

COUSE

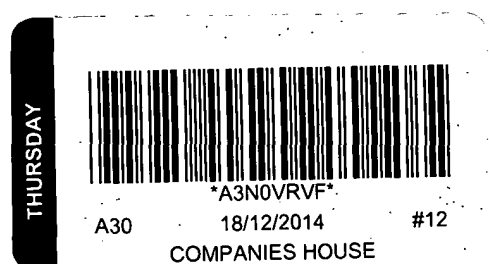
# St Hilary School

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2014

Registration number: 07655662



# **St Hilary School**

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## St Hilary School

### Reference and Administrative Details

<b>Members</b>	David Sharp Kelley Butcher Peter Scrase
<b>Governors and Trustees (Directors)</b>	David Sharp, Chairman Peter Scrase Brian Michael (Resigned 7 October 2014) Yvonne Oates Graham Mitchell (Resigned 7 October 2014) Kelley Butcher, Staff Governor Robin Hamshar, Staff Governor Louise Greygoose, Staff Governor Jennifer Dunstan, Staff Governor (Resigned 1 December 2013) Michelle Brant, Staff Governor Vivianne Laity, Staff Governor Marissa Boulter, Parent Governor Erika Hewett, Parent Governor Lucy Beckerleg, Parent Governor Fiona Drew, Parent Governor Kevin Brown, Parent Governor (Resigned 7 October 2014) Claire Roberts, Lay Governor
<b>Senior Management Team</b>	Kelley Butcher, Head Teacher / Principal Robin Hamshar, Deputy Head Teacher
<b>Principal and Registered Office</b>	St Hilary School Chynoweth Lane St Hilary Penzance Cornwall TR20 9DR
<b>Company Registration Number</b>	07655662
<b>Auditors</b>	Francis Clark LLP Lowin House Tregolls Road Truro Cornwall TR1 2NA

## **St Hilary School**

### **Governors' Report for the Year Ended 31 August 2014**

The Governors present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2014. This report also serves the purpose of a Directors' report under company law. The Company was incorporated on 2 June 2011 and commenced operations as an Academy School on 1 July 2011.

#### **Structure, Governance and Management**

##### **Constitution**

The Academy Trust is a company limited by guarantee and is an exempt charity. The Charitable Company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust. The company registration number is 07655662.

The Governors act as the Trustees for the charitable activities of St Hilary School and are also the Directors of the Charitable Company for the purposes of company law. The Charitable Company is known as St Hilary School

Details of the Governors who served throughout the year except as noted are included in the Reference and Administrative Details on page 1.

##### **Members' Liability**

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

##### **Governors' Indemnities**

Every Governor or other officer or auditor of the Academy Trust shall be indemnified out of the assets of the Academy Trust against any liability incurred by him in that capacity in defending any proceedings, whether civil or criminal, in which judgement is given in favour or in which he is acquitted or in connection with any application in which relief is granted to him by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Academy Trust.

##### **Method of Recruitment and Appointment or Election of Governors**

The number of Governors shall be not less than three but shall not be subject to any maximum. The Members may appoint up to 8 Governors. The Staff Governors may be appointed through such processes that the Members determine, provided that the total number of Governors (including the Principal) who are employees of the Academy Trust does not exceed one third of the total number of Governors.

A minimum of two Parent Governors are elected by parents of pupils registered at the Academy at the time when he is elected. Any election of Parent Governors, which is contested, is held by secret ballot.

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

Election of the Chair and Vice-Chair of Governors is held annually. Governors 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.

## **St Hilary School**

### **Governors' Report for the Year Ended 31 August 2014**

#### **Policies and Procedures Adopted for the Induction and Training of Governors**

All new Governors are assigned an experienced Governor 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.

#### **Organisational Structure**

The structure consists of three levels: The Members, the Governors and the Senior Management Team.

The Members of the Trust comprise the signatories of the Memorandum, including the Chair of the Governors. The Members have defined the roles of the Governors and the Committee structure. The Members meet annually to determine the strategic direction of the School and review progress against the strategic objectives for the School.

Governors, in addition to being members of the Governing Body, are appointed to serve on at least one of the following committees:

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

Governors are also assigned specific areas of focus aligned to the management and administration of the Academy Trust or specific teaching departments.

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

- Quality and Standard of Teaching & Learning Committee - to monitor and evaluate the curriculum within the school, monitor special educational needs (SEN) provision, and monitor and review any extended school activities.
- Personnel, Leadership & Management Committee - to support staff in their ongoing professional development, ensuring staff well being, empowering staff to become effective leaders, and review staff structure when vacancies occur.
- Finance & Resources Committee - to review and monitor expenditure assuring best value is achieved, to consider and approve the School's budget.
- Premises / Site Management, Health & Safety, Safeguarding Committee - to annually audit Safeguarding, Health & Safety and the premises and grounds and ensure that the School complies with all Safeguarding and Health and 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 Head Teacher & Deputy Head Teacher. In accordance with the Academy Financial Handbook, the Governors appointed the Head Teacher as Accounting Officer and the School Bursar as the Principal Finance Officer.

## **St Hilary School**

### **Governors' Report for the Year Ended 31 August 2014**

#### **Objectives and Activities**

##### **Objects and Aims**

The Academy Trust'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.

We aim to maintain our high standards over the forthcoming year and find ways to improve all aspects of our 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 2014 are summarised below:

- To ensure that the quality of teaching and learning is outstanding throughout the school and that high standards of pupil progress are maintained for all groups of children.
- To raise the attainment and progress of writing, including spelling and grammar, across the school. Target 92%.
- To improve the way in which all leaders check the quality of teaching across the school to ensure that the teaching strategies observed in the best lessons are consistent across the school.
- To increase the rigour of quality assurance processes in school.
- To raise the standard of teaching and learning in Science to Science Mark Gold accreditation standard.
- To promote healthy living and well-being across all aspects of the school.
- Partnership and communication with parents.
- To maintain a high standard of behaviour and safety of pupils.

##### **Public Benefit**

The Governors have ensured through review and monitoring of the activities of the Academy Trust that the primary objective of the Academy Trust to provide education for the public benefit has been met. The Governors confirm that they have complied with the duty in Section 4 of the Charities Act 2006 to have due regard to the public benefit guidance provided by the Charity Commission.

## **St Hilary School**

### **Governors' Report for the Year Ended 31 August 2014**

#### **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. We currently have 260 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: level 4+ (National expectation):

Reading 100% (68% L5)

Writing 97% (51% L5)

Spelling, Punctuation and Grammar 86% (62% L5)

Maths 100% (49% L5)

KS1 Test results: level 2+ (National expectation)

Reading 94.0%

Writing 89.7%

Maths 94.9%

Seven teachers have completed the Outstanding Teachers Programme which was delivered alongside Ludgvan School. A key element of this training has been coaching and ensuring the best teaching strategies seen across the school are made common practice.

Government PE and sports funding has been used this year for all children to complete a block of gymnastics sessions with qualified coaches in a working gymnasium. There have been a great amount of sporting successes and following achievements at Penwith level we were invited to represent Penwith at the Sainsbury's Cornwall Games in High 5, Hockey and Quad kids. We also had children playing in the cricket county finals in Year 4 (mixed), Year 5 (mixed), Year 6 (mixed) and Year 6 girls.

The school has achieved two awards during 2013-2014: Dyslexia and Inclusion Friendly Status where the evaluating team concluded that "St Hilary School is a highly inclusive school" and Cornwall Healthy Schools status.

Our curriculum is wide and varied and provides a range of exciting opportunities for the children. The school has adopted a whole school themed approach and our locality, and use of local expertise is used to enhance the curriculum. The children have enjoyed a range of whole school curriculum topics this year and have experienced an excellent range of activities from making pasties to visiting coasts and tin mines. In March our Year 5 children enjoyed taking part in our annual London trip. The trip was a huge success and all ran very smoothly. The children enjoyed two shows- 'Charlie and the Chocolate Factory' and 'We Will Rock You', visited 10 Downing Street, Covent Garden, the Science Museum, the Natural History Museum, Trafalgar Square and of course Hamleys!

## **St Hilary School**

### **Governors' Report for the Year Ended 31 August 2014**

#### **Strategic Report**

The community, as always, is a key part of our school ethos and the children have taken part in many community events. The attendance at this years 'Mazey Day' was once again incredible. The pupils had many successes in music, sport and drama, as well as academically. Our Junior and Infant Choirs enjoyed singing throughout the year, both in school and in the wider community.

During 2013-2014 we have joined "Challenge Partners" which gives us the opportunity to take part in Quality Assurance Reviews of other schools, and to be reviewed ourselves. The school has also become alliance partners with the Truro and Penwith Teaching School and the Applied Minds Teaching School. Three members of our staff have been appointed as SLE's (Specialist Leaders of Education) for the Truro and Penwith Teaching School.

The school enjoys strong working relationships with parents and we are extremely grateful for the parents who have volunteered to support the school, 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 we do. This is particularly the case in the Early Years classrooms where 'Welly Walks' and outdoor learning opportunities are part of daily routines. This year we were able to give parents access to online reports for their children. This has proved to be very successful and feedback from parents has been very positive.

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 to enable us to develop an extension to the school playground to include physical play activities. This work was completed, along with the aid of a 'Big Lottery Grant', in Spring 2014. The equipment has proved itself to be a valuable asset to the school and it has provided the children with a much greater range of playtime and lunchtime activities. The equipment is being put to good community use and school families are choosing to use the equipment in the evenings and weekends.

#### **Going Concern**

After making appropriate enquiries, the Governors have a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

#### **Principal Risks and Uncertainties**

The principal risk facing the Academy Trust 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 prudent reserves policy.

#### **Key Financial Performance Indicators**

The key financial performance indicator for the Academy Trust 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 Governors 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.



## **St Hilary School**

### **Governors' Report for the Year Ended 31 August 2014**

#### **Strategic Report**

##### **Financial Review**

The Academy held fund balances at 31 August 2014 of £1,209,581 comprising of £92,127 restricted general funds, £93,104 of unrestricted funds, £1,156,350 restricted fixed asset funds and a deficit on the restricted pension fund of £132,000. The Academy has a positive General Annual Grant carry forward of £61,586.

In accordance with the Funding Agreement, the principal source of general funding with which to finance the operations of the Academy Trust is the Department of Education. £15,275 of General Annual Grant funding was spent on capital items.

##### **Risk Management**

The Governors 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 Governors 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 Governors at least once each term.

##### **Reserves Policy**

A reserve of £93,104 is held within the unrestricted funds to provide protection against unforeseen financial risk.

##### **Investment Policy**

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.

## **St Hilary School**

### **Governors' Report for the Year Ended 31 August 2014**

#### **Plans for Future Periods**

- To close the gap between pupil premium and non-pupil premium children.
- To ensure a broad and deep curriculum for all children
- An uncompromising drive and rigour from leaders at all levels, ensuring that standards of teaching and learning are outstanding.
- To continue to explore local and national partnerships, trust teaching school partnerships.
- Purchase another minibus.
- Replace the Elliott buildings with permanent buildings through a grant application.
- Re-fence the lower playground with sports fencing.

## St Hilary School


### Governors' Report for the Year Ended 31 August 2014

#### Auditor

In so far as the Governors are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the governors 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.

Approved by order of the Board of Governors on 21/12/14 and signed on its behalf by:

  
.....  
Chair of Governors  
MR D SHARP

## St Hilary School

### Governance Statement

#### Scope of Responsibility

As Governors, 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 Governors has delegated the day-to-day responsibility to Kelley Butcher, 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 Governors any material weaknesses or breakdowns in internal control.

#### Governance

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

Director	Meetings attended	Out of a possible
Peter Scrase	5	5
Kelley Butcher	5	5
David Sharp	5	5
Brian Michael	1	5
Robin Hamshar	3	5
Graham Mitchell	4	5
Claire Roberts	3	5
Marissa Boulter	4	5
Jennifer Dunstan	5	5
Yvonne Oates	5	5
Erika Hewett	5	5
Fiona Drew	5	5
Lucy Beckerleg	5	5
Vivianne Laity	4	5
Louise Greygoose	5	5
Michelle Brant	3	5
Kevin Brown	4	5

The Finance and Resources Committee is a sub-committee of the main Board of Governors. Its purpose is to support the senior leadership team of St Hilary School with its financial obligations. It is involved in all aspects of St Hilary School's budget, including budget setting, budget monitoring, procurement, its financial processes and ensuring St Hilary School is compliant with the statutory accounting policies Attendance at meetings during the year was as follows:

## St Hilary School

### Governance Statement (continued)

Members of the Committee	Meetings attended	Out of a possible
Fiona Drew	4	4
Kelley Butcher	3	4
Marissa Boulter	3	4
Brian Michael	1	4
David Sharp	3	4
Peter Scrase	3	4
Kevin Brown	4	4

#### The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in St Hilary School for the year ended 31 August 2014 and up to the date of approval of the annual report and financial statements.

#### Capacity to Handle Risk

The Board of Governors has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Governors is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the year ending 31 August 2014 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Governors.

#### The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Governors;
- 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 Governors has considered the need for a specific internal audit function and has decided:

- not to appoint an internal auditor. However the Governors have appointed Miss K Richards as responsible officer (RO)

## St Hilary School

### Governance Statement (continued)

The RO's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. On a termly basis, the RO reports to the Board of Governors on the operation of the systems of control and on the discharge of the Board of Governors's financial responsibilities.

There were no material control or other issues reported by the RO to date.

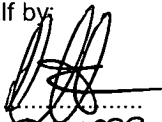
#### Review of Effectiveness

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

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

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the 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 members of the Board of Governors on 21/2/14 and signed on its behalf by:

  
.....  
DAVID SHARP  
Chair of Governors

  
.....  
KELLEY BUTCHER  
Accounting Officer

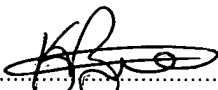
## St Hilary School

### Statement on Regularity, Propriety and Compliance

As Accounting Officer of St Hilary School I have considered my responsibility to notify the Trust Board of Governors and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the Funding Agreement in place between the Trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

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

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



Kelley Butcher  
Accounting officer

DATE 21/2/14

## St Hilary School

### Statement of Governors' Responsibilities

The Governors (who are the directors of the charitable company for the purposes of company law) are responsible for preparing the Governors' Report and the financial statements in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Governors to prepare financial statements for each financial year. Under company law the Governors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Governors are required to:


- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Governors are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Governors are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the EFA/DfE have been applied for the purposes intended.

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

Approved by order of the Board of Governors on 2/12/14 and signed on its behalf by:

  
.....  
Chair of Governors  
DAVID SHARP



## **St Hilary School**

### **Independent Auditor's Report on the Financial Statements to the members of St Hilary School**

We have audited the financial statements of St Hilary School for the year ended 31 August 2014, which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, Balance Sheet, Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective Responsibilities of Governors and Auditors**

As explained more fully in the Statement of Governors' Responsibilities (set out on page 15), the Governors (who are also the Directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

#### **Scope of the Audit of the Financial Statements**

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

#### **Opinion on the Financial Statements**

In our opinion the financial statements:

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

#### **Opinion on Other Matter Prescribed by the Companies Act 2006**

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

## St Hilary School

### Independent Auditor's Report on the Financial Statements to the members of St Hilary School (continued)

#### Matters on Which we are Required to Report by Exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

*Francis Clark LLP*

Michael Bentley ACA DChA (Senior Statutory Auditor)  
For and on behalf of Francis Clark LLP, Statutory Auditor

Lowin House  
Tregolls Road  
Truro  
Cornwall  
TR1 2NA

Date: *12/12/14*

## **St Hilary School**

### **Independent Reporting Accountant's Assurance Report on Regularity to St Hilary School and the Education Funding Agency**

In accordance with the terms of our engagement letter dated 2 October 2013 and further to the requirements of the Education Funding Authority (EFA) as included in the Academies Accounts Direction 2013 to 2014, we have carried out a review to obtain limited assurance about whether the expenditure disbursed and income received by the academy trust during the period 1 September 2013 to 31 August 2014 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to St Hilary School and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we may state to St Hilary School and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume any responsibility to anyone other than St Hilary School and the EFA, for our work, for this report, or for the opinion 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 the 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 2013, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

#### **Approach**

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

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

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

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the academy trust's income and expenditure.

The work undertaken to draw to our conclusion includes:

- Inspection and review of documentation providing evidence of governance procedures
- Evaluation of the system of internal controls for authorisation and approval
- Performing substantive tests on relevant transactions

#### **Conclusion**

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

**St Hilary School**

**Independent Reporting Accountant's Assurance Report on Regularity to St Hilary School and the Education Funding Agency (continued)**

*Francis Clark LLP*

Michael Bentley ACA DChA

For and on behalf of Francis Clark LLP, Chartered Accountants

Lowin House  
Tregolls Road  
Truro  
Cornwall  
TR1 2NA

Date: *12/12/14*

## St Hilary School

### Statement of Financial Activities for the Year Ended 31 August 2014 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2014 £	Total 2013 £
<b>Incoming resources</b>						
<i>Incoming resources from generated funds:</i>						
Voluntary income	2	7,051	20,117	6,339	33,507	20,904
Activities for generating funds	3	26,183	-	-	26,183	33,135
Investment income	4	398	-	-	398	493
<i>Incoming resources from charitable activities:</i>						
Funding for the Trust's educational operations	5	-	1,087,591	6,948	1,094,539	1,061,380
<i>Other incoming resources</i>						
Other incoming resources	6	5,158	-	-	5,158	7,487
Total incoming resources		<u>38,790</u>	<u>1,107,708</u>	<u>13,287</u>	<u>1,159,785</u>	<u>1,123,399</u>
<b>Resources expended</b>						
<i>Cost of generating funds:</i>						
Costs of generating voluntary income		-	23,311	-	23,311	23,638
Cost of generating funds		27,039	-	-	27,039	24,709
<i>Charitable activities:</i>						
Trust's educational operations		-	1,022,341	42,514	1,064,855	1,101,353
Governance costs	9	-	7,219	-	7,219	7,111
Total resources expended	7	<u>27,039</u>	<u>1,052,871</u>	<u>42,514</u>	<u>1,122,424</u>	<u>1,156,811</u>
Net incoming/(outgoing) resources before transfers		11,751	54,837	(29,227)	37,361	(33,412)

## St Hilary School

### Statement of Financial Activities for the Year Ended 31 August 2014 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses) (continued)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2014 £	Total 2013 £
Gross transfers between funds		-	(15,275)	15,275	-	-
Net income/(expenditure) for the year		11,751	39,562	(13,952)	37,361	(33,412)
<b>Other recognised gains and losses</b>						
Actuarial loss on defined benefit pension schemes	24	-	(48,000)	-	(48,000)	5,000
Net movement in funds/(deficit)		11,751	(8,438)	(13,952)	(10,639)	(28,412)
<b>Reconciliation of funds</b>						
Funds/(deficit) brought forward at 1 September 2013		81,353	(31,435)	1,170,302	1,220,220	1,248,632
Funds/(deficit) carried forward at 31 August 2014		93,104	(39,873)	1,156,350	1,209,581	1,220,220

All of the academy's activities derive from continuing operations during the above two financial periods.

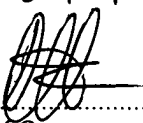
A Statement of Total Recognised Gains and Losses is not required as all gains and losses are included in the Statement of Financial Activities.

# St Hilary School

(Registration number: 07655662)  
Balance Sheet as at 31 August 2014

	Note	2013 £	2012 £
<b>Fixed assets</b>			
Tangible assets	13	1,156,350	1,151,919
<b>Current assets</b>			
Debtors	14	18,672	12,380
Cash at bank and in hand		<u>226,681</u>	<u>240,465</u>
		245,353	252,845
Creditors: Amounts falling due within one year	15	<u>(60,122)</u>	<u>(108,544)</u>
Net current assets		<u>185,231</u>	<u>144,301</u>
Total assets less current liabilities		<u>1,341,581</u>	<u>1,296,220</u>
Net assets excluding pension liability		1,341,581	1,296,220
Pension scheme liability	24	<u>(132,000)</u>	<u>(76,000)</u>
Net assets including pension liability		<u>1,209,581</u>	<u>1,220,220</u>
<b>Funds of the Academy:</b>			
<b>Restricted funds</b>			
Restricted general fund		92,127	44,565
Restricted fixed asset fund		1,156,350	1,170,302
Restricted pension fund		<u>(132,000)</u>	<u>(76,000)</u>
		1,116,477	1,138,867
<b>Unrestricted funds</b>			
Unrestricted general fund		<u>93,104</u>	<u>81,353</u>
Total funds		<u>1,209,581</u>	<u>1,220,220</u>

The financial statements on pages 20 to 45 were approved by the Governors, and authorised for issue on 21/12/14 and signed on their behalf by:

  
.....  
Chair of Governors  
DAVID SHARP

## St Hilary School

### Cash Flow Statement for the Year Ended 31 August 2014

	Note	2014 £	2013 £
Net cash inflow from operating activities	19	19,476	265,692
Returns on investments and servicing of finance	20	398	493
Capital expenditure and financial investment	21	<u>(33,658)</u>	<u>(236,891)</u>
(Decrease)/increase in cash in the year	22	<u><u>(13,784)</u></u>	<u><u>29,294</u></u>

#### Reconciliation of net cash flow to movement in net funds

(Decrease)/increase in cash in the year	(13,784)	29,294
Net funds at 1 September 2013	<u>240,465</u>	<u>211,171</u>
Net funds at 31 August 2014	<u><u>226,681</u></u>	<u><u>240,465</u></u>



# **St Hilary School**

## **Notes to the Financial Statements for the Year Ended 31 August 2014**

### **1 Accounting Policies**

#### **Basis of Preparation**

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

#### **Going Concern**

The Governors assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The Governors make this assessment in respect of a period of one year from the date of approval of the financial statements.

#### **Incoming Resources**

All incoming resources are recognised when the Academy Trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

#### **Grants Receivable**

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 entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund. Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

#### **Sponsorship Income**

Sponsorship income provided to the Academy Trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable, where there is certainty of receipt.

#### **Donations**

Donations are recognised on a receivable basis where there is certainty of receipt 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 goods have been provided or on completion of the service.

## **St Hilary School**

### **Notes to the Financial Statements for the Year Ended 31 August 2014**

#### **1 Accounting Policies (continued)**

##### **Donated Services and Gifts in Kind**

The value of donated services and gifts in kind provided to the Academy Trust are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the Academy Trust can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with Academy Trust's policies.

##### **Resources Expended**

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

All resources expended are inclusive of irrecoverable VAT.

##### **Cost of Generating Funds**

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

##### **Charitable Activities**

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

##### **Governance Costs**

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

## St Hilary School

### Notes to the Financial Statements for the Year Ended 31 August 2014

#### 1 Accounting Policies (continued)

##### **Tangible Fixed Assets**

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. 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 such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy Trust's depreciation policy.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset over its expected useful lives, per the table below.

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.

<b>Asset class</b>	<b>Depreciation method and rate</b>
Leasehold buildings	Straight line over 50 years or 20 years
Fixtures, fittings and equipment	10 years straight line
ICT equipment	3 years straight line

##### **Leased Assets**

Rentals under operating leases are charged on a straight line basis over the lease term.

##### **Taxation**

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by 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.

## **St Hilary School**

### **Notes to the Financial Statements for the Year Ended 31 August 2014**

#### **1 Accounting Policies (continued)**

##### **Pension Benefits**

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes, are contracted out of the State Earnings-Related Pension Scheme ('SERPS'), and the assets are held separately from those of the Academy Trust. The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in the notes to the financial statements, the TPS is a multi-employer scheme and the Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the Academy Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

##### **Fund Accounting**

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Education Funding Agency/Department for Education and other funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received and include grants from the Education Funding Agency/Department for Education.

## St Hilary School

### Notes to the Financial Statements for the Year Ended 31 August 2014

#### 2 Voluntary Income

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total 2014 £	Total 2013 £
Lottery grant	-	-	6,339	6,339	1,503
General donations	7,051	20,117	-	27,168	19,401
	<u>7,051</u>	<u>20,117</u>	<u>6,339</u>	<u>33,507</u>	<u>20,904</u>

#### 3 Activities for Generating Funds

	Unrestricted funds £	Total 2014 £	Total 2013 £
Hire of facilities	506	506	215
Other income	25,677	25,677	32,920
	<u>26,183</u>	<u>26,183</u>	<u>33,135</u>

#### 4 Investment Income

	Unrestricted funds £	Total 2014 £	Total 2013 £
Bank Interested Receivable	398	398	493

# St Hilary School

## Notes to the Financial Statements for the Year Ended 31 August 2014

### 5 Funding for Trust's Educational Operations

	Restricted funds £	Restricted fixed asset funds £	Total 2014 £	Total 2013 £
<b>DfE/EFA capital grants</b>				
Devolved Formula Capital allocations	-	6,948	6,948	6,880
<b>DfE/EFA revenue grants</b>				
General Annual Grant (GAG)	1,001,198	-	1,001,198	971,752
Pupil Premium	31,721	-	31,721	17,379
	<u>1,032,919</u>	<u>-</u>	<u>1,032,919</u>	<u>989,131</u>
<b>Other government grants</b>				
SEN from LA	45,557	-	45,557	53,869
Lottery funding	-	-	-	10,000
Other grants	9,115	-	9,115	1,500
	<u>54,672</u>	<u>-</u>	<u>54,672</u>	<u>65,369</u>
Total grants	<u>1,087,591</u>	<u>6,948</u>	<u>1,094,539</u>	<u>1,061,380</u>

### 6 Other Incoming Resources

	Unrestricted funds £	Total 2014 £	Total 2013 £
Refunds/rebates from suppliers	3,004	3,004	-
Insurance Claims - Teachers	1,050	1,050	7,487
Insurance Claims - Non teach	1,104	1,104	-
	<u>5,158</u>	<u>5,158</u>	<u>7,487</u>

# St Hilary School

## Notes to the Financial Statements for the Year Ended 31 August 2014

### 7 Resources Expended

	Staff costs £	Premises £	Other costs £	Total 2014 £	Total 2013 £
Costs of generating voluntary income	-	-	23,311	23,311	23,638
Costs of activities for generating funds	11,674	-	15,365	27,039	24,709
<b>Academy's educational operations</b>					
Direct costs	724,345	-	44,808	769,153	789,347
Allocated support costs	110,759	126,037	58,906	295,702	312,006
	835,104	126,037	103,714	1,064,855	1,101,353
Governance costs including allocated support costs	-	-	7,219	7,219	7,111
	846,778	126,037	149,609	1,122,424	1,156,811

#### Net incoming/outgoing resources for the year include:

	2014 £	2013 £
Operating leases	3,095	3,095
Fees payable to auditor - audit	4,635	4,500
- other audit services	2,025	2,450

# St Hilary School

## Notes to the Financial Statements for the Year Ended 31 August 2014

### 8 Charitable Activities - Academy's Educational Operations

	Restricted funds £	Restricted fixed asset funds £	Total 2014 £	Total 2013 £
<b>Direct costs</b>				
Teaching and educational support staff costs	724,345	-	724,345	738,707
Educational supplies	25,344	-	25,344	27,994
Staff development	8,317	-	8,317	8,577
Other direct costs	11,147	-	11,147	14,069
	<u>769,153</u>	<u>-</u>	<u>769,153</u>	<u>789,347</u>
<b>Allocated support costs</b>				
Support staff costs	103,759	-	103,759	102,676
FRS 17 service cost adjustment	7,000	-	7,000	4,000
Depreciation	-	42,514	42,514	37,415
Maintenance of premises and equipment	42,771	-	42,771	51,934
Cleaning	6,289	-	6,289	10,159
Rent and rates	8,239	-	8,239	8,905
Energy costs	12,978	-	12,978	13,542
Insurance	13,246	-	13,246	26,668
Recruitment and support	15,273	-	15,273	11,985
Security & transport	2,658	-	2,658	1,279
Catering	11,413	-	11,413	10,241
Bank interest and charges	199	-	199	106
Expected return on scheme assets	(14,000)	-	(14,000)	(9,000)
Interest on defined benefit pension scheme	15,000	-	15,000	11,000
Other support costs	28,363	-	28,363	31,096
	<u>253,188</u>	<u>42,514</u>	<u>295,702</u>	<u>312,006</u>
	<u>1,022,341</u>	<u>42,514</u>	<u>1,064,855</u>	<u>1,101,353</u>



## St Hilary School

### Notes to the Financial Statements for the Year Ended 31 August 2014

#### 9 Governance Costs

	Restricted funds £	Total 2014 £	Total 2013 £
Legal and professional fees	559	559	1,501
<b>Auditors' remuneration</b>			
Audit of financial statements	4,635	4,635	4,060
Other audit services	2,025	2,025	1,550
	<u>7,219</u>	<u>7,219</u>	<u>7,111</u>

#### 10 Staff Costs

	2014 £	2013 £
<b>Staff costs during the year were:</b>		
Wages and salaries	699,291	692,746
Social security costs	39,741	39,705
Pension costs	93,005	90,786
Supply teacher costs	14,741	27,920
	<u>846,778</u>	<u>851,157</u>

The average number of persons (including senior management team) employed by the Academy during the year expressed as full time equivalents was as follows:

	2014 No	2013 No
<b>Charitable Activities</b>		
Teachers	11	10
Education support	18	18
Management	1	1
Administration and support	4	4
	<u>34</u>	<u>33</u>

There were no employees whose emoluments (excluding pension contributions) totalled above £60,000 in the year (2013: nil).

## St Hilary School

### Notes to the Financial Statements for the Year Ended 31 August 2014

#### 11 Governors' Remuneration and Expenses

The Principal and staff Governors only receive remuneration (includes pension contributions) in respect of services they provide undertaking the roles of Principal and staff and not in respect of their services as Governors. Other Governors did not receive any payments, other than expenses, from the Academy in respect of their role as Governors. The value of Governors' remuneration was as follows:

Kelley Butcher (Principal and Staff Governor): £65,000 - £70,000 (2013 - £60,000 - £65,000)

Michelle Brant (Staff Governor): £45,000 - £50,000 (2013 - £45,000 - £50,000)

Jennifer Dunstan (Staff Governor): £0 - £5,000 (2013 - £0 - £5,000)

Louise Greygoose (Staff Governor): £10,000 - £15,000 (2013 - £10,000 - £15,000)

Robin Hamshar (Staff Governor): £55,000 - £60,000 (2013 - £50,000 - £55,000)

Vivianne Laity (Staff Governor): £15,000 - £20,000 (2013 - £15,000 - £20,000)

During the year ended 31 August 2014, travel and expenses totalling £1,031 (2013 - £137) were reimbursed to 6 trustees (2013 - 2).

Related party transactions involving the trustees are set out in note 25.

#### 12 Governors' and Officers' Insurance

In accordance with normal commercial practice the Academy has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £1,040,450 on any one claim and the cost for the year ended 31 August 2014 was £1,040 (2013 - £1,010).

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

## St Hilary School

### Notes to the Financial Statements for the Year Ended 31 August 2014

#### 13 Tangible Fixed Assets

	Leasehold land and buildings £	Furniture and equipment £	ICT equipment £	Total £
<b>Cost</b>				
At 1 September 2013	1,150,410	41,528	45,522	1,237,460
Additions	(2,775)	41,400	8,320	46,945
At 31 August 2014	<u>1,147,635</u>	<u>82,928</u>	<u>53,842</u>	<u>1,284,405</u>
<b>Depreciation</b>				
At 1 September 2013	46,785	6,374	32,382	85,541
Charge for the year	<u>23,990</u>	<u>7,259</u>	<u>11,265</u>	<u>42,514</u>
At 31 August 2014	<u>70,775</u>	<u>13,633</u>	<u>43,647</u>	<u>128,055</u>
<b>Net book value</b>				
At 31 August 2014	<u>1,076,860</u>	<u>69,295</u>	<u>10,195</u>	<u>1,156,350</u>
At 31 August 2013	<u>1,103,625</u>	<u>35,154</u>	<u>13,140</u>	<u>1,151,919</u>

## St Hilary School

### Notes to the Financial Statements for the Year Ended 31 August 2014

#### 14 Debtors

	2014 £	2013 £
Prepayments	4,045	2,021
Accrued grant and other income	7,133	3,650
VAT recoverable	7,494	6,709
	<u>18,672</u>	<u>12,380</u>

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

	2014 £	2013 £
Trade creditors	6,453	28,642
Other taxation and social security	12,360	12,924
Other creditors	784	890
Pension scheme creditor	11,472	11,943
Accruals and deferred income	29,053	54,145
	<u>60,122</u>	<u>108,544</u>

	2014 £
Resources deferred in the period	<u>22,843</u>

The deferred income represents free school meals income received during the year which relates to the next academic year.

# St Hilary School

## Notes to the Financial Statements for the Year Ended 31 August 2014

### 16 Funds

	Balance at 1 September 2013 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2014 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	23,114	1,001,198	(944,257)	(18,469)	61,586
Other DfE/EFA grants	17,801	45,557	(39,950)	-	23,408
Pupil Premium	3,650	31,721	(28,238)	-	7,133
Other donations	-	29,232	(32,426)	3,194	-
	<u>44,565</u>	<u>1,107,708</u>	<u>(1,044,871)</u>	<u>(15,275)</u>	<u>92,127</u>
<b>Restricted fixed asset funds</b>					
DfE/EFA capital grants	225,073	-	(6,455)	-	218,618
Capital expenditure from GAG	44,345	-	(13,462)	15,275	46,158
Lottery grant	1,992	-	-	-	1,992
Assets gifted from the Local Authority	880,509	-	(19,492)	-	861,017
All weather play area	<u>18,383</u>	<u>13,287</u>	<u>(3,105)</u>	<u>-</u>	<u>28,565</u>
	1,170,302	13,287	(42,514)	15,275	1,156,350
<b>Restricted pension funds</b>					
Pension reserve	<u>(76,000)</u>	<u>-</u>	<u>(8,000)</u>	<u>(48,000)</u>	<u>(132,000)</u>
Total restricted funds	1,138,867	1,120,995	(1,095,385)	(48,000)	1,116,477
<b>Unrestricted funds</b>					
Unrestricted general funds	<u>81,353</u>	<u>38,790</u>	<u>(27,039)</u>	<u>-</u>	<u>93,104</u>
Total funds	<u>1,220,220</u>	<u>1,159,785</u>	<u>(1,122,424)</u>	<u>(48,000)</u>	<u>1,209,581</u>

## St Hilary School

### Notes to the Financial Statements for the Year Ended 31 August 2014

#### 16 Funds (continued)

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

- The General Annual Grant (GAG) restricted fund relates to the funding received from EFA for the ongoing provision of education services to children from the age of seven to eleven.
- The other DfE/EFA funds includes grants for the provision of education and training services to children with special needs.
- The Pension reserve fund represents the current deficit on the Local Government Pension Scheme.
- The Academy operates Fixed Asset Restricted Funds. Income that is received by the Academy for the purchase of specific capital items or projects is allocated to within this fund.
- All weather play area fund includes a Lottery grant and DFC grant for this purpose.

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2014.

#### 17 Analysis of Net Assets Between Funds

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	1,156,350	1,156,350
Current assets	93,104	152,249	-	245,353
Current liabilities	-	(60,122)	-	(60,122)
Pension scheme liability	-	(132,000)	-	(132,000)
Total net assets	<u>93,104</u>	<u>(39,873)</u>	<u>1,156,350</u>	<u>1,209,581</u>

## St Hilary School

### Notes to the Financial Statements for the Year Ended 31 August 2014

#### 18 Financial Commitments

##### Operating leases

At 31 August 2014 the Trust had annual commitments under non-cancellable operating leases as follows:

##### Operating leases which expire:

	2014 £	2013 £
<b>Other</b>		
Within two to five years	<u>3,326</u>	<u>3,095</u>

#### 19 Reconciliation of Net Income/(Expenditure) to Net Cash Inflow/(Outflow) from Operating Activities

	2014 £	2013 £
Net income/(expenditure)	37,361	(33,412)
Depreciation	42,514	37,415
Capital grants	(13,287)	(18,383)
Interest receivable	(398)	(493)
FRS 17 expected return on scheme assets	(14,000)	(9,000)
FRS 17 interest on defined benefit pension scheme	15,000	11,000
FRS17 service cost adjustment	7,000	4,000
(Increase)/decrease in debtors	(6,292)	216,282
(Decrease)/increase in creditors	<u>(48,422)</u>	<u>58,283</u>
Net cash inflow from operating activities	<u>19,476</u>	<u>265,692</u>

## St Hilary School

### Notes to the Financial Statements for the Year Ended 31 August 2014

#### 20 Returns on Investments and Servicing of Finance

	2014 £	2013 £
Interest received	398	493
Net cash inflow from returns on investments and servicing of finance	<u>398</u>	<u>493</u>

#### 21 Capital Expenditure and Financial Investment

	2014 £	2013 £
Purchase of tangible fixed assets	(46,945)	(255,274)
Capital grants from DfE	6,948	6,880
Capital grants from others	-	10,000
Capital funding received from sponsors and others	<u>6,339</u>	<u>1,503</u>
Net cash outflow from capital expenditure and financial investment	<u>(33,658)</u>	<u>(236,891)</u>

#### 22 Analysis of Changes in Net Funds

	At 1 September 2013 £	Cash flows £	At 31 August 2014 £
Cash at bank and in hand	<u>240,465</u>	<u>(13,784)</u>	<u>226,681</u>

#### 23 Members' Liability

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



## **St Hilary School**

### **Notes to the Financial Statements for the Year Ended 31 August 2014**

#### **24 Pension 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 defined benefit schemes.

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

Contributions amounting to £(11,472) (2013 - £(11,943)) were payable to the schemes at 31 August and are included within creditors.

#### **Teachers' Pension Scheme**

##### **Introduction**

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

The Teachers' Pensions Regulations require an annual account to be kept of receipts and expenditure (including the cost of pensions' increases). From 1 April 2001, the account has been credited with a real rate of return, which is equivalent to assuming that the balance in the account is invested in notional investments that produce that real rate of return.

##### **Valuation of the Teachers' Pension Scheme**

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 14.1%);
- total scheme liabilities for service to the effective date of £191,500 million, and notional assets of £176,600 million, giving a notional past service deficit of £14,900 million; and
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations.

The new employer contribution rate is applicable from 1 April 2015 and will be implemented for the TPS from September 2015.

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx>).

## St Hilary School

### Notes to the Financial Statements for the Year Ended 31 August 2014

#### 24 Pension and Similar Obligations (continued)

##### Teachers' Pension Scheme Changes

Lord Hutton made recommendations in 2011 about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation with trade unions and other representative bodies. In March 2012 the Department for Education published proposals for the design for a reformed TPS.

The key provisions of the reformed scheme include: a pension based on career average earnings; an accrual rate of 1/57th; and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Pension benefits built up before 1 April 2015 will be fully protected.

In addition, the proposed final agreement includes a Government commitment that those within 10 years of normal pension age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall up to three and a half years outside of the 10 year protection.

In his interim report of October 2010, Lord Hutton recommended that short-term savings were also required, and that the only realistic way of achieving these was to increase member contributions. At the Spending Review 2010 the Government announced an average increase of 3.2 percentage points on the contribution rates by 2014-15. The increases have been phased in since April 2012 on a 40:80:100% basis.

The Department for Education has continued to work closely with trade unions and other representatives bodies to develop the reformatting Teachers' Pension Scheme and regulations giving effect to it came into force on 1 April 2014. Communications are being rolled out and the reformatting scheme will commence on 1 April 2015.

Under the definitions set out in Financial Reporting Standard 17 (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The Trust is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the Trust has taken advantage of the exemption in FRS 17 and 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 and the implications for the academy in terms of the anticipated contribution rates.

##### Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2014 was £37,000 (2013 - £39,000), of which employer's contributions totalled £29,000 (2013 - £30,000) and employees' contributions totalled £8,000 (2013 - £9,000). The agreed contribution rates for 31 March 2015 are 18.7% plus £2,200 per annum for employers and 5.5% - 7.5% per cent for employees.

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

## St Hilary School

### Notes to the Financial Statements for the Year Ended 31 August 2014

#### 24 Pension and Similar Obligations (continued)

##### Principal Actuarial Assumptions

	At 31 August 2014 %	At 31 August 2013 %
Rate of increase in salaries	4.50	5.10
Rate of increase for pensions in payment/inflation	2.70	2.80
Discount rate for scheme liabilities	3.70	4.60
Expected return on assets	<u>4.80</u>	<u>5.60</u>

Commutations - An allowance is included for future retirements to elect to take 40% of the maximum additional tax-free cash up to HMRC limits for pre-April 2008 service and 70% of the maximum tax-free cash for post April 2008 service.

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

	At 31 August 2014	At 31 August 2013
<b>Retiring today</b>		
Males retiring today	22.20	21.30
Females retiring today	24.40	23.40
<b>Retiring in 20 years</b>		
Males retiring in 20 years	24.40	23.20
Females retiring in 20 years	<u>26.80</u>	<u>25.60</u>

## St Hilary School

### Notes to the Financial Statements for the Year Ended 31 August 2014

#### 24 Pension and Similar Obligations (continued)

The Trust's share of the assets and liabilities in the scheme were:

	At 31 August 2014 £	At 31 August 2013 £
Equities	165,000	150,000
Corporate bonds	124,000	60,000
Property	19,000	12,000
Cash	3,000	17,000
Total market value of assets	311,000	239,000
Present value of scheme liabilities - funded	(443,000)	(315,000)
Deficit in the scheme	(132,000)	(76,000)

The expected rates of return were:

	At 31 August 2014 %	At 31 August 2013 %
Equities	6.20	6.60
Corporate bonds	3.20	3.90
Property	4.50	4.70
Cash	3.30	3.60

The expected return on assets is based on the long-term future expected investment return for each asset class at the beginning of the period. The returns on gilts and other bonds are assumed to be the gilt yield and corporate bond yield (with an adjustment to reflect the default risk) respectively at the relevant date. The returns on equities and property are then assumed to be a margin above gilt yields.

The actual return on scheme assets was £29,000 (2013 - £22,000).

## St Hilary School

### Notes to the Financial Statements for the Year Ended 31 August 2014

#### 24 Pension and Similar Obligations (continued)

##### Amounts Recognised in the Statement of Financial Activities

	2014 £	2013 £
Current service cost	36,000	34,000
Total operating charge	36,000	34,000

##### Analysis of Pension Finance Income/(Costs)

	2014 £	2013 £
Expected return on pension scheme assets	14,000	9,000

The actuarial gains and losses for the current year are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS 17 is (£84,000) (2013 - (£36,000)).

##### Movements in the Present Value of Defined Benefit Obligation

	2014 £	2013 £
At 1 September	315,000	253,000
Current service cost	36,000	34,000
Interest cost	15,000	11,000
Employee contributions	8,000	9,000
Actuarial losses	71,000	8,000
Benefits paid	(2,000)	-
At 31 August	443,000	315,000

## St Hilary School

### Notes to the Financial Statements for the Year Ended 31 August 2014

#### 24 Pension and Similar Obligations (continued)

##### Movements in the Fair Value of Trust's Share of Scheme Assets

	2014 £	2013 £
At 1 September	239,000	178,000
Expected return on assets	14,000	9,000
Actuarial gains	23,000	13,000
Employer contributions	29,000	30,000
Employee contributions	8,000	9,000
Benefits paid	(2,000)	-
At 31 August	<u>311,000</u>	<u>239,000</u>

The estimated value of employer contributions for next period is £27,000 (2013 - £32,000).

##### History of Experience Adjustments

Amounts for the current and previous 3 periods are as follows:

	2014 £	2013 £	2012 £
Present value of scheme liabilities	(443,000)	(315,000)	(253,000)
Fair value of scheme assets	<u>311,000</u>	<u>239,000</u>	<u>178,000</u>
Deficit in the scheme	<u>(132,000)</u>	<u>(76,000)</u>	<u>(75,000)</u>

	2014 £	2013 £	2012 £
Experience adjustments arising on scheme assets	23,000	13,000	(13,000)
Experience adjustments arising on scheme liabilities	<u>5,000</u>	<u>-</u>	<u>-</u>

Comparative figures have not been restated as permitted by FRS 17.

#### 25 Related Party Transactions

Owing to the nature of the Academy's operations and the composition of the Board of Governors being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the Board of Governors may have 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.

During the year the academy made the following related party transactions:

##### Mr W M Laity

(an unincorporated business owned by the husband of Mrs V Laity, a Governor)

During the period, building and maintenance services were undertaken with the business totalling £2,730 (2013 - £1,360). The transactions were undertaken at cost. At the balance sheet date the amount due to Mr W M Laity was £Nil (2013 - £Nil).