the current financial period.



# The Southfield Grange Trust

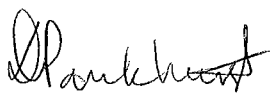
## BALANCE SHEET

31 August 2014

Company Registration No. 07754077

	Notes	31 August 2014 £	31 July 2013 £
<b>FIXED ASSETS</b>			
Tangible assets	12	966,857	-
<b>CURRENT ASSETS</b>			
Debtors	13	138,997	-
Cash at bank and in hand		2,624,159	50,083
		<u>2,763,156</u>	<u>50,083</u>
CREDITORS: Amounts falling due within one year	14	(787,672)	-
<b>NET CURRENT ASSETS</b>		<u>1,975,484</u>	<u>50,083</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>2,942,341</u>	<u>50,083</u>
Pension scheme liability		(2,313,000)	-
<b>NET ASSETS INCLUDING PENSION LIABILITY</b>		<u>629,341</u>	<u>50,083</u>
<b>FUNDS OF THE ACADEMY TRUST:</b>			
<b>RESTRICTED FUNDS</b>			
Fixed asset fund	15	997,823	-
General fund	15	1,164,726	50,000
Restricted funds excluding pension reserve		2,162,549	50,000
Pension reserve		(2,313,000)	-
<b>TOTAL RESTRICTED FUNDS</b>		<u>(150,451)</u>	<u>50,000</u>
<b>TOTAL UNRESTRICTED INCOME FUNDS</b>	15	<u>779,792</u>	<u>83</u>
<b>TOTAL FUNDS</b>		<u>629,341</u>	<u>50,083</u>

The financial statements on pages 15 to 39 were approved by the trustees and authorised for issue on 10/12/14 2014, and are signed on their behalf by:



.....  
**Prof D Pankhurst**  
Director

The Southfield Grange Trust  
 CASH FLOW STATEMENT  
 for the 13 month period ended 31 August 2014

	Notes	13 month period ended 31 Aug 2014 £	Period from 1 Sept 2012 to 31 July 2013 £
NET CASH INFLOW FROM OPERATING ACTIVITIES	18	1,406,442	-
Capital expenditure	19	(339,034)	-
Returns on investments and servicing of finance	20	2,901	45
Cash transferred on conversion to an academy trust	21	1,503,767	-
INCREASE IN CASH IN THE PERIOD	22	<u>2,574,076</u>	<u>45</u>
RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS			
OPENING NET FUNDS		50,083	50,038
Increase in cash in the year		<u>2,574,076</u>	<u>45</u>
CLOSING NET FUNDS		<u>2,624,159</u>	<u>50,083</u>

All of the cash flows are derived from acquisitions in the current financial period.

