

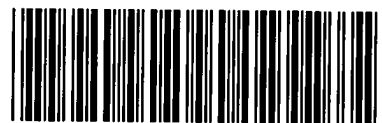
ST HILARY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT AND AUDITED ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2017

Company Registration No. 07655662 England and Wales

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ST HILARY SCHOOL

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ST HILARY SCHOOL

REFERENCE AND ADMINISTRATIVE DETAILS

Trustees

LS Beckerleg (Vice Chair)
MD Brant
K Butcher (Accounting Officer)
DA Sharp (Chair)
LA Greygoose
E Hewett
YE Oates
E Ferrell (Resigned 26 September 2017)
R Hamshar
NJ Kelly
P Scrase
A Larter
K Tunnicliffe
A Cock (Appointed 26 September 2017)
J Atkinson (Appointed 26 September 2017)
J Anjari (Appointed 26 September 2017)
MD Boulter (Resigned 19 September 2016)

Members

K Butcher (resigned 1 July 2017)
P H Scrase
D A Sharp
G Mitchell (appointed 20 July 2017)
W Mann (appointed 20 July 2017)

Senior management team

- Headteacher K Butcher
- Deputy headteacher 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

ST HILARY SCHOOL

REFERENCE AND ADMINISTRATIVE DETAILS

Bankers

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

Solicitors

Nalders LLP
6 Chapel Street
CAMBORNE
Cornwall
TR14 8EG

ST HILARY SCHOOL

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2017

The trustees present their annual report together with the accounts and independent auditor's report of the charitable company for the period 1 September 2016 to 31 August 2017. 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 248 in the school census in May 2017.

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 2017

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.

Trustees, are assigned specific areas of focus aligned to the management and administration of the academy or areas within teaching and learning:

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

The governors operate in accordance with documented terms of reference as follows:

- Quality and Standard of Teaching & Learning - 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 and Management - 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 and Resources - to review and monitor expenditure assuring best value is achieved, to consider and approve the academy's budget.
- Premises/Site Management, Health & Safety, Safeguarding - 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 Business Manager 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 set using the NAHT model pay policy, and in-line with the NASUWT Ranges for Headteachers, England and Wales. The first committee leads remuneration procedures in line with their terms of reference. Performance management of the Headteacher is led by an external advisor.

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 Miss Charlotte Fraser

ST HILARY SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

Related parties and other connected charities and organisations

No connected organisations as at 31 August 2017.

Related party relationships are detailed in Note 23 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 2017 are summarised below:

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

Priority 2: For all children who achieved the expected level in EYFS to achieve at least the expected level at the end of KS1 in Maths.

Priority 3: To improve the quality of teaching of greater depth maths leading to sustained and substantial progress

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

- a. To have in place a robust and consistent pupil reward system which promotes team work and pupil recognition of positive behaviours
- b. Further improve attendance to at least 97% for ALL groups of pupils
- c. To help children and young people to have a greater say over matters that affect their school and wider lives
- d. To embed THRIVE across the school as a tool to support promotion of impeccable behaviour and readiness to learn

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 2017

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 with the exception of the EYFS year group. In July 2017 we had 245 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 89% (32% more than expected standard)
- Writing 86% (35% more than expected standard)
- Spelling, Punctuation and Grammar 81% (35% more than expected standard)
- Maths 73% (22% more than expected standard)
- Reading, Writing and Maths 70% (16% more than expected standard)

KS1 Test results:

% reaching expected standard:

- Reading 79.5% (51.3% greater depth)
- Writing 89.7% (43.6% greater depth)
- Maths 79.5% (41.2% greater depth)

Year 1 Phonics Screening: 76%

Year 2 Phonics Screening: 83%

Our curriculum is wide and varied and provides a range of exciting opportunities for the children. 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 2015-2017. The children have enjoyed a range of whole school curriculum topics this year and have experienced an excellent range of activities.

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 2016-2017 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 outstanding for 'school improvement strategies'. The school has continued to be alliance partners with the Truro and Penwith Teaching School and the Applied Minds Teaching School. Two members of our staff were appointed as SLE's (Specialist Leaders of Education) for the Truro and Penwith Teaching School.

Two further members of staff became licensed 'THRIVE' practitioners as a method of supporting wellbeing of all pupils (particularly pupil premium children) and 'readiness to learn'. This work will continue to develop into 2017-2018. This system has had a huge impact on the well-being of many individuals.

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.

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 2016-2017 to install a polytunnel and employ a member of staff to work with the children to develop garden areas.

ST HILARY SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

During 2016-2017 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 cricket teams won the county year 4, year 5 and year 6 finals. The football team were runners up in the 'Miller Shield'. We also entered teams in cross-country, high-5, tag rugby and athletics, with many successes.

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 2016-2017 children had access to: cross country, infant sports, rugby, junior football, netball, hockey, chess, drama, walking 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 2017.

Most of the academy's income is derived from the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received during the year to 31 August 2017 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 ESFA. 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 full governing body termly.

The biggest factor likely to affect the academy going forward is the amount of GAG funding received relating to pupil numbers. Within 2016/17 the financial procedures and processes have been reviewed and updated. Investment has been made into staffing and the curriculum 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.

The trustees consider the financial year end position of £997,731 (2016: £942,538) comprising £1,104,842 (2016: £1,116,525) of restricted fixed asset funds, £(206,000) (2016: £(322,000)) of restricted funds and £98,889 (2016: £148,013) of unrestricted funds to be satisfactory. The restricted funds consist of the pension reserve amounting to £(206,000) (2016: £(322,000)) and general restricted funds of £Nil (2016: £Nil).

The level of free reserves held by the charitable company are £98,889 (2016: £148,013).

ST HILARY SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

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 totalling £25,500 in addition to normal funding levels, over a period of 3 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:

Mathematics - to raise attainment and progress in-line with the school's reading and writing % and to exceed national averages for all groups (% targets based on 2017 National KS2 data).

Priority 2:

Writing – close the attainment and progress gaps between:

- boys and girls
- SEN and disadvantaged pupils and the national averages (% targets based on 2017 National KS2 data).

Priority 3:

SEN - accelerate progress of SEN pupils to ensure their attainment and progress data is at least in line with the national picture (% targets based on 2017 National KS2 data).

Priority 4: ensure all appropriate MAT opportunities are thoroughly explored and evaluated in line with the schools long term ambitions and targets.

ST HILARY SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

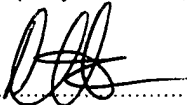
Auditor

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 **5/12/17** and signed on its behalf by:



.....
DA Sharp
Chair

ST HILARY SCHOOL

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2017

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 2017

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
LS Beckerleg (Vice Chair)	4	4
MD Brant	3	4
K Butcher (Accounting Officer)	4	4
DA Sharp (Chair)	4	4
LA Greygoose	4	4
E Hewett	3	4
YE Oates	2	4
E Ferrell (Resigned 26 September 2017)	4	4
R Hamshar	4	4
NJ Kelly	1	4
P Scrase	3	4
A Larter	2	3
K Tunnicliffe	1	3
A Cock (Appointed 26 September 2017)	0	0
J Atkinson (Appointed 26 September 2017)	0	0
J Anjari (Appointed 26 September 2017)	0	0
MD Boulter (Resigned 19 September 2016)	1	1

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 2017

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 meeting, and budget setting takes necessary changes into account. In the financial year September 2016- August 2017, the development of the Maths in the new curriculum and assessment systems 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 2016-2017 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 continued to be instrumental to the developments in the project-based 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 2017-2018 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 installation of a polytunnel and employment of a member of staff to work with the children in these areas was put in place in 2016-2017 as a result of the funds raised.

The governors, use Raiseonline and FFT as data to evidence and challenge the effectiveness of the trusts strategies on pupils' educational attainment. In 2016-2017 children made good progress across Key Stages 1 and 2 and left Year 6 with attainment above the national average in reading and writing and in-line with national average in maths.

ST HILARY SCHOOL

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

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 2016-2017 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 2016-2017, refurbishment consisted of carpet and furniture replacement in classrooms and LED lighting was installed throughout the school. 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 17/18.

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 governor 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 2017

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 2015-2016 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 curriculum provision and related continuing professional development.

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 2016 to 31 August 2017 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 2016 to 31 August 2017 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 2017

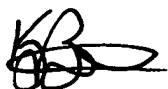
Review of effectiveness

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 5/12/17 and signed on its behalf by:



K Butcher
Accounting Officer



DA Sharp
Chair

ST HILARY SCHOOL

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE FOR THE YEAR ENDED 31 AUGUST 2017

As accounting officer of St Hilary School I have considered my responsibility to notify the academy board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA 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 2016.

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 2016.

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the board of trustees and ESFA.

Approved on 5/12/17 and signed by:



K Butcher
Accounting Officer

ST HILARY SCHOOL

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2017

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 and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare 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:

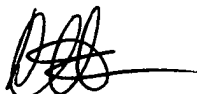
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting 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 ESFA/DfE have been applied for the purposes intended.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of accounts may differ from legislation in other jurisdictions.

Approved by order of the board of trustees on 5/12/17 and signed on its behalf by:



DA Sharp
Chair

ST HILARY SCHOOL

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ST HILARY SCHOOL

Opinion

We have audited the accounts of St Hilary School for the year ended 31 August 2017 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2017 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 2016 to 2017.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the accounts' section of our report. We are independent of the academy in accordance with the ethical requirements that are relevant to our audit of the accounts in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the accounts is not appropriate; or
- the trustees have not disclosed in the accounts any identified material uncertainties that may cast significant doubt about the academy's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the accounts are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the accounts and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the accounts does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the accounts or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- 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; and
- the Trustees' Report including the incorporated strategic report have been prepared in accordance with applicable legal requirements.

ST HILARY SCHOOL

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report, including the incorporated strategic report.

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

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, the trustees are responsible for assessing the academy's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these accounts.

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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. 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 auditors' 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's members as a body, for our audit work, for this report, or for the opinions we have formed.

Robinson Reed Layton

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

12 December 2017

Chartered Accountants
Statutory Auditor

Peat House
Newham Road
TRURO
Cornwall
TR1 2DP

ST HILARY SCHOOL

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

In accordance with the terms of our engagement letter dated 13 December 2016 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, 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 2016 to 31 August 2017 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 ESFA 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 ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than St Hilary School and ESFA, 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 2016, 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 2016 to 2017. 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 2016 to 31 August 2017 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 2016 to 2017 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity.

A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the academy'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 AND SKILLS FUNDING AGENCY (CONTINUED)

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 2016 to 31 August 2017 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 (Senior Statutory Auditor)
Reporting Accountant
Robinson Reed Layton

Dated: 12 December 2017

ST HILARY SCHOOL

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2017

	Notes	Unrestricted Funds £	Restricted funds: General Fixed asset £ £		Total 2017 £	Total 2016 £
Income and endowments from:						
Donations and capital grants	3	8,887	1,000	6,970	16,857	49,026
Charitable activities:						
- Funding for educational operations	4	65,410	1,022,051	-	1,087,461	1,093,415
Other trading activities	5	690	-	-	690	1,315
Investments	6	396	-	-	396	502
Total income and endowments		75,383	1,023,051	6,970	1,105,404	1,144,258
Expenditure on:						
Charitable activities:						
- Educational operations	8	209	1,154,454	45,548	1,200,211	1,231,640
Total expenditure	7	209	1,154,454	45,548	1,200,211	1,231,640
Net income/(expenditure)		75,174	(131,403)	(38,578)	(94,807)	(87,382)
Transfers between funds		(124,298)	97,403	26,895	-	-
Other recognised gains and losses						
Actuarial gains/(losses) on defined benefit pension schemes	20	-	150,000	-	150,000	(162,000)
Net movement in funds		(49,124)	116,000	(11,683)	55,193	(249,382)
Reconciliation of funds						
Total funds brought forward		148,013	(322,000)	1,116,525	942,538	1,191,920
Total funds carried forward		98,889	(206,000)	1,104,842	997,731	942,538

ST HILARY SCHOOL

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

FOR THE YEAR ENDED 31 AUGUST 2017

Comparative year information Year ended 31 August 2016	Notes	Unrestricted Funds £	General £	Restricted funds: Fixed asset £	Total 2016 £
Income and endowments from:					
Donations and capital grants	3	32,089	-	16,937	49,026
Charitable activities:					
- Funding for educational operations	4	36,126	1,057,289	-	1,093,415
Other trading activities	5	1,315	-	-	1,315
Investments	6	502	-	-	502
Total income and endowments		<u>70,032</u>	<u>1,057,289</u>	<u>16,937</u>	<u>1,144,258</u>
Expenditure on:					
Charitable activities:					
- Educational operations	8	408	1,190,046	41,186	1,231,640
Total expenditure	7	<u>408</u>	<u>1,190,046</u>	<u>41,186</u>	<u>1,231,640</u>
Net income/(expenditure)		69,624	(132,757)	(24,249)	(87,382)
Transfers between funds		(38,364)	28,050	10,314	-
Other recognised gains and losses					
Actuarial losses on defined benefit pension schemes	20	-	(162,000)	-	(162,000)
Net movement in funds		31,260	(266,707)	(13,935)	(249,382)
Reconciliation of funds					
Total funds brought forward		116,753	(55,293)	1,130,460	1,191,920
Total funds carried forward		<u>148,013</u>	<u>(322,000)</u>	<u>1,116,525</u>	<u>942,538</u>

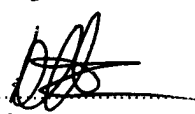
ST HILARY SCHOOL

BALANCE SHEET

AS AT 31 AUGUST 2017

	Notes	2017 £	£	2016 £	£
Fixed assets					
Tangible assets	12		1,104,842		1,115,250
Current assets					
Debtors	14	53,451		38,211	
Cash at bank and in hand		109,950		158,252	
		<u>163,401</u>		<u>196,463</u>	
Current liabilities					
Creditors: amounts falling due within one year	15	<u>(48,140)</u>		<u>(47,175)</u>	
Net current assets			115,261		149,288
Total assets less current liabilities			1,220,103		1,264,538
Creditors: amounts falling due after more than one year	16		<u>(16,372)</u>		-
Net assets excluding pension liability			1,203,731		1,264,538
Defined benefit pension liability	20		<u>(206,000)</u>		<u>(322,000)</u>
Net assets			<u>997,731</u>		<u>942,538</u>
Funds of the academy:					
Restricted funds	18				
- Fixed asset funds			1,104,842		1,116,525
- Pension reserve			<u>(206,000)</u>		<u>(322,000)</u>
Total restricted funds			898,842		794,525
Unrestricted income funds	18		<u>98,889</u>		<u>148,013</u>
Total funds			<u>997,731</u>		<u>942,538</u>

The accounts set out on pages 22 to 44 were approved by the board of trustees and authorised for issue on 5/12/17 and are signed on its behalf by:


DA Sharp
Chair

Company Number 07655662

ST HILARY SCHOOL

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2017

	Notes	2017 £	£	2016 £	£
Cash flows from operating activities					
Net cash used in operating activities	21		(38,160)		(105,339)
Cash flows from investing activities					
Dividends, interest and rents from investments		396		502	
Capital grants from DfE and EFA		6,970		6,948	
Capital funding from sponsors and others		-		9,989	
Payments to acquire tangible fixed assets		(35,140)		(27,251)	
			(27,774)		(9,812)
Cash flows from financing activities					
New other loan		17,632		-	
			17,632		-
Change in cash and cash equivalents in the reporting period			(48,302)		(115,151)
Cash and cash equivalents at 1 September 2016			158,252		273,403
Cash and cash equivalents at 31 August 2017			109,950		158,252

ST HILARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2017

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 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

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

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.

ST HILARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting policies

(Continued)

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'.

Donated fixed assets

Donated fixed assets are measured at fair value unless it is impractical to measure this reliably, in which case the cost of the item to the donor is 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 2017

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 Financial instruments

The academy only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy and their measurement basis are as follows.

Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

Cash at bank is classified as a basic financial instrument and is measured at face value.

ST HILARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting policies

(Continued)

Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition.

Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.9 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.

1.10 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.

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 20, 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.

1.11 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.

ST HILARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

2 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 20, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. 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.

3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
Capital grants	-	6,970	6,970	6,948
Other donations	8,887	1,000	9,887	42,078
	<u>8,887</u>	<u>7,970</u>	<u>16,857</u>	<u>49,026</u>

ST HILARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

4 Funding for the academy's educational operations

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
DfE / ESFA grants				
General annual grant (GAG)	-	923,873	923,873	933,042
Other DfE / ESFA grants	-	84,400	84,400	97,839
	-	1,008,273	1,008,273	1,030,881
Other government grants				
Local authority grants	-	13,778	13,778	26,408
Other funds				
Other incoming resources	65,410	-	65,410	36,126
Total funding	65,410	1,022,051	1,087,461	1,093,415

5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
Hire of facilities	690	-	690	1,315

6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
Short term deposits	396	-	396	502

7 Expenditure

	Staff costs £	Premises costs £	Other costs £	Total 2017 £	Total 2016 £
Academy's educational operations					
- Direct costs	767,628	-	76,366	843,994	860,986
- Allocated support costs	144,262	111,775	100,180	356,217	370,654
	911,890	111,775	176,546	1,200,211	1,231,640

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2017

7	Expenditure			(Continued)
	Net income/(expenditure) for the year includes:	2017	2016	
		£	£	
	Fees payable to auditor for:			
	- Audit	3,000	3,300	
	- Other services	2,500	2,500	
	Operating lease rentals	3,144	4,064	
	Depreciation of tangible fixed assets	45,548	41,186	
	Net interest on defined benefit pension liability	7,000	5,000	
		<u> </u>	<u> </u>	
8	Charitable activities			
		Unrestricted funds	Restricted funds	Total 2017
		£	£	£
	Direct costs - educational operations	-	843,994	843,994
	Support costs - educational operations	209	356,008	356,217
		<u> </u>	<u> </u>	<u> </u>
		209	1,200,002	1,200,211
		<u> </u>	<u> </u>	<u> </u>
				2017
				£
	Analysis of support costs			
	Support staff costs			144,262
	Depreciation and amortisation			45,548
	Technology costs			12,157
	Premises costs			47,566
	Other support costs			101,586
	Governance costs			5,098
				<u> </u>
				356,217
				<u> </u>
9	Staff costs			
		2017	2016	
		£	£	
	Wages and salaries	691,722	721,503	
	Social security costs	52,635	49,133	
	Operating costs of defined benefit pension schemes	131,165	117,869	
		<u> </u>	<u> </u>	
	Staff costs	875,522	888,505	
	Supply staff costs	28,559	18,897	
	Staff development and other staff costs	7,809	3,179	
		<u> </u>	<u> </u>	
	Total staff expenditure	911,890	910,581	

ST HILARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

9 Staff costs

(Continued)

Staff numbers

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

	2017 Number	2016 Number
Teachers	11	11
Administration and support	31	32
Management	2	2
	<u>44</u>	<u>45</u>

Higher paid staff

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

	2017 Number	2016 Number
£60,001 - £70,000	<u>1</u>	<u>1</u>

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 £283,449 (2016 : £277,709).

ST HILARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

10 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 £426 (2016: £143) were reimbursed to 2 trustees (2016: 1 trustee)

The value of trustees' remuneration was as follows:

K Butcher (headteacher and trustee)

- Remuneration £60,000 - £65,000 (2016: £60,000 - £65,000)
- Employer's pension contributions £10,000 - £15,000 (2016: £10,000 - £15,000)

M D Brant (staff trustee)

- Remuneration £40,000 - £45,000 (2016: £40,000 - £45,000)
- Employer's pension contributions £5,000 - £10,000 (2016: £5,000 - £10,000)

L A Greygoose (staff trustee)

- Remuneration £10,000 - £15,000 (2016: £10,000 - £15,000)
- Employer's pension contributions £Nil - £5,000 (2016: £Nil - £5,000)

R Hamshar (staff trustee)

- Remuneration £50,000 - £55,000 (2016: £50,000 - £55,000)
- Employer's pension contributions £5,000 - £10,000 (2016: £5,000 - £10,000)

A L Larter (staff trustee)

- Remuneration £35,000 - £40,000 (2016: £30,000 - £35,000)
- Employer's pension contributions £5,000 - £10,000 (2016: £5,000 - £10,000)

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

11 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 £5,000,000 (2016 : £2,000,000) on any one claim and the cost for the year ended 31 August 2017 was £111 (2016: £583).

ST HILARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

12 Tangible fixed assets

	Leasehold property £	Computer equipment £	Furniture & equipment £	Motor vehicles £	Total £
Cost					
At 1 September 2016	1,155,289	57,199	99,168	14,995	1,326,651
Additions	-	14,058	21,082	-	35,140
At 31 August 2017	1,155,289	71,257	120,250	14,995	1,361,791
Depreciation					
At 1 September 2016	118,906	54,516	31,981	5,998	211,401
Charge for the year	24,142	6,244	12,163	2,999	45,548
At 31 August 2017	143,048	60,760	44,144	8,997	256,949
Net book value					
At 31 August 2017	1,012,241	10,497	76,106	5,998	1,104,842
At 31 August 2016	1,036,383	2,683	67,187	8,997	1,115,250

13 Financial instruments

	2017 £	2016 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	10,053	8,731
Carrying amount of financial liabilities		
Measured at fair value through or		
- Other financial liabilities	17,632	-
Measured at amortised cost	15,307	12,485

14 Debtors

	2017 £	2016 £
Trade debtors	3,076	2,098
VAT recoverable	18,407	9,987
Prepayments and accrued income	31,968	26,126
	53,451	38,211

ST HILARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

15	Creditors: amounts falling due within one year	2017	2016
		£	£
	Other loans	1,260	-
	Trade creditors	10,182	7,360
	Other taxation and social security	13,728	14,551
	Accruals and deferred income	22,970	25,264
		<u>48,140</u>	<u>47,175</u>
16	Creditors: amounts falling due after more than one year	2017	2016
		£	£
	Other loans	16,372	-
		<u>16,372</u>	<u>-</u>
	Analysis of loans		
	Wholly repayable within five years	17,632	-
	Less: included in current liabilities	(1,260)	-
		<u>16,372</u>	<u>-</u>
	Amounts included above	<u>16,372</u>	<u>-</u>
	Loan maturity		
	Debt due in one year or less	1,260	-
	Due in more than one year but not more than two years	1,260	-
	Due in more than two years but not more than five years	15,112	-
		<u>17,632</u>	<u>-</u>

Included within other loans are the remaining balances of a loan of £17,632 from Salix Finance Ltd which are provided on the following terms:

- Repayable over 7 years by bi-annual payments; and
- Interest free

ST HILARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

17 Deferred income	2017	2016
	£	£
Deferred income is included within:		
Creditors due within one year	17,845	20,139
	<u> </u>	<u> </u>
Deferred income at 1 September 2016	20,139	21,668
Released from previous years	(20,139)	(21,668)
Amounts deferred in the year	17,845	20,139
	<u> </u>	<u> </u>
Deferred income at 31 August 2017	17,845	20,139
	<u> </u>	<u> </u>

Deferred income of £17,845 (2016: £20,139) consists of universal infant free school meals funding received in advance.

18 Funds	Balance at 1 September 2016 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2017 £
Restricted general funds					
General Annual Grant	-	923,873	(1,021,276)	97,403	-
Other DfE / ESFA grants	-	84,400	(84,400)	-	-
Other government grants	-	13,778	(13,778)	-	-
Other restricted funds	-	1,000	(1,000)	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Funds excluding pensions	-	1,023,051	(1,120,454)	97,403	-
Pension reserve	(322,000)	-	(34,000)	150,000	(206,000)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	(322,000)	1,023,051	(1,154,454)	247,403	(206,000)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Restricted fixed asset funds					
Transferred on conversion	822,034	-	(19,492)	-	802,542
DfE / ESFA capital grants	209,616	6,970	(4,501)	(6,970)	205,115
Capital expenditure from GAG	50,387	-	(17,389)	35,140	68,138
Private sector capital sponsorship	34,488	-	(4,166)	(1,275)	29,047
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	1,116,525	6,970	(45,548)	26,895	1,104,842
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total restricted funds	794,525	1,030,021	(1,200,002)	274,298	898,842
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Unrestricted funds					
General funds	148,013	75,383	(209)	(124,298)	98,889
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total funds	942,538	1,105,404	(1,200,211)	150,000	997,731
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

ST HILARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

18 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 2017.

Movements in funds - previous year

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

ST HILARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

19 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total 2017 £
Fund balances at 31 August 2017 are represented by:				
Tangible fixed assets	-	-	1,104,842	1,104,842
Current assets	163,401	-	-	163,401
Creditors falling due within one year	(48,140)	-	-	(48,140)
Creditors falling due after one year	(16,372)	-	-	(16,372)
Defined benefit pension liability	-	(206,000)	-	(206,000)
	<u>98,889</u>	<u>(206,000)</u>	<u>1,104,842</u>	<u>997,731</u>

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total 2016 £
Fund balances at 31 August 2016 are represented by:				
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)
	<u>148,013</u>	<u>(322,000)</u>	<u>1,116,525</u>	<u>942,538</u>

20 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 2016.

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

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 2017

20 Pensions and similar obligations

(Continued)

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014.

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (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 is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The pension costs paid to the TPS in the period amounted to £73,384 (2016: £75,872).

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 17% for employers and 5.5% - 12.5% for employees.

The academy has entered into an agreement with the LGPS trustees to make additional annual contributions totalling £22,500 in addition to normal funding levels, over a period of 3 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 2017

20 Pensions and similar obligations (Continued)

Total contributions made	2017 £	2016 £
Employer's contributions	34,000	35,000
Employees' contributions	9,000	9,000
Total contributions	43,000	44,000

Principal actuarial assumptions	2017 %	2016 %
Rate of increases in salaries	2.5	4.1
Rate of increase for pensions in payment	2.4	2.1
Discount rate	2.5	2.1
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

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

	2017 Years	2016 Years
Retiring today		
- Males	22.1	22.2
- Females	24.5	24.4
Retiring in 20 years		
- Males	24	24.4
- Females	26.4	26.8

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 2017:

0.5% decrease in Real Discount Rate - 13% approximate increase to Employer Liability equating to approximately £89,000.

0.5% increase in the Salary Increase Rate - 2% approximate increase to Employer Liability equating to approximately £14,000.

0.5% increase in the Pension Increase Rate - 11% approximate increase to Employer Liability equating to approximately £73,000.

ST HILARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

20 Pensions and similar obligations

(Continued)

The academy's share of the assets in the scheme	2017 Fair value £	2016 Fair value £
Equities	228,000	214,000
Bonds	209,000	191,000
Property	34,000	31,000
Other assets	15,000	9,000
Total market value of assets	486,000	445,000
Actual return on scheme assets - gain/(loss)	1,000	41,000
Amounts recognised in the statement of financial activities	2017 £	2016 £
Current service cost	61,000	46,000
Interest income	(10,000)	(15,000)
Interest cost	17,000	20,000
Total operating charge	68,000	51,000
Changes in the present value of defined benefit obligations	2017 £	2016 £
Obligations at 1 September 2016	767,000	506,000
Current service cost	61,000	46,000
Interest cost	17,000	20,000
Employee contributions	9,000	9,000
Actuarial (gain)/loss	(159,000)	188,000
Benefits paid	(3,000)	(2,000)
At 31 August 2017	692,000	767,000

ST HILARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

20	Pensions and similar obligations	(Continued)	
	Changes in the fair value of the academy's share of scheme assets		
		2017	2016
		£	£
	Assets at 1 September 2016	445,000	362,000
	Interest income	10,000	15,000
	Actuarial loss/(gain)	(9,000)	26,000
	Employer contributions	34,000	35,000
	Employee contributions	9,000	9,000
	Benefits paid	(3,000)	(2,000)
	At 31 August 2017	486,000	445,000
21	Reconciliation of net expenditure to net cash flows from operating activities		
		2017	2016
		£	£
	Net expenditure for the reporting period	(94,807)	(87,382)
	Adjusted for:		
	Capital grants from DfE/ESFA and other capital income	(6,970)	(16,937)
	Investment income receivable	(396)	(502)
	Defined benefit pension costs less contributions payable	27,000	11,000
	Defined benefit pension net finance cost	7,000	5,000
	Depreciation of tangible fixed assets	45,548	41,186
	(Increase) in debtors	(15,240)	(530)
	(Decrease) in creditors	(295)	(57,174)
	Net cash used in operating activities	(38,160)	(105,339)
22	Commitments under operating leases		
	At 31 August 2017 the total future minimum lease payments under non-cancellable operating leases were as follows:		
		2017	2016
		£	£
	Amounts due within one year	2,543	2,543
	Amounts due in two and five years	9,112	11,655
	Amounts due after five years	-	602
		11,655	14,800

ST HILARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

23 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 £Nil (2016: £6,379) relating to her services provided as a supply teacher (including employer's pension contributions) took place in the year. There were £Nil amounts outstanding at 31 August 2017 (2016: £Nil).

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

24 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.