

**ST HILARY SCHOOL**  
**(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT AND AUDITED ACCOUNTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

Company Registration No. 07655662 England and Wales

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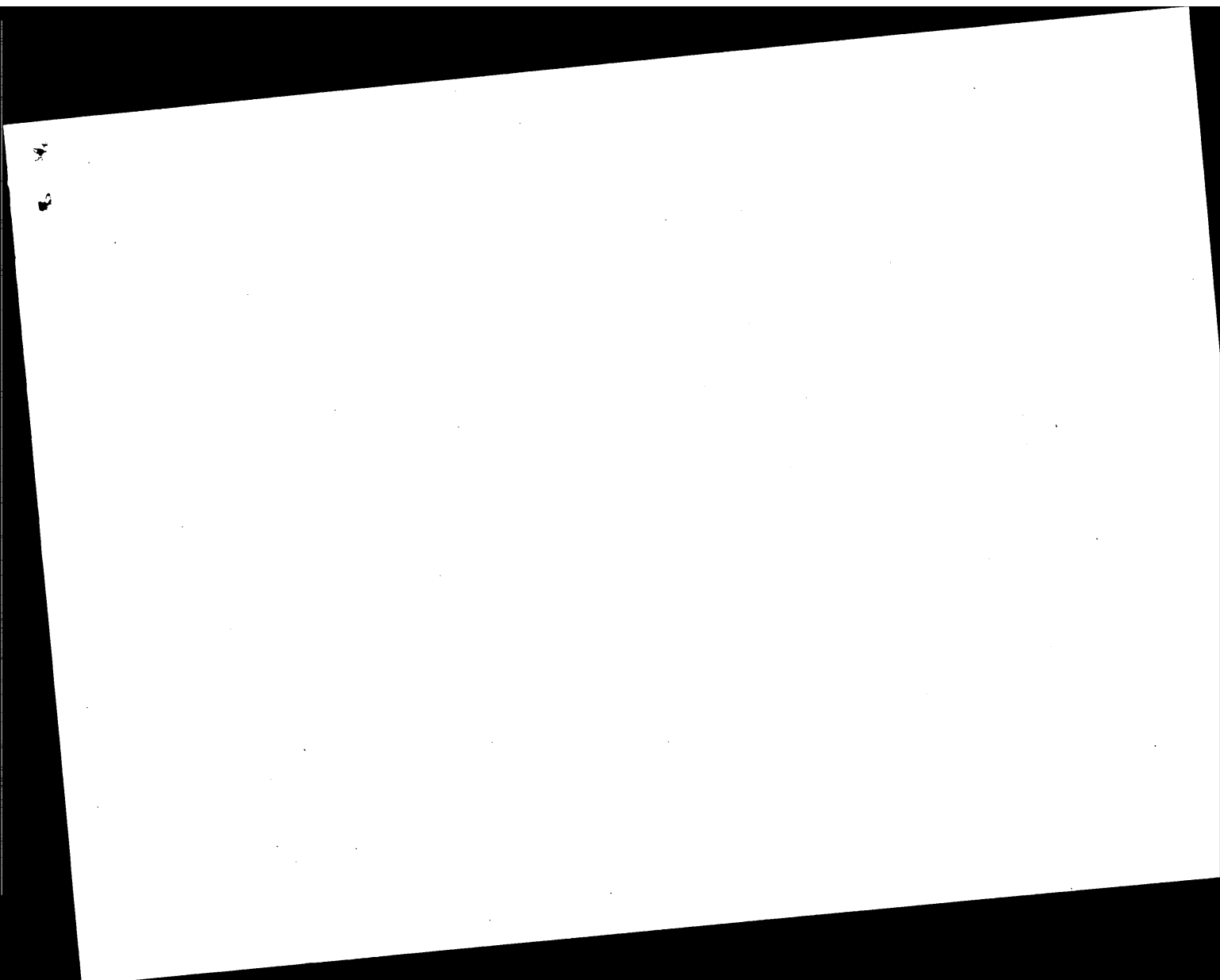
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# **ST HILARY SCHOOL**

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# ST HILARY SCHOOL

## REFERENCE AND ADMINISTRATIVE DETAILS

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### Trustees

D A Sharp (Chair)  
K Butcher (Accounting Officer)  
L S Beckerleg (Vice Chair)  
M D Boulter (Resigned 22 September 2016)  
M D Brant  
F E Drew (Resigned 6 October 2015)  
E Ferrell  
L A Greygoose  
R Hamshar  
E Hewett  
N J Kelly  
V W Laity (Resigned 6 October 2015)  
Y E Oates  
P Scrase  
EC Trevennen (Resigned 30 October 2015)  
A Larter (Appointed 16 October 2015)  
K Tunnicliffe (Appointed 26 November 2015)

### Members

K Butcher  
P H Scrase  
D A Sharp

### Senior management team

- Headteacher
- Deputy headteacher

K Butcher  
R Hamshar

### Company registration number

07655662 (England and Wales)

### Registered office

St Hilary School  
Chynoweth Lane  
St Hilary  
PENZANCE  
Cornwall  
TR20 9DR

### Independent auditor

Robinson Reed Layton  
Peat House  
Newham Road  
TRURO  
Cornwall  
TR1 2DP

### Bankers

Lloyds Bank Plc  
PO Box 8  
Market House  
PENZANCE  
Cornwall  
TR18 2TN

# **ST HILARY SCHOOL**

## **REFERENCE AND ADMINISTRATIVE DETAILS**

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### **Solicitors**

Nalders LLP  
6 Chapel Street  
CAMBORNE  
Cornwall  
TR14 8EG

# **ST HILARY SCHOOL**

## **TRUSTEES' REPORT**

### ***FOR THE YEAR ENDED 31 AUGUST 2016***

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The trustees present their annual report together with the accounts and independent auditor's report of the charitable company for the period 1 September 2015 to 31 August 2016. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The academy operates an academy for pupils aged 5 to 11 serving a catchment area in St Hilary, Cornwall. It has a pupil capacity of 245 and had a roll of 262 in the school census in May 2016.

#### **Structure, governance and management**

##### Constitution

The academy 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.

The trustees of St Hilary School are also the directors of the charitable company for the purposes of company law. Details of the trustees who served during the year 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 charitable company has purchased insurance to protect trustees from claims arising from negligent acts, errors or omissions occurring whilst on the charitable company's business. The insurance provides cover up to £5 million on any one claim.

##### Method of recruitment and appointment or election of trustees

The number of trustees shall be not less than three but shall not be subject to any maximum. The members may appoint up to 8 trustees. The staff trustees may be appointed through such processes that the members determine, provided that the total number of trustees (including the headteacher) who are employees of the academy does not exceed one third of the total number of trustees.

A minimum of two parent trustees are elected by parents of pupils registered at the academy at the time when they are elected. Any election of parent trustees which is contested is held by secret ballot.

Trustees may appoint up to three co-opted trustees. A 'co-opted trustee' means a person who is appointed to be a trustee by being co-opted by trustees who have not themselves been so appointed.

Election of the Chair and Vice-Chair of trustees is held annually. Trustees nominate at the election meeting and the election is conducted by a show of hands where there is one candidate or secret ballot where there is more than one candidate.

##### Policies and procedures adopted for the induction and training of trustees

All new trustees are assigned an experienced trustee mentor to assist them in taking on new responsibilities, and will be required to undertake induction training or other relevant training as and when provided.

# ST HILARY SCHOOL

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2016

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#### Organisational structure

The organisational structure consists of three levels: The members, the trustees and the senior management team.

The members of the academy comprise the signatories of the Memorandum, including the Chair of the trustees. The members have defined the roles of the trustees and the committee structure. The members meet annually to determine the strategic direction of the academy and review progress against the strategic objectives for the academy.

Trustees, in addition to being members of the governing body, are appointed to serve on at least one of the following committees:

- Quality & Standard of Teaching & Learning Committee
- Personnel, Leadership & Management Committee
- Finance & Resources Committee
- Premises/Site Management, Health & Safety, Safeguarding Committee
- First (Personnel) Committee
- Appeals (Personnel) Committee
- Pupil Discipline Committee
- Admissions Committee

Trustees are also assigned specific areas of focus aligned to the management and administration of the academy or specific teaching departments.

These committees operate in accordance with documented terms of reference as follows:

- Quality and Standard of Teaching & Learning Committee - to monitor and evaluate the curriculum within the academy, monitor special educational needs (SEN) provision, and monitor and review any extended academy activities.
- Personnel, Leadership & Management Committee - to support staff in their ongoing professional development, ensuring staff well being, empowering staff to become effective leaders, and review staff structure when vacancies occur.
- Finance & Resources Committee - to review and monitor expenditure assuring best value is achieved, to consider and approve the academy's budget.
- Premises/Site Management, Health & Safety, Safeguarding Committee - to annually audit safeguarding, health & safety and the premises and grounds and ensure that the academy complies with all safeguarding and health & safety regulations.
- First (Personnel) Committee - to review pay, staff grievances, redundancy and staff discipline.
- Appeals (Personnel) Committee - to hear staff appeals against the decision of the First (Personnel) Committee.
- Pupil Discipline Committee - to review pupil exclusions.
- Admissions Committee - to process all school admissions and liaise with parents when necessary.

The senior management team comprises the headteacher and the deputy headteacher. In accordance with the Academy Financial Handbook, the trustees appointed the headteacher as Accounting Officer and the School Bursar as the Principal Finance Officer.

#### Arrangements for setting pay and remuneration of key management personnel

The arrangements for setting the pay and remuneration of the academy's key management personnel are primarily the NASUWT, The Teachers Union- Ranges for Headteachers England and Wales. Non-teaching members (Business Manager) are reviewed/benchmarked by our external HR provider neo people management.

Headteacher	Mrs Kelley Butcher
Deputy Headteacher	Mr Robin Hamshar
Business Manager	Mrs Phillipa Daw

# ST HILARY SCHOOL

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2016

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#### Related parties and other connected charities and organisations

No connected organisations as at 31 August 2016.

Related party relationships are detailed in Note 20 to the accounts.

#### **Objectives and activities**

##### Objects and aims

The academy's object is specifically restricted to the advancement of education for the public benefit of the United Kingdom, in particular, but without prejudice to the generality of the foregoing by establishing, maintaining and developing a school offering a broad and balanced curriculum.

The academy's main strategic goal is to maintain, manage and develop an academy offering a broad and balanced curriculum to mixed ability pupils aged 4-11, in a safe and exciting learning environment.

The academy aims to maintain its high standards over the forthcoming year and find ways to improve all aspects of the academy.

The academy objective is set out in accordance with the Articles of Association.

##### Objectives, strategies and activities

The main objectives of the academy during the period ended 31 August 2016 are summarised below:

- Priority 1: Effective distributive leadership enables all leaders to confidently evaluate the schools effectiveness and the impact of their actions:
  - ensuring standards of teaching and learning are outstanding
  - ensuring an uncompromising drive and rigour from leaders at all levels
- Priority 2: Further develop our curriculum by employing an immersive and 'real project' based approach (making sure pupils learning experiences are more 'real', exciting and ignites their passions for learning).
- Priority 3: To have an effective system for assessment in place across the school which draws on a range of evidence of what pupils know, understand and can do across the curriculum.
- Priority 4: To continue to close the gap between pupil premium and non-pupil premium children.

Progress towards the main objectives are reviewed and discussed at each full governing body meeting as well as having task groups to monitor the progress and impact on pupil learning.

##### Public benefit

The trustees have complied with their duty to have due regard to the guidance on public benefit issued by the Charity Commission in exercising their powers and duties.



# ST HILARY SCHOOL

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2016**

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### Strategic report

#### Achievements and performance

St Hilary School continues to thrive and is an important part of the local community. Every year group is either full or oversubscribed. In July 2016 we had 262 children on roll with a net capacity of 245.

St Hilary School provides a safe and nurturing environment where our children thrive, both socially and academically.

This year's results were as follows:

#### KS2 Test results:

*% reaching expected standard:*

- Reading 73% (22% more than expected standard)
- Writing 83% (17% more than expected standard)
- Spelling, Punctuation and Grammar 76% (17% more than expected standard)
- Maths 71% (20% more than expected standard)
- Reading, Writing and Maths 61% (10% more than expected standard)

#### KS1 Test results:

*% reaching expected standard:*

- Reading 94.3% (37.1% greater depth)
- Writing 83% (26% greater depth)
- Maths 71.4% (28.6% greater depth)
- Reading, Writing and Maths 60%

**Year 1 Phonics Screening: 85% (National 81%)**

**Year 2 Phonics Screening: 100% (National 67%)**

Our curriculum is wide and varied and provides a range of exciting opportunities for the children (Priority 2). The academy has adopted a project based learning approach to the curriculum. Project based learning was introduced in 2014-2015 and this has become further embedded during 2015-2016. The children have enjoyed a range of whole school curriculum topics this year and have experienced an excellent range of activities from feeding the homeless to organising a parents quiz night. In March the academy's Year 5 children enjoyed taking part in our annual London trip.

The community, as always, is a key part of our school ethos and the children have taken part in many community events. One of the highlights was taking part in the St Piran's Day parade and concert. The pupils had many successes in music, sport and drama, as well as academically. The academy's Junior and Infant Choirs enjoyed singing throughout the year, both in school and in the wider community.

During 2015-2016 we continued to be members of "Challenge Partners" which has provided the opportunity to take part in Quality Assurance Reviews of other schools, and to be reviewed ourselves. Our review was judged as 'Good' with many outstanding features (Priority 1). The school has continued to be alliance partners with the Truro and Penwith Teaching School and the Applied Minds Teaching School. Three members of our staff are appointed as SLE's (Specialist Leaders of Education) for the Truro and Penwith Teaching School.

Two members of staff became licensed 'THRIVE' practitioners as a method of supporting wellbeing of all pupils (particularly pupil premium children) and 'readiness to learn' (Priority 4). This work will continue to develop into 2016-2017.

The academy enjoys strong working relationships with parents and we are extremely grateful for the parents who have volunteered to support the academy, whether it be on the occasional trip or as weekly session in a classroom. Without them it would be difficult to sustain some of the exciting and adventurous activities which the academy does. This is particularly the case in the Early Years classrooms where 'Welly Walks' and outdoor learning opportunities are part of daily routines. This year the online reporting system to parents has been fine-tuned and provides parents with up to date assessment information for their children (Priority 3).

# **ST HILARY SCHOOL**

## **TRUSTEES' REPORT (CONTINUED)**

### ***FOR THE YEAR ENDED 31 AUGUST 2016***

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The school and the PTA have maintained an excellent working relationship this academic year and due to their hard work and commitment, significant funds were raised which was used during 2015-2016 to further develop our outdoor areas including a memorial garden area- 'Ellie's Garden of Thought'.

During 2015-2016 we have continued to use our sports premium funding to provide all children with high quality gymnastics coaching at the Penzance gymnastics club. The funding also supports our sports after school activities, resources and training for staff. A report relating to the use of our sports funding is publicly available on our school website. St Hilary continues to do very well locally in a variety of sports.

Our football team won the county 'Miller Shield' and the year 4 soft ball cricket team became County Champions. Our hardball cricket team became county champions but unfortunately were not able to represent Cornwall at the South West Regional Finals due to adverse weather! We even had a go at 'Dodgeball', with our team winning the local championship.

The school achieved the 'Sainsbury's Sports mark- 'Gold' – a fantastic achievement!

The school continues to offer a wide range of after school activities for all children. During 2015-2016 children had access to: cross country, infant football, junior football, netball, hockey, chess, drama and choir.

#### Going concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the academy has adequate resources to continue in operational existence for the foreseeable future. For this reason the board of trustees continues to adopt the going concern basis in preparing the accounts. Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies.

#### **Financial review**

The academy's accounting period is the year to 31 August 2016.

Most of the academy's income is derived from the EFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received during the year to 31 August 2016 and the associated expenditure, are shown as restricted funds in the statement of financial activities.

The academy also received grants for fixed assets from the EFA. Such grants are shown in the statement of financial activities as restricted income in the fixed asset fund. The restricted fixed asset fund will be reduced by annual depreciation charges over the expected useful life of the assets concerned.

The financial performance and positions of the academy are monitored monthly during the year and reviewed by the finance committee termly.

The biggest factor likely to affect the academy going forward is the amount of GAG funding received. Within 2015/16 the financial procedures and processes have been reviewed and updated. Investment has been made into curriculum, staffing and the outdoor environment to support the key objectives of the academy.

#### Reserves policy

The trustees aim to control reserves to an agreed level to ensure excessive balances are not held at any one time. Trustees will ensure that delegated funds are spent appropriately on the pupils of St Hilary School and that government balances policies will always be adhered to.

However, trustees are also aware of their responsibilities to ensure sufficient reserves are kept to ensure good financial practice and to maintain a safe financial future for St Hilary School. Any future financial trends are identified early by good financial planning and regular monitoring by finance staff and the St Hilary School Finance & Resources committee.

# ST HILARY SCHOOL

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2016

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The trustees consider the financial year end position of £942,538 (2015: £1,191,920) comprising £1,116,525 (2015: £1,130,460) of restricted fixed asset funds, £(322,000) (2015: £(55,293)) of restricted funds and £148,013 (2015: £116,753) of unrestricted funds to be satisfactory. The restricted funds consist of the pension reserve amounting to £(322,000) (2015: £(144,000)) and general restricted funds of £Nil (2015: £88,707).

The level of free reserves held by the charitable company are £148,013 (2015: £116,753).

The Local Government Pension Scheme (LGPS) fund is currently in deficit. The academy has entered into an agreement with the LGPS trustees to make additional annual contributions of £2,300 in addition to normal funding levels, over a period of 20 years, in order to bridge the scheme deficit.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding LGPS liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

#### Investment policy and powers

The academy makes cash deposits into a high interest account on 12 weekly terms, ensuring that investment income is optimised without limiting the availability of cash for the operations of the academy.

The trustees are not allowed to make financial investments with any level of risk with third party organisations that may threaten the future of the organisation.

#### Principal risks and uncertainties

The trustees use the Risk Register as defined in the Academy Financial Handbook to evaluate strategic and reputational, operational, compliance, and financial risks to which the Academy Trust is exposed and have ensured that the management structure, systems and controls are in place to manage these risks, as well as insurance to cover financial loss and legal exposure.

The trustees ensure regular review of risks through the reports provided by the senior management team to the aforementioned Committees. Each Committee reports to the board of trustees at least once each term.

The key financial performance indicator for the academy is the adherence to the financial budget set at the beginning of the year. Excluding any generated funds, all income for the academy is government or local authority funded.

An expenditure budget is set at the beginning of the year, taking into consideration the level of government funding. The trustees have reviewed detailed capital and revenue expenditure reports compared to expenditure budgets, which confirms that the processes and procedures in place for controlling expenditure are acceptable. The carried forward credit balance from the General Annual Grant (GAG) is within acceptable parameters.

The principal risk facing the academy is the future level of government funding. This risk is managed by careful control over budgeted expenditure, which ensures that a deficit does not arise for the year, combined with a prudent reserves policy.

#### **Plans for future periods**

Priority 1: Relentlessly high expectations and quality of provision for all groups of pupils ensures that all make substantial and sustained progress.

Priority 2: Improve the quality of teaching and learning in reasoning / using and applying mathematics to raise progress levels above national expectation.

Priority 3: To increase progress in reading to above national average.

Priority 4: To ensure that personal development, behaviour and welfare promotes outstanding learning.

# **ST HILARY SCHOOL**

## **TRUSTEES' REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 AUGUST 2016***

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### **Auditor**

In so far as the trustees are aware:

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

A resolution proposing that Robinson Reed Layton be reappointed as auditor of the charitable company will be put to the members.

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 5/12/16..... and signed on its behalf by:

  
.....

D A Sharp  
**Chair**

# **ST HILARY SCHOOL**

## **GOVERNANCE STATEMENT**

***FOR THE YEAR ENDED 31 AUGUST 2016***

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### **Scope of responsibility**

As trustees we acknowledge we have overall responsibility for ensuring that St Hilary 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 board of trustees 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 St Hilary School 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.

# ST HILARY SCHOOL

## GOVERNANCE STATEMENT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2016**

### Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of trustees has formally met 4 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustees	Meetings attended	Out of possible
D A Sharp (Chair)	4	4
K Butcher (Accounting Officer)	4	4
L S Beckerleg (Vice Chair)	4	4
M D Boulter (Resigned 22 September 2016)	1	4
M D Brant	3	4
F E Drew (Resigned 6 October 2015)	0	1
E Ferrell	4	4
L A Greygoose	4	4
R Hamshar	4	4
E Hewett	3	4
N J Kelly	1	4
V W Laity (Resigned 6 October 2015)	0	1
Y E Oates	2	4
P Scrase	3	4
EC Trevennen (Resigned 30 October 2015)	0	1
A Larter (Appointed 16 October 2015)	2	3
K Tunnicliffe (Appointed 26 November 2015)	1	3

The board of trustees carry out a review of governance on an annual basis, using the National Governor Association self-review format.

The self-evaluation tool consisted of 20 questions and they are marked on a traffic light system. The results are as follows:

Green 13  
Amber 6  
Red 1

The key strengths were:

- Holding school leaders to account
- Engaging with the school community
- Strong effective leadership from the chair
- Clear vision
- Effectiveness - Are we effective as we could be?

The area for development:

- Completing skills audits of the governing body to inform recruitment

Actions taken:

- Skills audits have now been completed and this will be used to guide recruitment
- Outcomes of skills audits have been used to plan training for governors

The next self-evaluation or external review of governance is due in summer 2017

# ST HILARY SCHOOL

## GOVERNANCE STATEMENT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2016

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The Finance and Resources Committee is a sub-committee of the main board of trustees. Its purpose is to:

- Assist the decision making of the governing body, by enabling more detailed consideration to be given to the best means of fulfilling the governing body's responsibility to ensure sound management of the academy's finances and resources, including proper planning, monitoring and probity and to provide support and guidance for all matters relating to the school premises, grounds, security and health and safety.
- To make appropriate comments and recommendations on such matters to the governing body on a regular basis.
- Major issues will be referred to the full governing body for ratification, unless otherwise

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
D A Sharp (Chair)	5	5
K Butcher (Accounting Officer)	4	5
L S Beckerleg (Vice Chair)	3	5
M D Boulter (Resigned 22 September 2016)	3	5
M D Brant	2	5
F E Drew (Resigned 6 October 2015)	0	0
L A Greygoose	4	5
R Hamshar	1	5
P Scrase	3	5
A Larter (Appointed 16 October 2015)	4	4

# **ST HILARY SCHOOL**

## **GOVERNANCE STATEMENT (CONTINUED)**

***FOR THE YEAR ENDED 31 AUGUST 2016***

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### **Review of value for money**

As accounting officer the headteacher has responsibility for ensuring that the academy delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

### **Improving educational results**

The governing body regularly reviews the functions of the school, challenging how and why services are provided and sets targets and performance indicators for improvement.

Staff review and deployment of staff is considered at each termly governors Personnel and Leadership committee meeting, and budget setting takes necessary changes into account. In the financial year September 2015- August 2016, the development of the new curriculum and assessment system continued to be prioritised and training for staff was increased to reach the schools aims. Provision for children with special educational needs and in need of more focused provision was also prioritised and deployment of staff was used to target children in need of specialist provision.

The trust has enjoyed engaging with other educational providers and experts to share delivery and good practice. This has particularly been the case with our continued partnership with 'challenge partners': a collaborative school approach to school quality assurance and improvement.

During 2015-2016 St Hilary has continued to work within the Truro Teaching School Alliance and the Applied Minds Teaching School Alliance. This collaboration has continued to provide opportunities for joint staff continuing professional development- this has included curriculum development and planning, moderation and access to technology. Partnership with the Applied Minds Teaching School has been instrumental to the developments in the new curriculum at St Hilary School.

The school has continued to establish close ties with a number of external agencies, including speech and language experts, occupational therapists, physiotherapists and educational psychologists. This is having a very important impact in developing internal expertise and knowledge and is ensuring that a range of pupil additional learning needs are met. As a result of the quality of educational psychologist support, we have been able to reduce the budget in the area for 2016-2017 due to up-skilled staff.

As part of its aim to develop community cohesion many joint ventures are undertaken with the school PTA and the wider community. There are many fund raising and community events that occur as a result of these partnerships allowing the school to fund additional projects. The development of the all-weather path, memorial garden and outdoor pizza oven has been a result of PTA fundraising an incredible £9000 during 2015-2016.

The governors, use Raiseonline and FFT as data to evidence and challenge the effectiveness of the trusts strategies on pupils' educational attainment. In 2015-2016 children made good progress across Key Stages 1 and 2 and left Year 6 with attainment above the national average.



# **ST HILARY SCHOOL**

## **GOVERNANCE STATEMENT (CONTINUED)**

***FOR THE YEAR ENDED 31 AUGUST 2016***

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### **Financial Governance and Oversight**

The trust's system of financial governance includes strong oversight by the accounting officer and governor finance committee. There is an active finance committee in place which reports back to the full governing body and is able to advise and support.

At least termly Headteacher reports show detail of effective use of resources and day to day management. These are published on the school website for all parties to read.

There is a written scheme of delegation in place.

FMS (Financial management system) package is in place for all accounting on an on-going basis. All records are appropriately protected against unauthorised modifications, destruction, disclosure or loss whether by accident or intention. Only authorised staff are permitted access to the accounting records and are securely retained when not in use. Accounting records are properly maintained and held securely. All financial transactions are traceable from the original documentation to the accounting records and vice versa as evidenced by the school's responsible officer.

In accordance with the school's scheme of delegation, the finance committee are advised and included in decision making where spending proposals are above £15,000. This ensures value for money and challenge of decision makers.

### **Better Purchasing**

Services and contracts have continued to be appraised during 2015-2016 to ensure that there is an appropriate mix of quality and effectiveness for the least cost. Good examples of this are: internet filtering, IT consultancy, staffing insurance, HR and Payroll provision.

Continuing communications with other Academy Trusts in our area allow us to benchmark and share procurement information.

During 2015-2016, refurbishments in classrooms consisted of carpet and furniture replacement in 4 classrooms. Quotes for work were undertaken and best value for money was considered when selecting appropriate furniture.

The trust has taken opportunities to work collaboratively with other schools to achieve economies of scale. The school has both hosted and attended joint training opportunities with other schools and this will continue into 16/17.

The teaching school alliances formed in 2014 have continued to flourish and have continued to enhance our level of collaboration.

### **Reviewing Controls and Managing Risk**

Budget reports are a fixed agenda item on termly finance meetings. All internal controls have been set out in accordance with the Academies Finance Handbook. Governor committee monitoring activities are carried out termly to ensure internal controls and procedures are being adhered to.

The trust continues to make low risk investments on a proportion of bank balance to maximise percentage interest return. This is reviewed by the finance governing committee and presented to the governing body.

# **ST HILARY SCHOOL**

## **GOVERNANCE STATEMENT (CONTINUED)**

### **FOR THE YEAR ENDED 31 AUGUST 2016**

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#### **Lessons learned**

The trust constantly appraises its strategies and decisions and this informs future planning. The appointment of a finance administrator in September 2012 was as a result of such appraisal.

As a further example, the trust wished to reduce cash income into the school as this creates additional administration time and risk. The school has now introduced an online payment system for parents which has reduced, and continues to reduce cash income.

In order to make the budget go further, a large amount of reserves have been put in a high interest rate deposit account during 2014-2015 and will continue to do so.

During 2015-2016 the school has continued to work with teaching schools and this has provided better value for money and wider research into fitness of resources for purpose. As an example, the purchase of IT hardware and subscriptions.

#### **The purpose of the system of internal control**

The system of internal control is designed to manage risk at 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 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 St Hilary School for the period 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and accounts.

#### **Capacity to handle risk**

The board of trustees has reviewed the key risks to which the academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy's significant risks that has been in place for the period 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the board of trustees.

#### **The risk and control framework**

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the Finance and Resources 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 not to appoint an internal auditor. However the trustees have appointed Nick Kelly, a trustee, as reviewer from September 2015 onwards.

The reviewer's role includes giving advice on financial matters and performing a range of checks on the academy's financial systems, including but not restricted to; purchasing processes, bank reconciliations, payroll processes, financial risk, income receivable, procurement processes and budget preparation/monitoring.

No material control issues were found.

# ST HILARY SCHOOL

## GOVERNANCE STATEMENT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2016**

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### Review of effectiveness

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

- the work of the reviewer;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Finance and Resources Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the board of trustees on 5/12/16..... and signed on its behalf by:



D A Sharp  
Chair



K Butcher  
Accounting Officer

## **ST HILARY SCHOOL**

### **STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE FOR THE YEAR ENDED 31 AUGUST 2016**

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As accounting officer of St Hilary School I have considered my responsibility to notify the academy 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 and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2015.

I confirm that I and the academy's board of trustees are able to identify any material irregular or improper use of funds by the academy, or material non-compliance with the terms and conditions of funding under the academy's funding agreement and the Academies Financial Handbook 2015.

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.

Approved on 5/12/16 and signed by:



K Butcher  
Accounting Officer

# ST HILARY SCHOOL

## STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE YEAR ENDED 31 AUGUST 2016

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The trustees (who also act as governors for St Hilary School and are also the directors of St Hilary School for the purposes of company law) are responsible for preparing the Trustees' Report and the accounts in accordance with the Annual Accounts Direction 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 trustees to prepare accounts for each financial year. Under company law the trustees must not approve the accounts 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 accounts, the trustees are required to:


- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016;
- make judgements 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 accounts; and
- prepare the accounts 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 accounts 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 that 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 accounts may differ from legislation in other jurisdictions.

Approved by order of the board of trustees on 5/12/16 and signed on its behalf by:

  
D A Sharp  
Chair

# **ST HILARY SCHOOL**

## **INDEPENDENT AUDITOR'S REPORT ON THE ACCOUNTS TO THE MEMBERS OF ST HILARY SCHOOL**

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We have audited the accounts of St Hilary School for the year ended 31 August 2016 set out on pages 23 to 42. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016 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 its members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of trustees and auditors**

As explained more fully in the Trustees' Responsibilities Statement set out on page 18, the trustees, who are also the directors of St Hilary School for the purposes of company law, are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the accounts**

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the accounts. In addition, we read all the financial and non-financial information in the Trustees' Report including the incorporated strategic report to identify material inconsistencies with the audited accounts and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on accounts**

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2016 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 requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Trustees' Report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts.

# ST HILARY SCHOOL

## INDEPENDENT AUDITOR'S REPORT ON THE ACCOUNTS TO THE MEMBERS OF ST HILARY SCHOOL (CONTINUED)

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### Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the accounts 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.

*Robinson Reed Layton*

**Mark Williams (Senior Statutory Auditor)**  
for and on behalf of Robinson Reed Layton

### Chartered Accountants

#### Statutory Auditor

Peat House  
Newham Road  
TRURO  
Cornwall  
TR1 2DP

Dated: 8 December 2016

# **ST HILARY SCHOOL**

## **INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ST HILARY SCHOOL AND THE EDUCATION FUNDING AGENCY**

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In accordance with the terms of our engagement letter dated 05 May 2015 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by St Hilary School during the period 1 September 2015 to 31 August 2016 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 St Hilary School and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the St Hilary 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 the St Hilary School and the EFA, for our work, for this report, or for the conclusion we have formed.

### **Respective responsibilities of St Hilary School's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of St Hilary School's funding agreement with the Secretary of State for Education dated 23 June 2011 and the Academies Financial Handbook, extant from 1 September 2015, 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 2015 to 2016. 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 2015 to 31 August 2016 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 2015 to 2016 issued by 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's income and expenditure.

The work undertaken to draw to our conclusion includes:

- a review of minutes of all trustees' meetings;
- an evaluation of internal control procedures and reporting lines and a check on the implementation of such controls;
- a review of items purchased with credit cards to ensure they are not used for personal benefit;
- a review of financial transactions for any unusual transactions which may be improper;
- a review of all the activities of the academy to ensure that they are in keeping with the academy's framework and the charitable objectives;
- a review of pecuniary interest forms to ensure all key staff and trustees have declared their interest in related parties, as well as discussion and testing of these forms;
- a review of expenditure to ensure it does not contravene the funding agreement; and
- a review of procurement procedures to ensure activity is in accordance with Annex 4.4 of Managing Public Money.



## ST HILARY SCHOOL

### INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ST HILARY SCHOOL AND THE EDUCATION FUNDING AGENCY (CONTINUED)

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#### 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 2015 to 31 August 2016 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

*Robinson Reed Layton*

Mark Williams  
**Reporting Accountant**  
Robinson Reed Layton

Dated: 08 December 2016

# ST HILARY SCHOOL

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2016

	Notes	Unrestricted Funds £	Restricted funds: General £ Fixed asset £	Total 2016 £	Total 2015 £
<b>Income and endowments from:</b>					
Donations and capital grants	2	32,089	-	16,937	49,026
Charitable activities:					
- Funding for educational operations	3	36,126	1,057,289	-	1,093,415
Other trading activities	4	1,315	-	-	1,315
Investments	5	502	-	-	502
<b>Total income and endowments</b>		<b>70,032</b>	<b>1,057,289</b>	<b>16,937</b>	<b>1,144,258</b>
<b>Expenditure on:</b>					
Charitable activities:					
- Educational operations	7	408	1,190,046	41,186	1,231,640
<b>Total expenditure</b>	6	<b>408</b>	<b>1,190,046</b>	<b>41,186</b>	<b>1,231,640</b>
<b>Net income/(expenditure)</b>		<b>69,624</b>	<b>(132,757)</b>	<b>(24,249)</b>	<b>(87,382)</b>
Transfers between funds		(38,364)	28,050	10,314	-
<b>Other recognised gains and losses</b>					
Actuarial gains/(losses) on defined benefit pension schemes	17	-	(162,000)	-	(162,000)
<b>Net movement in funds</b>		<b>31,260</b>	<b>(266,707)</b>	<b>(13,935)</b>	<b>(249,382)</b>
<b>Reconciliation of funds</b>					
Total funds brought forward		116,753	(55,293)	1,130,460	1,191,920
Total funds carried forward		148,013	(322,000)	1,116,525	942,538

# ST HILARY SCHOOL

## STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2016

Comparative year information Year ended 31 August 2015	Notes	Unrestricted Funds £	General £	Restricted funds: Fixed asset £	Total 2015 £
<b>Income and endowments from:</b>					
Donations and capital grants	2	10,871	-	8,211	19,082
Charitable activities:					
- Funding for educational operations	3	50,247	1,105,814	-	1,156,061
Other trading activities	4	438	-	-	438
Investments	5	430	-	-	430
<b>Total income and endowments</b>		<b>61,986</b>	<b>1,105,814</b>	<b>8,211</b>	<b>1,176,011</b>
<b>Expenditure on:</b>					
Charitable activities:					
- Educational operations	7	38,337	1,119,175	42,160	1,199,672
<b>Total expenditure</b>	<b>6</b>	<b>38,337</b>	<b>1,119,175</b>	<b>42,160</b>	<b>1,199,672</b>
<b>Net income/(expenditure)</b>		<b>23,649</b>	<b>(13,361)</b>	<b>(33,949)</b>	<b>(23,661)</b>
Transfers between funds		-	(8,059)	8,059	-
<b>Other recognised gains and losses</b>					
Actuarial gains/(losses) on defined benefit pension schemes	17	-	6,000	-	6,000
<b>Net movement in funds</b>		<b>23,649</b>	<b>(15,420)</b>	<b>(25,890)</b>	<b>(17,661)</b>
<b>Reconciliation of funds</b>					
Total funds brought forward		93,104	(39,873)	1,156,350	1,209,581
Total funds carried forward		116,753	(55,293)	1,130,460	1,191,920


# ST HILARY SCHOOL

## BALANCE SHEET

AS AT 31 AUGUST 2016

	Notes	2016		2015	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	11		1,115,250		1,129,185
<b>Current assets</b>					
Debtors	12	38,211		37,681	
Cash at bank and in hand		158,252		273,403	
		196,463		311,084	
<b>Current liabilities</b>					
Creditors: amounts falling due within one year	13	(47,175)		(104,349)	
<b>Net current assets</b>			149,288		206,735
<b>Net assets excluding pension liability</b>			1,264,538		1,335,920
Defined benefit pension liability	17		(322,000)		(144,000)
<b>Net assets</b>			942,538		1,191,920
<b>Funds of the academy:</b>					
<b>Restricted funds</b>	15				
- Fixed asset funds			1,116,525		1,130,460
- Restricted income funds			-		88,707
- Pension reserve			(322,000)		(144,000)
<b>Total restricted funds</b>			794,525		1,075,167
<b>Unrestricted income funds</b>	15		148,013		116,753
<b>Total funds</b>			942,538		1,191,920

The accounts set out on pages 23 to 42 were approved by the board of trustees and authorised for issue on 31/2/16 and are signed on its behalf by:

  
 .....  
 D A Sharp  
 Chair

Company Number 07655662

# ST HILARY SCHOOL

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2016

	Notes	2016 £	£	2015 £	£
<b>Cash flows from operating activities</b>					
Net cash provided by (used in) operating activities	18		(105,339)		53,076
<b>Cash flows from investing activities</b>					
Dividends, interest and rents from investments		502		430	
Capital grants from DfE and EFA		6,948		6,936	
Capital funding from sponsors and others		9,989		1,275	
Payments to acquire tangible fixed assets		(27,251)		(14,995)	
			(9,812)		(6,354)
<b>Change in cash and cash equivalents in the reporting period</b>			(115,151)		46,722
Cash and cash equivalents at 1 September 2015			273,403		226,681
<b>Cash and cash equivalents at 31 August 2016</b>			158,252		273,403

# ST HILARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2016

---

### 1 Accounting policies

St Hilary School is a charitable company. The address of its principal place of business is given on page 1 and the nature of its operations are set out in the trustees' report.

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

#### 1.1 Basis of preparation

The accounts of the academy, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

St Hilary School meets the definition of a public benefit entity under FRS 102.

These accounts for the year ended 31 August 2016 are the first accounts of St Hilary School prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 September 2014. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 22.

#### 1.2 Going concern

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

#### 1.3 Income

All incoming resources are recognised when the academy has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

##### Grants receivable

Grants are included in the statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the statement of financial activities in the period for which it is receivable, and any abatement in respect of the period is deducted from income and recognised as a liability.

Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

# ST HILARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

---

### 1 Accounting policies

(Continued)

#### Sponsorship income

Sponsorship income provided to the academy which amounts to a donation is recognised in the statement of financial activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

#### Donations

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

#### Other income

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the academy has provided the goods or services.

#### Donated goods, facilities and services

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

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

### 1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

#### Expenditure on raising funds

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

#### Charitable activities

These are costs incurred on the academy's educational operations, including support costs and costs relating to the governance of the academy apportioned to charitable activities.

#### Governance costs

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

# ST HILARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

### 1 Accounting policies

(Continued)

#### 1.5 Tangible fixed assets and depreciation

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding that require the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the statement of financial activities and carried forward in the balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the statement of financial activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

Leasehold property	2 - 5% per annum on cost
Computer equipment	33.3% per annum on cost
Furniture & equipment	10% per annum on cost
Motor vehicles	20% per annum on cost

No depreciation is provided in respect of freehold land.

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

#### 1.6 Liabilities

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

#### 1.7 Leasing and hire purchase commitments

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

#### 1.8 Taxation

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

#### 1.9 Pensions benefits

Retirement benefits to employees of the academy are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes and the assets are held separately from those of the academy.



# ST HILARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

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### 1 Accounting policies

(Continued)

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 in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 17, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

The LGPS is a funded scheme and the assets are held separately from those of the academy in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses. Actuarial gains and losses are recognised immediately in other recognised gains and losses.

#### 1.10 Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Education Funding Agency/Department for Education.

#### 1.11 Critical accounting estimates and areas of judgement

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

##### Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 17, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

# ST HILARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

### 2 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
Capital grants	-	6,948	6,948	6,936
Other donations	32,089	9,989	42,078	12,146
	<u>32,089</u>	<u>16,937</u>	<u>49,026</u>	<u>19,082</u>

### 3 Funding for the academy's educational operations

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
<b>DfE / EFA grants</b>				
General annual grant (GAG)	-	933,042	933,042	969,199
Other DfE / EFA grants	-	97,839	97,839	60,140
	<u>-</u>	<u>1,030,881</u>	<u>1,030,881</u>	<u>1,029,339</u>
<b>Other government grants</b>				
Local authority grants	-	26,408	26,408	67,360
Other Grants	-	-	-	9,115
	<u>-</u>	<u>26,408</u>	<u>26,408</u>	<u>76,475</u>
<b>Other funds</b>				
Other incoming resources	36,126	-	36,126	50,247
	<u>36,126</u>	<u>-</u>	<u>36,126</u>	<u>50,247</u>
<b>Total funding</b>	<u>36,126</u>	<u>1,057,289</u>	<u>1,093,415</u>	<u>1,156,061</u>

### 4 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
Hire of facilities	1,315	-	1,315	438
	<u>1,315</u>	<u>-</u>	<u>1,315</u>	<u>438</u>

### 5 Investment income

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
Short term deposits	502	-	502	430
	<u>502</u>	<u>-</u>	<u>502</u>	<u>430</u>

# ST HILARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

### 6 Expenditure

	Staff costs £	Premises costs £	Other costs £	Total 2016 £	Total 2015 £
<b>Academy's educational operations</b>					
- Direct costs	777,836	-	83,150	860,986	834,097
- Allocated support costs	132,745	68,580	169,329	370,654	365,575
	<u>910,581</u>	<u>68,580</u>	<u>252,479</u>	<u>1,231,640</u>	<u>1,199,672</u>
<b>Total expenditure</b>	<u>910,581</u>	<u>68,580</u>	<u>252,479</u>	<u>1,231,640</u>	<u>1,199,672</u>

<b>Net income/(expenditure) for the year includes:</b>	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Fees payable to auditor for:		
- Audit	3,300	3,750
- Other services	2,500	1,200
Operating lease rentals	4,064	3,326
Depreciation of tangible fixed assets	41,186	42,160

### 7 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
Direct costs - educational operations	-	860,986	860,986	834,097
Support costs - educational operations	408	370,246	370,654	365,575
	<u>408</u>	<u>1,231,232</u>	<u>1,231,640</u>	<u>1,199,672</u>

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
<b>Analysis of support costs</b>		
Support staff costs	132,745	126,894
Depreciation and amortisation	41,186	42,160
Technology costs	17,846	9,296
Premises costs	61,050	73,811
Other support costs	112,777	108,464
Governance costs	5,050	4,950
	<u>370,654</u>	<u>365,575</u>

# ST HILARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

### 8 Staff costs

	2016 £	2015 £
Wages and salaries	721,503	698,175
Social security costs	49,133	40,992
Operating costs of defined benefit pension schemes	117,869	105,386
Staff costs	888,505	844,553
Supply staff costs	18,897	21,823
Staff development and other staff costs	3,179	7,728
Total staff expenditure	910,581	874,104

### Staff numbers

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

	2016 Number	2015 Number
Teachers	11	11
Administration and support	32	37
Management	2	2
	45	50

### Higher paid staff

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

	2016 Number	2015 Number
£60,001 - £70,000	1	1

### Key management personnel

The key management personnel of the academy comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy was £155,783 (2015: £147,800).

# ST HILARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2016

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#### 9 Trustees' remuneration and expenses

The headteacher and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of headteacher and staff, and not in respect of their services as trustees. Other trustees did not receive any payments, other than expenses, from the academy trust in respect of their role as trustees. During the year, travel and subsistence payments totalling £143 (2015: £919) were reimbursed to 1 trustee (2015: 2 trustees)

The value of trustees' remuneration was as follows:

K Butcher (headteacher and trustee)

- Remuneration £60,000 - £65,000 (2015: £60,000 - £65,000)
- Employer's pension contributions £10,000 - £15,000 (2015: £5,000 - £10,000)

M D Brant (staff trustee)

- Remuneration £40,000 - £45,000 (2015: £40,000 - £45,000)
- Employer's pension contributions £5,000 - £10,000 (2015: £5,000 - £10,000)

L A Greygoose (staff trustee)

- Remuneration £10,000 - £15,000 (2015: £10,000 - £15,000)
- Employer's pension contributions £Nil - £5,000 (2015: £Nil - £5,000)

R Hamshar (staff trustee)

- Remuneration £50,000 - £55,000 (2015: £50,000 - £55,000)
- Employer's pension contributions £5,000 - £10,000 (2015: £5,000 - £10,000)

A L Larter (staff trustee)

- Remuneration £30,000 - £35,000 (2015: £Nil - £5,000)
- Employer's pension contributions £5,000 - £10,000 (2015: £Nil - £5,000)

V W Laity (staff trustee)

- Remuneration £Nil - £5,000 (2015: £15,000 - £20,000)
- Employer's pension contributions £Nil - £5,000 (2015: £Nil - £5,000)

Other related party transactions involving the trustees are set out within the related parties note.

#### 10 Trustees and officers insurance

In accordance with normal commercial practice, the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2016 was £583 (2015: £1,040).

# ST HILARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

### 11 Tangible fixed assets

	Leasehold property £	Computer equipment £	Furniture & equipment £	Motor vehicles £	Total £
<b>Cost</b>					
At 1 September 2015	1,147,635	53,842	82,928	14,995	1,299,400
Additions	7,654	3,357	16,240	-	27,251
At 31 August 2016	1,155,289	57,199	99,168	14,995	1,326,651
<b>Depreciation</b>					
At 1 September 2015	94,764	50,526	21,926	2,999	170,215
Charge for the year	24,142	3,990	10,055	2,999	41,186
At 31 August 2016	118,906	54,516	31,981	5,998	211,401
<b>Net book value</b>					
At 31 August 2016	1,036,383	2,683	67,187	8,997	1,115,250
At 31 August 2015	1,052,871	3,316	61,002	11,996	1,129,185

### 12 Debtors

	2016 £	2015 £
Trade debtors	2,098	4,416
VAT recoverable	9,987	11,930
Prepayments and accrued income	26,126	21,335
	38,211	37,681

### 13 Creditors: amounts falling due within one year

	2016 £	2015 £
Trade creditors	7,360	52,598
Other taxation and social security	14,551	12,640
Other creditors	-	12,493
Accruals and deferred income	25,264	26,618
	47,175	104,349

# ST HILARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

<b>14 Deferred income</b>	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Deferred income is included within:		
Creditors due within one year	20,139	21,668
Deferred income at 1 September 2015	21,668	22,843
Released from previous years	(21,668)	(22,843)
Amounts deferred in the year	20,139	21,668
<b>Deferred income at 31 August 2016</b>	<b>20,139</b>	<b>21,668</b>

Deferred income of £20,139 (2015 : £21,668) consists of universal infant free school meals funding received in advance.

<b>15 Funds</b>	<b>Balance at 1 September 2015</b>	<b>Incoming resources</b>	<b>Resources expended</b>	<b>Gains, losses &amp; transfers</b>	<b>Balance at 31 August 2016</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Restricted general funds</b>					
General Annual Grant	80,977	933,042	(1,042,069)	28,050	-
Other DfE / EFA grants	7,730	97,839	(105,569)	-	-
Other government grants	-	26,408	(26,408)	-	-
Funds excluding pensions	88,707	1,057,289	(1,174,046)	28,050	-
Pension reserve	(144,000)	-	(16,000)	(162,000)	(322,000)
	(55,293)	1,057,289	(1,190,046)	(133,950)	(322,000)
<b>Restricted fixed asset funds</b>					
DfE / EFA capital grants	214,117	6,948	(4,501)	(6,948)	209,616
Inherited funds	841,526	-	(19,492)	-	822,034
Capital expenditure from GAG	46,152	-	(13,027)	17,262	50,387
Private sector capital sponsorship	28,665	9,989	(4,166)	-	34,488
	1,130,460	16,937	(41,186)	10,314	1,116,525
<b>Total restricted funds</b>	<b>1,075,167</b>	<b>1,074,226</b>	<b>(1,231,232)</b>	<b>(123,636)</b>	<b>794,525</b>
<b>Unrestricted funds</b>					
General funds	116,753	70,032	(408)	(38,364)	148,013
<b>Total funds</b>	<b>1,191,920</b>	<b>1,144,258</b>	<b>(1,231,640)</b>	<b>(162,000)</b>	<b>942,538</b>

# ST HILARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

### 15 Funds

(Continued)

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

*Restricted general funds* - The restricted general fund includes grants receivable from the Education Funding Agency and the Department for Education towards the principal activity of the academy, being the provision of education.

*Restricted fixed asset funds* - The restricted fixed asset fund includes the leasehold property and furniture and equipment transferred to St Hilary School on 1 July 2011 and Education Funding Agency grants which have been received. The fund is being reduced by the depreciation in the period.

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2016.

### 16 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General      Fixed asset £              £		Total 2016 £
<b>Fund balances at 31 August 2016 are represented by:</b>				
Tangible fixed assets	-	-	1,115,250	1,115,250
Current assets	195,188	-	1,275	196,463
Creditors falling due within one year	(47,175)	-	-	(47,175)
Defined benefit pension liability	-	(322,000)	-	(322,000)
	<hr/> 148,013	<hr/> (322,000)	<hr/> 1,116,525	<hr/> 942,538

### 17 Pensions and similar obligations

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

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

There were no contributions payable to schemes at 31 August 2016, in 2015 contributions of £12,465 were payable and included within creditors.

#### Teachers' Pension Scheme

##### Introduction

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

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



# ST HILARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

### 17 Pensions and similar obligations

(Continued)

#### Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014.

The key elements of the valuation and subsequent consultation are:

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

During the previous year the employer contribution rate was 16.48%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS will be as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The pension costs paid to the TPS in the period amounted to £75,872 (2015: £62,713).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

Under the definitions set out in FRS 102, the TPS is a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

#### Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 19.7% for employers and 5% - 12.5% for employees. The estimated value of employer contributions for the forthcoming year is £35,000.

The academy has entered into an agreement with the LGPS trustees to make additional annual contributions of £2,300 in addition to normal funding levels, over a period of 20 years, in order to bridge the scheme deficit.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

# ST HILARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

### 17 Pensions and similar obligations

(Continued)

Total contributions made	2016 £	2015 £
Employer's contributions	35,000	33,000
Employees' contributions	9,000	9,000
Total contributions	44,000	42,000
Principal actuarial assumptions	2016 %	2015 %
Rate of increases in salaries	4.1	4.6
Rate of increase for pensions in payment	2.1	2.7
Discount rate	2.1	3.8
Commutation of pensions to lump sums relating to pre-April 2008 services	40	40
Commutation of pensions to lump sums relating to post-April 2008 services	70	70

### Sensitivity analysis

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

Change in assumptions as at 31 August 2016:

0.5% decrease in Real Discount Rate - 13% approximate increase to Employer Liability equating to approximately £102,000.

1 year increase in member life expectancy - 3% approximate increase to Employer Liability equating to approximately £23,000.

0.5% increase in the Salary Increase Rate - 5% approximate increase to Employer Liability equating to approximately £38,000.

0.5% increase in the Pension Increase Rate - 8% approximate increase to Employer Liability equating to approximately £61,000.

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

	2016 Years	2015 Years
Retiring today		
- Males	22.2	22.2
- Females	24.4	24.4
Retiring in 20 years		
- Males	24.4	24.4
- Females	26.8	26.8

# ST HILARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

### 17 Pensions and similar obligations

(Continued)

The academy's share of the assets in the scheme	2016 Fair value £	2015 Fair value £
Equities	214,000	149,000
Bonds	191,000	181,000
Property	31,000	25,000
Other assets	9,000	7,000
Total market value of assets	445,000	362,000
Actual return on scheme assets - gain/(loss)	41,000	11,000
Amounts recognised in the statement of financial activities	2016 £	2015 £
Current service cost (net of employee contributions)	46,000	46,000
Net interest cost	5,000	5,000
Changes in the present value of defined benefit obligations		2016 £
Obligations at 1 September 2015		506,000
Current service cost		46,000
Interest cost		20,000
Employee contributions		9,000
Actuarial loss		188,000
Benefits paid		(2,000)
At 31 August 2016		767,000
Changes in the fair value of the academy's share of scheme assets		2016 £
Assets at 1 September 2015		362,000
Interest income		15,000
Return on plan assets (excluding amounts included in net interest):		
Actuarial gain		26,000
Employer contributions		35,000
Employee contributions		9,000
Benefits paid		(2,000)
At 31 August 2016		445,000

# ST HILARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

### 18 Reconciliation of net expenditure to net cash flows from operating activities

	2016 £	2015 £
Net expenditure for the reporting period	(87,382)	(23,661)
Adjusted for:		
Capital grants from DfE/EFA and other capital income	(16,937)	(8,211)
Investment income	(502)	(430)
Defined benefit pension costs less contributions payable	11,000	13,000
Defined benefit pension net finance cost/(income)	5,000	5,000
Depreciation of tangible fixed assets	41,186	42,160
(Increase)/decrease in debtors	(530)	(19,009)
Increase/(decrease) in creditors	(57,174)	44,227
<b>Net cash used in operating activities</b>	<b>(105,339)</b>	<b>53,076</b>

### 19 Commitments under operating leases

At 31 August 2016 the total future minimum lease payments under non-cancellable operating leases were as follows:

	2016 £	2015 £
Amounts due within one year	2,543	4,065
Amounts due in two and five years	11,655	5,540
Amounts due after five years	602	-
	<b>14,800</b>	<b>9,605</b>

### 20 Related party transactions

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

The following related party transactions took place in the period of account:

*H Hamshar* - wife of R Hamshar, a trustee and deputy headteacher. Transactions totalling £6,379 (2015: £5,979) relating to her services provided as a supply teacher (including employer's pension contributions) took place in the year. There were no amounts outstanding at 31 August 2016 (2015: £Nil).

In entering into the transaction the trust has complied with the requirement of EFA's Academies Financial Handbook.

# ST HILARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

### 21 Members' liability

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

### 22 Reconciliations on adoption of FRS 102

#### Reconciliation of funds for the previous financial period

	1 September 2014 £	31 August 2015 £
Funds as reported under previous UK GAAP and under FRS 102	1,209,581	1,191,920
Change in recognition of LGPS interest cost	1 -	-

#### Reconciliation of net loss for the previous financial period

	2015 £
Net expenditure as reported under previous UK GAAP and under FRS 102	(17,661)
Change in recognition of LGPS interest cost	1 -

#### Notes to reconciliations on adoption of FRS 102

##### 1. Change in recognition of LGPS interest cost

Under previous UK GAAP the academy recognised an expected return on defined benefit plan assets in income/expense. Under FRS 102 a net interest expense, based on the net defined benefit liability, is recognised in income/expense. There has been no change in the defined benefit liability at either 1 September 2014 or 31 August 2015. The effect of the change has been to increase the debit to expense by £4,000 and increase the credit in other recognised gains and losses in the SoFA by an equivalent amount.