

---

**HOLYWELL PRIMARY SCHOOL**  
**(A company limited by guarantee)**

---

**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 AUGUST 2014**



**Company Registration Number: 8150822**  
**(England and Wales)**

4 Henley Way  
Doddington Road  
Lincoln  
LN6 3QR  
T 01522 507000  
E [info@lincoln.duntop.co.uk](mailto:info@lincoln.duntop.co.uk)

**DUNCAN  
& TOPLIS**  
CHARTERED ACCOUNTANTS  
AND BUSINESS ADVISERS

---

**HOLYWELL PRIMARY SCHOOL**  
**(A company limited by guarantee)**

---

**Contents**

Reference and Administrative Details	1 - 2
Trustees' Report	3 -15
Governance Statement	16 -18
Statement on Regularity, Propriety and Compliance	19
Statement of Trustees' Responsibilities	20
Independent Auditor's Report to the Members	21-22
Independent Auditors Report on Regularity	23-24
Statement of Financial Activities (incorporating Income & Expenditure Account)	25-26
Balance Sheet	27
Cash Flow Statement	28
Notes to the Financial Statements, incorporating: Accounting Policies Other notes to the Financial Statements	29-52

---

**HOLYWELL PRIMARY SCHOOL**  
**(A company limited by guarantee)**

---

**REFERENCE AND ADMINISTRATIVE DETAILS**

Trustees	Mark Needham (Chair of Governors) John Todd (Chair Finance & Personnel) Rob Seager (Chair Teaching & Learning) Steven Christie (Chair Premises) Claudia Foster (Vice Chair of Governors) David Donegani Alan McPherson Rebecca Coleman Rebecca Moody Leah Aulton (appointed 2 September 2013) Scott McKittrick (appointed 8 October 2013) Christine Clarke (appointed 8 October 2013) Bev Fawdington (appointed 1 July 2014) Julia Vermaak (appointed 27 March 2014) Ruth Sims (resigned 25 February 2014) Debbie Razzaq (resigned 11 April 2014)
Company Secretary	Ann Barkley
Senior Management Team	
<ul style="list-style-type: none"><li>• Head Teacher</li><li>• Deputy Head Teacher</li><li>• Assistant Head Teacher</li><li>• Business manager</li></ul>	Mrs Christine Linnitt Mrs Mia Ings Mrs Diane Williams Mrs Phillipa Jones
Principal & Registered Office	Berkeley Road Loughborough Leicestershire LE11 3SJ
Company Registration number	8150822
Independent Auditors	Duncan & Toplis Limited 4 Henley Way Doddington Road Lincoln LN6 3QR

---

**HOLYWELL PRIMARY SCHOOL**  
**(A company limited by guarantee)**

---

**REPORT OF THE TRUSTEES FOR THE PERIOD ENDED 31 AUGUST 2014**

The Governors of Holywell Primary School present their annual report together with the audited financial statements for the academy for the period 1 September 2013 to 31 August 2014. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Constitution**

Holywell Primary School is a primary school with academy status and 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 appointment, conduct, and general activities of the Board of Governors will at all times follow the rules and conditions laid down in the Holywell Primary School Board of Governors' Standing Orders document.

The Governors act as the trustees for the charitable activities of Holywell Primary School and are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Holywell Primary School.

The structure and composition of the Board of Governors is currently as follows:-

<b>Governor Type</b>	<b>Name</b>	<b>Expiry date of current term</b>
Member nominated	Bev Fawdington	31.7.17
Governor nominated	Mark Needham	6.5.16
Governor nominated	John Todd	16.8.16
Governor nominated	Claudia Foster	31.10.16
Governor nominated	David Donegani	26.11.16
Governor nominated	Alan McPherson	25.2.17
Governor nominated	Christine Clarke	8.10.17
Governor nominated	Scott McKittrick	8.10.17
Staff governor teaching	Rebecca Coleman	31.8.16
Staff governor teaching	Leah Aulton	1.9.17
Staff governor non-teaching	Rebecca Moody	14.1.17
Parent governor	Rob Seager	8.11.16
Parent governor	Julia Vermaak	26.3.18
Parent governor	Steven Christie	8.11.16

As well as the main Board of Governors (Chair Mark Needham, Vice Chair Claudia Foster), we have three task-specific committees to which certain functions are delegated, and in general each member of the board is on two of these:-

---

**HOLYWELL PRIMARY SCHOOL**  
**(A company limited by guarantee)**

---

Finance and personnel (Chair John Todd, Vice Chair Alan McPherson)  
Teaching & Learning (Chair Rob Seager, Vice Chair Christine Clarke)  
Premises (Chair Steven Christie, Vice Chair Claudia Foster)

Of the above, the three Governors holding the offices of Chair and Vice Chair of Governors, and Chair of Finance and Personnel are also Members of the Academy Trust.

**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 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.

**Principal Activity**

The principal activity of the Academy is the education of children of differing abilities between the ages of 4 - 11. Our motto of "Learning, Developing and Achieving Together" is a simple but effective statement of our goal as an educational institution.

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

The board of Governors comprises one Governor nominated by the Members, three staff members (of whom two are teaching and one non-teaching), eight nominated by members of the existing board of Governors, and three parent Governors. The methods of appointment are clearly laid down in the Holywell Primary School Board of Governors' Standing Orders document and are always observed.

Please note that the Head Teacher is not a Governor of Holywell Primary School.

**Policies and Procedures for Induction and Training of Governors**

New Governors are allocated a 'buddy' to support them in the early stages of their role to help them get used to it. Training is actively encouraged throughout the entire period of membership, with an expectation of attendance at a minimum of two courses per year. It is compulsory for new members to attend the one day governor induction training course during their first year of office.

**Organisational Structure**

Prior to conversion to academy status, the school had, over a period of time, developed a solid and effective Senior Management Team (SMT) through specific training and continuous personal development (CPD) of selected personnel. This model has proved very successful for the school and was thus retained as the basis of the management

---

**HOLYWELL PRIMARY SCHOOL**  
**(A company limited by guarantee)**

---

structure of the newly formed academy (see also organisational structure chart on page 12).

In very broad terms, the day-to-day management of the school is the responsibility of the Head Teacher and SMT, with references back to the board of governors for approval where appropriate. The Governors' involvement is generally required where strategic decisions or planning are involved and/or agreement needs to be secured for significantly large amounts of school funds to be spent.

#### **Governors' Responsibilities**

The Governors are responsible for setting general policy, adopting a five year plan and annual budgets, monitoring the activities of the Academy and making major decisions about the direction of the Academy, capital expenditure and senior staff appointments.

#### **Risk Management**

Risks within the Academy are mainly identified by members of the SMT, and in respect of physical risks this extends to include the site manager. Various methods are employed in the management of risks – the more minor ones being absorbed into the daily workload, and larger ones being identified, listed and a plan of action (including a timeline) drawn up to attend to them. Where appropriate, these are brought to the notice of the governors and constant monitoring and reviewing ensures the issues are attended to within the agreed timescales.

#### **Connected Organisations - Loughborough Primary Academy Partnership**

From the beginning of the conversion to an Academy, Holywell decided to work with other selected primary schools in the area following the same path, in a collaborative partnership. After due consideration they decided to form a group with a total of nine member schools in all, called the Loughborough Primary Academy Partnership. Each of the schools remains a completely separate legal entity but benefits from the mutual support of other members through networks and shared practices. It is also the intention over a period of time to develop a shared services resource from which all member schools will benefit due to economies of scale.

#### **OBJECTIVES AND ACTIVITIES**

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

To be forward thinking and embrace relevant changes in order to maintain high standards and ensure good progress.

---

**HOLYWELL PRIMARY SCHOOL**  
**(A company limited by guarantee)**

---

**Objectives, Strategies and Activities**

Effective Teaching and Learning

To be forward thinking and embrace relevant change in order to maintain high standards and ensure good progress.

Communication, Language and Literacy Development

To ensure good progress for all groups of pupils in reading and writing through outstanding teaching, learning and early intervention.

Mathematical Development

To ensure that pupils are identified and intervention is put in place to support children where mathematics is an issue.

Scientific and Technical Development

To ensure relevant ICT skills are being taught through the use of current hardware, software and web-based learning tools, giving opportunities for all learners to achieve highly.

Knowledge and Understanding of the World Development

To engage pupils in history, geography and RE through providing quality learning opportunities that inspire children and raise levels of attainment.

Creative Development

To maintain and raise high standards in the Arts by providing inspirational encounters with a wide range of practising artists.

Physical and Emotional Wellbeing Development

To promote a nurturing environment and engage children in their learning thus promoting the physical and emotional development of all pupils.

Gifted and Talented Development

To ensure Gifted and Talented children make the maximum progress they can.

Special Educational Needs and Disability Development

To ensure each group of SEND pupils receives timely assessments/intervention in order to make the best possible progress.

---

**HOLYWELL PRIMARY SCHOOL**  
**(A company limited by guarantee)**

---

**Early Years Foundation Development**

To embrace the changes made to the EYFS in curriculum or team by welcoming new ideas, challenges and initiatives enabling lessons and activities to be fresh, exciting and engaging for all pupils.

**NQT and ITT Provision**

To continue to provide sought after training provision throughout school for all trainees and students.

**Whole School Assessment**

To develop the use of Target Tracker v.12 software to store, monitor and analyse test and teacher assessment data for all subjects.

**Public Benefit**

The Governors confirm that they have complied with the duty to have due regard to the Charity Commission's general guidance on public benefit, "*Charities and Public Benefit*".

The Academy's public benefit is enshrined in its charitable objectives.

**STRATEGIC REPORT**

**Achievement and performance**

**Evaluating attainment and progress September 2014**

**(Draft figures using Target Tracker)**

Average points scores over three years for all subjects and reading, writing and mathematics at the end of Key Stage 1. Compared to National 2013. Includes ALL pupils in Year 2

	2012	2013	2014
Significantly above average (SIG+)	All 16.3 Reading 17.0 Writing 15.8 Maths 17.1	All 17.4 Reading 18.0 Writing 16.7 Maths 17.4	
Above, but not significantly different to, average			Reading 17.3 Writing 16.4 Maths 17.3
Below, but not significantly different to, average			



---

**HOLYWELL PRIMARY SCHOOL**  
(A company limited by guarantee)

---

Attainment thresholds at the end of Key Stage 1 for 2013.

	L2C+	L2B+	L2A+	L3+
Significantly above average (SIG+)	Reading (95%) Writing (95%)	Reading (90%) Writing 86% (90%) Maths 88% (90%)	Reading 70% Writing 54%	Reading 39% (40%) Writing 31% (32%) Maths 34% (35%)
Above, but not significantly different to, average	Reading 92% Writing 92% Maths 95% (95%)	Reading 86%		
Below, but not significantly different				

(removes three children with English as an Additional Language new to Year 2 from abroad, but includes child with Statement unable to access any tests)

Phonics Screening Check – Year 1

	2013	2014
Above national	86%	81% (includes EAL and SEN)
Below National (74%)		

Average points scores over three years for all subjects and English, reading, writing, Grammar Punctuation and Spelling and mathematics at the end of Key Stage 2. (compared to 2013 national)

Includes ALL Y6 pupils

	2012	2013	2014
Significantly above average (SIG+)	Reading 30.6 Writing 29.1 Maths 30.3 English 29.7 All 30.3	Reading 31.0 Writing 29.7 Maths 30.6 GPS 30.2 All 30.5	Reading 31.4 Writing 30.9 Maths 31.1
Above, but not significantly different to, average			
Below, but not significantly different to, average			

---

**HOLYWELL PRIMARY SCHOOL**  
(A company limited by guarantee)

---

Attainment thresholds at the end of Key Stage 2 for 2014.

	2014			
	L4+	L4B+	L5	L6
Significantly above average (SIG+)	Reading 97% (97%) Writing (92%) GPS 90% (92%) Maths (95%)		Reading 79% (81%) Writing 49% (51%) GPS 62% (63%)	GPS 7% (7%)
Above, but not significantly different to,	Writing 90% Maths 93%			Writing 3% Maths 10% (10%)
Below, but not significantly different to,				

*(removes two children with English as an Additional Language new to Year 6 from abroad, but includes child with Statement unable to access Reading Test)*

Percentage of pupils achieving Level 4+ in reading, writing and maths.

% R, W and M at L4+	Level 4+	Level 5+
School	87%(88%)	46%(48%)
National (2013)	75%	21%

**Evaluation**

Attainment over time judgment for KS1: Outstanding(2012-2014) Dip in 2014 reflects large cohort, including larger than average level of SEN and EAL (new to the UK) as well as a child with statement unable to access the national curriculum in any way.

Attainment over time judgment for KS2: Outstanding (2012-2014)

---

**HOLYWELL PRIMARY SCHOOL**  
(A company limited by guarantee)

---

Progress KS1-2, over time

Value added scores (percentile rank in brackets) for all subject, reading, writing, English and maths.

	2012	Percentile rank	2013	Percentile rank	2014	Percentile rank
Significantly above average (SIG+)	English	33	Reading Writing	21 30		
Above, but not significantly different to, average	All Maths	34 36	All Maths	37 49		
Below, but not significantly different to, average						

Evaluation of progress KS1-2 over time

KS1-2, expected and better than expected progress

Year 6 – Levels of progress – all pupils

<b>Cohort: 1 pupil=2%</b>	<b>% 2 levels of progress</b>	<b>National 2 levels of progress (2013)</b>	<b>% 3 levels of progress</b>	<b>National 3 levels of progress (2013)</b>
<b>Reading</b>	98.3	88%	51.7%	30.0%
<b>Writing</b>	96.6%	91.0%	60.3%	30.0%
<b>Maths</b>	98.3%	88.0%	44.8%	31.0%

---

**HOLYWELL PRIMARY SCHOOL**  
(A company limited by guarantee)

---

What factors in the context of the school might affect achievement? RAISEonline

Factor	Lower than most schools 0-40 <sup>th</sup> percentile	About the same as most schools	Higher than most schools 60-100 <sup>th</sup> percentile
Number on Roll			X
% of FSM pupils	X		
% of pupils from minority ethnic groups			X
% of pupils first language not English			X
% of pupils at school action		X	
% of pupils at school action plus or a statement of SEN	X		
Stability		X	
Social deprivation	X		

	above expected skills/ above average	Average	below expected skills/ above average
Prior Attainment*			X confirmed by OFSTED 2013

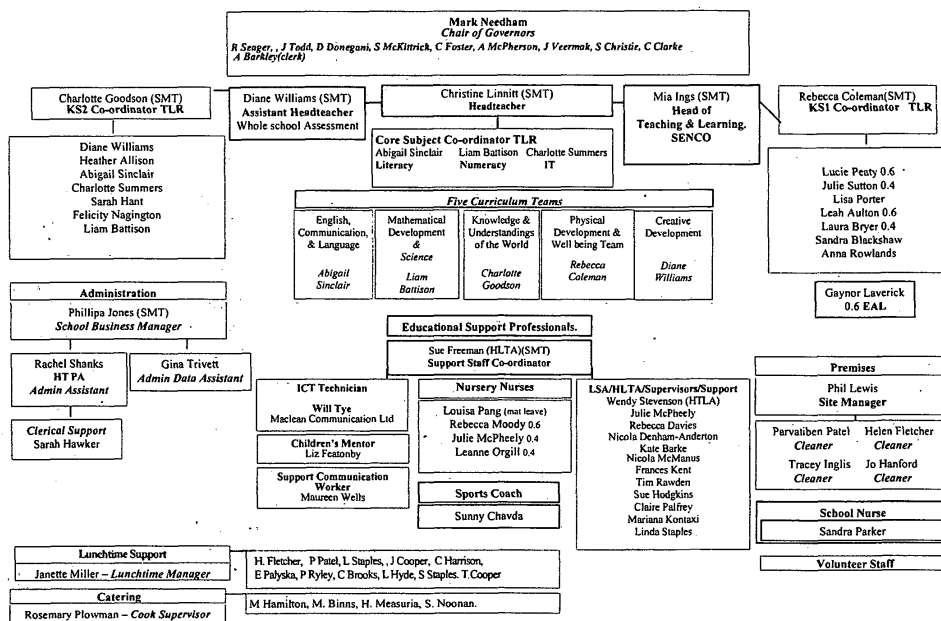
What factors may inhibit the school's achievement

- Girls in mathematics – conversion to 2 levels progress plus parental attitude
- Children returning to country of origin following extended stays
- Children starting school with no English language
- Staff turnover (retirements, maternity and promotion)
- Key parents do not support academically

What factors may aid the school's achievement further?

- Increase in outstanding teaching
- Continued strong leadership and development of middle leaders
- Maintain parental support for the majority of pupils
- Reinforce consistent school approach
- New curriculum development
- Continued quick and effective response to children's needs
- Continued close accurate monitoring and assessment
- Capped school numbers

# ORGANISATIONAL PERSONNEL STRUCTURE 2014 - 2015



HOLWELL PRIMARY SCHOOL  
(A company limited by guarantee)

---

**HOLYWELL PRIMARY SCHOOL**  
**(A company limited by guarantee)**

---

**Going Concern**

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

**FINANCIAL REVIEW**

The majority of the Academy's income is obtained from the DfE in the form of recurrent grants. The grants received from the DfE during the period ended 31 August 2014 and the associated expenditure are shown in the statement of financial activities.

During the period ended 31 August 2014, total expenditure was £1,609,492. This compares to unrestricted and restricted income of £1,654,132 (excluding non recurrent capital funding in the fixed assets fund), to give a carry forward of £44,640 of income in excess of expenditure.

At 31 August 2014, the net book value of fixed assets was £3,387,097. The assets were used exclusively for providing education and the associated support services to the students of the Academy.

The Academy held fund balances at 31 August 2014 of £3,238,684 which comprise £3,574,615 of restricted funds; a pension reserve deficit of £464,000; and £128,069 of unrestricted general funds.

**Reserves Policy**

The Governors review the reserve levels of the Academy regularly. This review encompasses the nature of income and expenditure streams. The Governors reserve policy is to ensure that there are sufficient reserves to cover expenditure that could reasonably be incurred.

At the end of the accounting period the Academy's level of free reserves is £305,988.

The level of restricted funds at the period end, excluding the restricted fixed asset fund and the pension reserve, amounted to £177,919.

**PRINCIPAL RISKS AND UNCERTAINTIES**

Outlined below is a description of the principal risk factors that may affect the academy. However, not all factors are within the academy's control and other factors besides those listed below may also adversely affect the academy.

---

**HOLYWELL PRIMARY SCHOOL**  
**(A company limited by guarantee)**

---

**1. Government funding**

The academy has considerable reliance on continued government funding through the Education Funding Agency (EFA) and the Local Authority.

This risk has and will be mitigated in a number of ways:

- Funding is derived through a number of direct and indirect contractual arrangements;
- Considerable focus and investment is placed on maintaining and managing key relationships with the various funding bodies;
- Ensuring the academy is focused on those priority sectors which will continue to benefit from public funding;
- Contingency planning embedded into the academy budget process.

**2. Maintain adequate funding of pension liabilities**

The financial statements report the share of the local government pension scheme deficit on the academy's balance sheet in line with the requirements of FRS 17. The academy takes professional advice on this position and makes appropriate contributions on the basis of that advice to ensure the deficit does not become unmanageable.

**3. Pupil Strategy**

The academy seeks to maintain its popularity with current and prospective pupils by:

- ensuring the academy delivers high quality education and training;
- maintaining outstanding success rates and good inspection outcomes; and
- investing in the its teaching staff and resources.

This places the academy in an excellent position to attract new pupils.

**Plans for Future Periods**

The Academy intends to action fully the areas of development as detailed in the Strategic Plan 2014 – 2018.

**STATEMENT OF DISCLOSURE TO AUDITORS**

In so far as the Governors are aware:

- there is no relevant audit information of which the Charitable Company's auditor is unaware; and

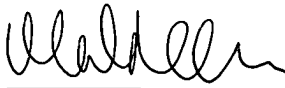
---

**HOLYWELL PRIMARY SCHOOL**  
**(A company limited by guarantee)**

---

- the Governors have taken all the 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.

Trustees' report, incorporating a strategic report, approved by order of the board of Governors, as the company directors, on 25 November 2014 and signed on the board's behalf by:



Mark Needham  
Chair



---

**HOLYWELL PRIMARY SCHOOL**  
**(A company limited by guarantee)**

---

**GOVERNANCE STATEMENT**

**Scope of Responsibility**

As Governors, we acknowledge we have overall responsibility for ensuring that Holywell Primary School has an effective and appropriate system of control, financial and otherwise. However such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The Governing Body has delegated the day-to-day responsibility to the Head Teacher, 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 Holywell Primary School and the Secretary of State for Education. They are also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

**Governance**

The information on governance included here supplements that described in the Governors' Report and in the Statement of Governors Responsibilities. The Governing Body has formally met 6 times during the year. Attendance during the year at meetings of the Governing Body was as follows:

Governor	Meetings Attended	Out of a Possible
Mark Needham	6	6
John Todd	5	6
Claudia Foster	5	6
Debbie Razzaq (resigned 11/04/14)	4	4
Rebecca Coleman	5	6
Rob Seager	4	6
Steven Christie	6	6
David Donegani	6	6
Leah Aulton (appointed 2/9/13)	6	6
Rebecca Moody	6	6
Alan McPherson	6	6
Ruth Sims (resigned 25/02/14)	3	3
Christine Clark (appointed 8/10/13)	6	6
Scott McKittrick (appointed 8/10/13)	5	5
Julia Vermaak (appointed 27/3/14)	2	2
Bev Fawdington (appointed 1/7/14)	1	1

During the year two Governors have resigned.

---

**HOLYWELL PRIMARY SCHOOL**  
**(A company limited by guarantee)**

---

### **Finance Committee**

In consultation with the Head Teacher and the Business Manager, the committee approve in principal and monitor the annual budget, establish a three year financial plan, ensuring that the school operates in accordance with the appropriate Financial Regulations.

To consider, and make decisions, on expenditure following recommendations from the other committees ensuring best value and reporting to the Full Governing Body.

### **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's 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 Holywell Primary School for the period ended 31 August 2014 and up to the date of approval of the annual report and financial statements.

### **Capacity to Handle Risk**

The board of Governors have 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 Governors are 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 ending 31 August 2014 and up to the date of approval of the annual report and financial statements. The process is reviewed by the Governors. The period of review is to be reconsidered by the governing body for the coming year to make it more frequent.

### **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 Governors;
- regular reviews by the Finance Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;

---

**HOLYWELL PRIMARY SCHOOL**  
**(A company limited by guarantee)**

---

- 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 risks.

The Governors have considered the need for a specific internal audit function and have decided not to appoint an internal auditor. However, the Governors have appointed Leicestershire County Council as Responsible Officer ('RO').

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

The Academy can confirm that the RO function has been fully delivered in line with the 'EFA's requirements. No material control issues arose as a result of the RO's work.

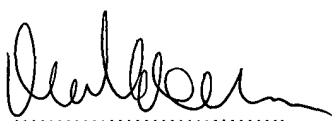
#### **Review of Effectiveness**

As Accounting Officer, the Head Teacher 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 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 Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the board of Governors on 25 November 2014 and signed on its behalf by:



Mark Needham  
Chair

---

**HOLYWELL PRIMARY SCHOOL**  
**(A company limited by guarantee)**


---

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

As Accounting Officer of Holywell Primary School I have considered my responsibility to notify the Academy Trust Governing body and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

I confirm that I and the Academy Trust Governing body are able to identify any 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 (2012).

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.

  
Christine Linnitt  
Accounting Officer

25 November 2014

---

**HOLYWELL PRIMARY SCHOOL**  
**(A company limited by guarantee)**

---

**STATEMENT OF TRUSTEES' RESPONSIBILITIES**

The Governors (who act as Governors of Holywell Primary School and are also the directors of 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 published by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the 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 trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements 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 academy will continue in operation.

The Governors are responsible for keeping adequate accounting records that are sufficient to show and explain the academy's transactions and disclose with reasonable accuracy at any time the financial position of the academy 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 Academy 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 to the requirements both of propriety and good financial management. They are also responsible for ensuring that grants received from the EFA/DfE have been applied for the purposes intended. The Governors are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by order of the members of the Governing Body on 25 November 2014 and signed on its behalf by:



Mark Needham  
Chair

---

**HOLYWELL PRIMARY SCHOOL**  
**(A company limited by guarantee)**

---

---

**INDEPENDENT AUDITORS' REPORT TO THE BOARD OF GOVERNORS OF HOLYWELL PRIMARY SCHOOL**

---

We have audited the financial statements of Holywell Primary School for the Year ended 31 August 2014 which comprise the Statement of financial activities, the Balance sheet, the Cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

This report is made solely to the Academy'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 Academy'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 Academy and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

**RESPECTIVE RESPONSIBILITIES OF GOVERNORS AND AUDITORS**

As explained more fully in the Governors' responsibilities statement, the Governors (who are also the directors of the Academy 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 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 Academy'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 FINANCIAL STATEMENTS**

In our opinion the financial statements:

- give a true and fair view of the state of the Academy'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
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

**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.

---

**HOLYWELL PRIMARY SCHOOL**  
(A company limited by guarantee)

---


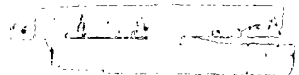
**INDEPENDENT AUDITORS' REPORT TO THE BOARD OF GOVERNORS OF HOLYWELL PRIMARY SCHOOL**

---

**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; or
- the Governors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic report.

Timothy Godson FCA (Senior statutory auditor)  
for and on behalf of  
**Duncan & Toplis Limited**  
4 Henley Way  
Doddington Road  
Lincoln  
LN6 3QR  
Date:

---

**HOLYWELL PRIMARY SCHOOL**  
**(A company limited by guarantee)**

---

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO HOLYWELL  
PRIMARY SCHOOL AND THE EDUCATION FUNDING AGENCY**

---

In accordance with the terms of our engagement letter dated 31 January 2013 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013 to 2014, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Holywell Primary School during the Year 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 Holywell Primary School and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Holywell Primary School and EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Holywell Primary School and EFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF HOLYWELL PRIMARY SCHOOL'S ACCOUNTING OFFICER AND  
THE REPORTING ACCOUNTANT**

The accounting officer is responsible, under the requirements of Holywell Primary School's funding agreement with the Secretary of State for Education dated 27 July 2012, 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 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's income and expenditure.



---

**HOLYWELL PRIMARY SCHOOL**  
**(A company limited by guarantee)**

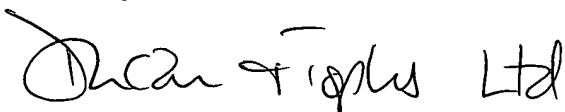
---

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO HOLYWELL  
PRIMARY SCHOOL AND THE EDUCATION 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 Year 1 September 2013 to 31 August 2014 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Timothy Godson FCA

**Duncan & Toplis Limited**

4 Henley Way  
Doddington Road  
Lincoln  
LN6 3QR

Date:

**HOLYWELL PRIMARY SCHOOL**  
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES**  
(incorporating income and expenditure account and statement of total recognised gains and losses)  
**FOR THE YEAR ENDED 31 AUGUST 2014**

	Note	Unrestricted funds 2014 £	Restricted funds 2014 £	Restricted fixed asset funds 2014 £	Total funds 2014 £	Total funds 2013 £
<b>INCOMING RESOURCES</b>						
Incoming resources from generated funds:						
Voluntary income	2	23,886	25,170	-	49,056	33,466
Transfer on conversion	7	-	-	-	-	3,261,420
Activities for generating funds	3	98,936	3,753	-	102,689	18,955
Investment income	5	973	-	-	973	-
Incoming resources from charitable activities:	6					
Funding for the Academy Trust's educational operations		-	1,501,414	44,579	1,545,993	1,291,165
<b>TOTAL INCOMING RESOURCES</b>		<b>123,795</b>	<b>1,530,337</b>	<b>44,579</b>	<b>1,698,711</b>	<b>4,605,006</b>
<b>RESOURCES EXPENDED</b>						
Costs of generating funds:						
Fundraising expenses and other costs	4	22,093	-	-	22,093	10,537
Academy Trust's educational operations		103,270	1,394,302	60,940	1,558,512	1,241,037
Governance costs	9	-	28,887	-	28,887	41,967
<b>TOTAL RESOURCES EXPENDED</b>	12	<b>125,363</b>	<b>1,423,189</b>	<b>60,940</b>	<b>1,609,492</b>	<b>1,293,541</b>
<b>NET INCOMING / (OUTGOING) RESOURCES BEFORE TRANSFERS</b>		<b>(1,568)</b>	<b>107,148</b>	<b>(16,361)</b>	<b>89,219</b>	<b>3,311,465</b>

**HOLYWELL PRIMARY SCHOOL**  
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2014**

	Note	Unrestricted funds 2014 £	Restricted funds 2014 £	Restricted fixed asset funds 2014 £	Total funds 2014 £	Total funds 2013 £
Transfers between Funds	23	-	(19,300)	19,300	-	-
<b>NET INCOME FOR THE YEAR</b>		<b>(1,568)</b>	<b>87,848</b>	<b>2,939</b>	<b>89,219</b>	<b>3,311,465</b>
Actuarial gains and losses on defined benefit pension schemes		-	(143,000)	-	(143,000)	(19,000)
<b>NET MOVEMENT IN FUNDS FOR THE YEAR</b>		<b>(1,568)</b>	<b>(55,152)</b>	<b>2,939</b>	<b>(53,781)</b>	<b>3,292,465</b>
<i>Total funds at 1 September 2013</i>		<i>129,637</i>	<i>(230,929)</i>	<i>3,393,757</i>	<i>3,292,465</i>	<i>-</i>
<b>TOTAL FUNDS AT 31 AUGUST 2014</b>		<b>128,069</b>	<b>(286,081)</b>	<b>3,396,696</b>	<b>3,238,684</b>	<b>3,292,465</b>

All activities relate to continuing operations.

The Statement of Financial Activities includes all gains and losses recognised in the Year.

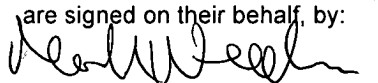
The notes on pages 29 to 52 form part of these financial statements.


**HOLYWELL PRIMARY SCHOOL**  
**(A company limited by guarantee)**  
**REGISTERED NUMBER: 08150822**

**BALANCE SHEET**  
**AS AT 31 AUGUST 2014**

	Note	£	2014 £	£	2013 £
<b>FIXED ASSETS</b>					
Tangible assets	19		3,387,097		3,385,021
<b>CURRENT ASSETS</b>					
Stocks	20	194		-	
Debtors	21	50,433		16,110	
Cash at bank		409,431		260,477	
		<u>460,058</u>		<u>276,587</u>	
<b>CREDITORS: amounts falling due within one year</b>	22	<u>(144,471)</u>		<u>(68,143)</u>	
<b>NET CURRENT ASSETS</b>			<u>315,587</u>		<u>208,444</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>3,702,684</u>		<u>3,593,465</u>
Defined benefit pension scheme liability	29		<u>(464,000)</u>		<u>(301,000)</u>
<b>NET ASSETS INCLUDING PENSION SCHEME LIABILITY</b>			<u><u>3,238,684</u></u>		<u><u>3,292,465</u></u>
<b>FUNDS OF THE ACADEMY</b>					
Restricted funds:					
Restricted funds	23	177,919		70,071	
Restricted fixed asset funds	23	3,396,696		3,393,757	
		<u>3,574,615</u>		<u>3,463,828</u>	
Restricted funds excluding pension liability					
Pension reserve		<u>(464,000)</u>		<u>(301,000)</u>	
Total restricted funds			<u>3,110,615</u>		<u>3,162,828</u>
Unrestricted funds	23		<u>128,069</u>		<u>129,637</u>
<b>TOTAL FUNDS</b>			<u><u>3,238,684</u></u>		<u><u>3,292,465</u></u>

The financial statements were approved by the Governors, and authorised for issue, on 25 November 2014 and are signed on their behalf, by:

  
 Mark Needham  
 Chair of Trustees

  
 Claudia Foster  
 Vice Chair of Governors

  
 John Todd  
 Chair of Finance Committee

The notes on pages 29 to 52 form part of these financial statements.

---

**HOLYWELL PRIMARY SCHOOL**  
(A company limited by guarantee)

---

**CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 AUGUST 2014**

---

	Note	Year 31 August 2014 £	Period 31 August 2013 £
Net cash flow from operating activities	25	211,970	281,494
Capital expenditure and financial investment	26	(63,016)	(21,017)
<b>INCREASE IN CASH IN THE YEAR</b>		<b>148,954</b>	<b>260,477</b>

---

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS  
FOR THE YEAR ENDED 31 AUGUST 2014**

---

	Year 31 August 2014 £	Period 31 August 2013 £
Increase in cash in the year	148,954	260,477
<b>MOVEMENT IN NET FUNDS IN THE YEAR</b>	<b>148,954</b>	<b>260,477</b>
Net funds at 1 September 2013	260,477	-
<b>NET FUNDS AT 31 AUGUST 2014</b>	<b>409,431</b>	<b>260,477</b>

---

The notes on pages 29 to 52 form part of these financial statements.

---

**HOLYWELL PRIMARY SCHOOL**  
**(A company limited by guarantee)**

---

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2014**

---

**1. ACCOUNTING POLICIES**

**1.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, the Academies Accounts Direction 2013 to 2014 issued by EFA, applicable accounting standards and the Companies Act 2006.

**1.2 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 Governors.

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 and include grants from the Department for Education.

Investment income, gains and losses are allocated to the appropriate fund.

---

**HOLYWELL PRIMARY SCHOOL**  
**(A company limited by guarantee)**

---

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2014**

---

**1. ACCOUNTING POLICIES (continued)**

**1.3 Incoming resources**

All incoming resources are included in the Statement of financial activities when the Academy has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

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 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 is certainty of receipt and it is measurable.

The value of donated services and gifts in kind provided to the Academy are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the Academy 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 the Academy's policies.

Donations are recognised on a receivable basis where there is certainty of receipt and the amount can be reliably measured.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

---

**HOLYWELL PRIMARY SCHOOL**  
**(A company limited by guarantee)**

---

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2014**

---

**1. ACCOUNTING POLICIES (continued)**

**1.4 Resources expended**

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.

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

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

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

All resources expended are inclusive of irrecoverable VAT.

**1.5 Going concern**

The trustees 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 trustees make this assessment in respect of a period of one year from the date of approval of the financial statements.

**1.6 Tangible fixed assets and depreciation**

All assets costing more than £1,000 are capitalised.

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 are 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's depreciation policy.

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.

Tangible fixed assets are stated at cost less depreciation. Depreciation is not charged on freehold land. Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost of those assets, less their estimated residual value, over their expected useful lives on the following bases:

Long term Leasehold Property	-	2% straight line
Fixtures and fittings	-	25% straight line
Computer equipment	-	25% straight line



---

**HOLYWELL PRIMARY SCHOOL**  
**(A company limited by guarantee)**

---

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2014**

---

**1. ACCOUNTING POLICIES (continued)**

**1.7 Operating leases**

Rentals under operating leases are charged to the Statement of financial activities on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

**1.8 Stocks**

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

**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**

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 quinquennial valuations using a prospective benefit method. As stated in note 29, the TPS is a multi-employer scheme and the Academy 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 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 the 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 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.

**HOLYWELL PRIMARY SCHOOL**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2014**

**1. ACCOUNTING POLICIES (continued)**

**1.11 Realignment of comparatives**

Following revisions to the EFA Accounts Direction, certain expenses in 2013/14 have been classified on a different basis to 2012/13. Where such differences arise, comparatives have been realigned to accord with the 2013/14 classifications.

**2. VOLUNTARY INCOME**

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Other voluntary income	23,886	25,170	49,056	33,466

**3. ACTIVITIES FOR GENERATING FUNDS**

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Lettings income	10,726	-	10,726	6,710
Catering income	80,169	-	80,169	-
Receipts from staff insurance claims	-	1,620	1,620	-
Other income	8,041	2,133	10,174	12,245
	98,936	3,753	102,689	18,955

**4. TRADING ACTIVITIES**

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
<b>Fundraising trading expenses</b>				
Cost of lettings	11,312	-	11,312	4,151
Other expenses	9,237	-	9,237	5,044
Fundraising trading expenses - wages and salaries	1,544	-	1,544	1,342
	22,093	-	22,093	10,537
Net expenditure from trading activities	(22,093)	-	(22,093)	(10,537)

**HOLYWELL PRIMARY SCHOOL**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2014**

5.

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Bank account interest	973	-	973	-

6. **INCOMING RESOURCES FROM CHARITABLE ACTIVITIES**

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Funding for the Academy's educational operations	-	1,545,993	1,545,993	1,291,165

**FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS**

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
<b>DfE/EFA revenue grants</b>				
General Annual Grant (GAG)	-	1,450,877	1,450,877	1,207,607
Start Up Grant	-	-	-	25,000
Pupil Premium	-	18,523	18,523	7,884
Other DfE/EFA Revenue grants	-	2,396	2,396	4,232
Devolved Formula Capital grant	-	8,703	8,703	8,736
Capital Maintenance grant	-	35,876	35,876	-
SEN 1-1 Funding	-	16,412	16,412	12,135
Other government revenue grants	-	8,433	8,433	2,622
Other income revenue	-	4,773	4,773	22,949
	-	1,545,993	1,545,993	1,291,165

7. **OTHER INCOMING RESOURCES**

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Transfer on conversion	-	-	-	3,261,420

**HOLYWELL PRIMARY SCHOOL**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2014**

**8. EXPENDITURE BY CHARITABLE ACTIVITY**

**SUMMARY BY FUND TYPE**

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Funding for the Academy's educational operations	103,270	1,455,242	1,558,512	1,241,037

**SUMMARY BY EXPENDITURE TYPE**

	Staff costs 2014 £	Depreciation 2014 £	Other costs 2014 £	Total 2014 £	Total 2013 £
Funding for the Academy's educational operations	1,172,337	60,940	325,235	1,558,512	1,241,037

**9. GOVERNANCE COSTS**

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Governance Auditors' remuneration	-	6,000	6,000	5,500
Governance Auditors' non audit costs	-	1,800	1,800	2,150
Legal and professional fees	-	21,087	21,087	34,317
	-	28,887	28,887	41,967

**HOLYWELL PRIMARY SCHOOL**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2014**

**10. DIRECT COSTS**

	Funding for the Academy's educational operations £	Total 2014 £	Total 2013 £
Educational supplies	51,401	51,401	50,985
Technology costs	34,762	34,762	9,372
Staff development	12,623	12,623	12,238
Educational consultancy	1,424	1,424	959
Other costs	13,759	13,759	6,538
Wages and salaries	814,493	814,493	711,650
National insurance	53,142	53,142	46,960
Pension cost	118,810	118,810	94,877
Depreciation	60,940	60,940	46,996
	<u>1,161,354</u>	<u>1,161,354</u>	<u>980,575</u>

**11. SUPPORT COSTS**

	Funding for the Academy's educational operations £	Total 2014 £	Total 2013 £
Other finance income less expenses	11,000	11,000	8,000
Technology costs	1,054	1,054	579
Recruitment and support	2,286	2,286	2,899
Maintenance of premises and equipment	22,771	22,771	30,204
Cleaning	4,142	4,142	2,727
Rent and rates	14,387	14,387	7,030
Energy costs	14,973	14,973	20,492
Insurance	25,984	25,984	29,151
Security	2,801	2,801	666
Transport	1,712	1,712	920
Telephone, postage and stationery	5,262	5,262	9,634
Catering	89,003	89,003	8,266
Other costs	14,067	14,067	7,211
Bank interest and charges	-	-	200
Operating leases - other	1,824	1,824	-
Wages and salaries	155,750	155,750	111,437
National insurance	8,149	8,149	4,701
Pension cost	21,993	21,993	16,345
	<u>397,158</u>	<u>397,158</u>	<u>260,462</u>

**HOLYWELL PRIMARY SCHOOL**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2014**

**12. RESOURCES EXPENDED**

	Staff costs	Non Pay Expenditure Other costs	Total	Total
	2014	2014	2014	2013
	£	£	£	£
Fundraising expenses	1,544	20,549	22,093	10,537
<b>Costs of generating funds</b>	<b>1,544</b>	<b>20,549</b>	<b>22,093</b>	<b>10,537</b>
Funding for the Academy's educational operations	986,445	174,909	1,161,354	1,241,037
Support costs - Funding for the Academy's educational operations	185,892	211,266	397,158	252,462
<b>Charitable activities</b>	<b>1,172,337</b>	<b>386,175</b>	<b>1,558,512</b>	<b>1,493,499</b>
<b>Governance</b>	<b>-</b>	<b>28,887</b>	<b>28,887</b>	<b>41,967</b>
	<b>1,173,881</b>	<b>435,611</b>	<b>1,609,492</b>	<b>1,546,003</b>

**13. ANALYSIS OF RESOURCES EXPENDED BY ACTIVITIES**

	Activities undertaken directly	Support costs	Total	Total
	2014	2014	2014	2013
	£	£	£	£
Funding for the Academy's educational operations	1,161,354	397,158	1,558,512	1,241,037

**HOLYWELL PRIMARY SCHOOL**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2014**

**14. NET INCOMING / (OUTGOING) RESOURCES**

This is stated after charging:

	Year 31 August 2014 £	Period 31 August 2013 £
Depreciation of tangible fixed assets: - owned by the charity	60,940	46,996
Auditors' remuneration	6,000	5,500
Governance Internal audit costs	-	-
	<u>66,940</u>	<u>52,500</u>

**15. STAFF**

**a. Staff costs**

Staff costs were as follows:

	Year 31 August 2014 £	Period 31 August 2013 £
Wages and salaries	971,787	824,429
Social security costs	61,291	51,661
Other pension costs (Note 29)	140,803	111,221
	<u>1,173,881</u>	<u>987,311</u>
Supply teacher costs	(17,079)	(24,656)
	<u>1,156,802</u>	<u>962,655</u>

**b. Staff numbers**

The average number of persons employed by the Academy during the Year expressed as full time equivalents was as follows:

	Year 31 August 2014 No.	Period 31 August 2013 No.
Teachers	16	17
Management	2	1
Teaching Assistants	13	12
Support Staff	6	7
Premises and other	2	2
	<u>39</u>	<u>39</u>

---

**HOLYWELL PRIMARY SCHOOL**  
**(A company limited by guarantee)**

---

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2014**

---

**15. STAFF (continued)**

**c. Higher paid staff**

The number of employees whose emoluments fell within the following bands was:

	Year 31 August 2014 No.	Period 31 August 2013 No.
In the band £70,001 - £80,000	<u>1</u>	<u>1</u>

The above employees earning more than £60,000 per annum participated in the Teachers' Pension Scheme. During the year ended 31 August 2014, pension contributions for the members of staff amounted to £9,394 (2013 - £7,976).

Included within direct wages is a non-contractual discretionary bonus of £3,400 (2013 £nil).



---

**HOLYWELL PRIMARY SCHOOL**  
(A company limited by guarantee)

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2014**

---

**16. GOVERNORS' REMUNERATION AND EXPENSES**

During the year retirement benefits were accruing to 4 Governors (2013 - 4) in respect of defined benefit pension schemes.

The Principal and other staff Governors only receive remuneration 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 fell within the following bands:

	Year 31 August 2014 £'000	Period 31 August 2013 £'000
Mrs C Linnitt, Principal	70-75	70-75
Mrs Westaby, Staff Governor		35-40
Mrs R Coleman, Staff Governor	35-40	35-40
Mrs R Moody, Staff Governor	10-15	10-15
Mrs L Aulton, Staff Governor	20-25	

During the year, no Governors received any benefits in kind (2013 - £NIL).

During the year, no Governors received any reimbursement of expenses (2013 - £31).

**17. 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 £3,000,000 on any one claim and the cost for the Year ended 31 August 2014 was £1,371 (2013 - £1,482). The cost of this insurance is included in the total insurance cost.

**18. OTHER FINANCE INCOME**

	Year 31 August 2014 £	Period 31 August 2013 £
Expected return on pension scheme assets	18,000	10,000
Interest on pension scheme liabilities	(29,000)	(18,000)
	<u>(11,000)</u>	<u>(8,000)</u>

**HOLYWELL PRIMARY SCHOOL**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2014**

**19. TANGIBLE FIXED ASSETS**

	Long term Leasehold Property £	Fixtures and fittings £	Computer equipment £	Total £
<b>Cost</b>				
At 1 September 2013	3,417,063	-	14,954	3,432,017
Additions	34,430	14,191	14,395	63,016
At 31 August 2014	3,451,493	14,191	29,349	3,495,033
<b>Depreciation</b>				
At 1 September 2013	44,580	-	2,416	46,996
Charge for the Year	53,601	818	6,521	60,940
At 31 August 2014	98,181	818	8,937	107,936
<b>Net book value</b>				
At 31 August 2014	3,353,312	13,373	20,412	3,387,097
At 31 August 2013	3,372,483	-	12,538	3,385,021

Included in land and buildings is leasehold land at valuation of £737,000, which is not depreciated.

**20. STOCKS**

	2014 £	2013 £
Finished goods and goods for resale	194	-

**21. DEBTORS**

	2014 £	2013 £
Trade debtors	1,918	320
Other debtors	14,893	9,347
Prepayments and accrued income	33,622	6,443
	50,433	16,110

---

**HOLYWELL PRIMARY SCHOOL**  
(A company limited by guarantee)

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2014**

---

**22. CREDITORS:**  
**Amounts falling due within one year**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Trade creditors	<b>56,033</b>	17,598
Other taxation and social security	<b>34,569</b>	36,504
Other creditors	-	2,291
Accruals and deferred income	<b>53,869</b>	11,750
	<u><b>144,471</b></u>	<u><b>68,143</b></u>

**Deferred income**

Deferred income at 1 September 2013	<b>6,950</b>
Resources deferred during the year	<b>43,603</b>
Amounts released from previous years	<b>(6,950)</b>
Deferred income at 31 August 2014	<u><b>43,603</b></u>

**HOLYWELL PRIMARY SCHOOL**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2014**

**23. STATEMENT OF FUNDS**

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
<b>Unrestricted funds</b>						
General Funds - all funds	7,218	123,795	(125,363)	-	-	5,650
Transfer from predecessor	122,419	-	-	-	-	122,419
	<u>129,637</u>	<u>123,795</u>	<u>(125,363)</u>	<u>-</u>	<u>-</u>	<u>128,069</u>
<b>Restricted funds</b>						
General Annual Grant (GAG)	65,516	1,411,800	(1,332,293)	(19,300)	-	125,723
Other DfE/EFA grants	(1,913)	18,523	(13,997)	-	-	2,613
Government grants	(1)	71,090	(29,618)	-	-	41,471
Other income	6,469	28,924	(27,281)	-	-	8,112
Pension reserve	(301,000)	-	(20,000)	-	(143,000)	(464,000)
	<u>(230,929)</u>	<u>1,530,337</u>	<u>(1,423,189)</u>	<u>(19,300)</u>	<u>(143,000)</u>	<u>(286,081)</u>
<b>Restricted fixed asset funds</b>						
DfE/EFA capital grants	8,736	44,579	(374)	-	-	52,941
Capital expenditure from GAG	21,017	-	(7,086)	16,872	-	30,803
Assets from predecessor school	3,364,004	-	(53,480)	2,428	-	3,312,952
	<u>3,393,757</u>	<u>44,579</u>	<u>(60,940)</u>	<u>19,300</u>	<u>-</u>	<u>3,396,696</u>
Total restricted funds	<u>3,162,828</u>	<u>1,574,916</u>	<u>(1,484,129)</u>	<u>-</u>	<u>(143,000)</u>	<u>3,110,615</u>
Total of funds	<u>3,292,465</u>	<u>1,698,711</u>	<u>(1,609,492)</u>	<u>-</u>	<u>(143,000)</u>	<u>3,238,684</u>

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

General Annual Grant (GAG) must be used for the normal running costs of the Academy.

Other DfE / EFA Grants comprise of various grants awarded for specific projects, in particular to boost standards of attainment. Grants include Pupil Premium funding which is intended to support education from pupils from a disadvantaged background.

---

**HOLYWELL PRIMARY SCHOOL**  
(A company limited by guarantee)

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2014**

---

**23. STATEMENT OF FUNDS (continued)**

Local Government Grants includes funding provided for pupils with Statements of Special Educational Needs and is used by the academy to assist with the pupils education.

Devolved capital funding is that provided to academies to use as it sees fit in areas such as improvements to buildings or facilities, or the repair or refurbishment of such.

Other income comprises various other receipts including school meals. The income is classed as restricted or unrestricted based on the nature of the income.

The pension reserve arises from the actuarial measurement of the Academy's share of the Local Government Pension Scheme deficit. This deficit is recorded as a provision. The actuarial cost of employing staff during the year is initially reflected in the normal running costs of the school in the restricted pension fund. The amount of £20,000 included in resources expended represents the pension cost for the year charged to income and expenditure that arises from actuarial calculations of service cost rather than employer contributions paid. Actuarial gains and losses that arise from changes in assumptions by the actuary or wider influences are shown in the restricted pension fund, the movement this year being a net £163,000 actuarial increase in the net pension fund deficit.

Restricted fixed asset funds represent monies received in respect of and spent on fixed assets. This includes assets inherited on conversion. The total of resources expended within this fund include the depreciation charge for the year. The transfers figure is the amount of other funds used to acquire fixed assets.

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 2014.

**SUMMARY OF FUNDS**

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
General funds	129,637	123,795	(125,363)	-	-	128,069
Restricted funds	(230,929)	1,530,337	(1,423,189)	(19,300)	(143,000)	(286,081)
Restricted fixed asset funds	3,393,757	44,579	(60,940)	19,300	-	3,396,696
	<u>3,292,465</u>	<u>1,698,711</u>	<u>(1,609,492)</u>	<u>-</u>	<u>(143,000)</u>	<u>3,238,684</u>

**HOLYWELL PRIMARY SCHOOL**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2014**

**24. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted funds 2014 £	Restricted funds 2014 £	Restricted fixed asset funds 2014 £	Total funds 2014 £	Total funds 2013 £
Tangible fixed assets	-	-	3,387,097	3,387,097	3,385,021
Current assets	130,621	319,838	9,599	460,058	276,587
Creditors due within one year	(2,552)	(141,919)	-	(144,471)	(68,143)
Provisions for liabilities and charges	-	(464,000)	-	(464,000)	(301,000)
	<u>128,069</u>	<u>(286,081)</u>	<u>3,396,696</u>	<u>3,238,684</u>	<u>3,292,465</u>

**25. NET CASH FLOW FROM OPERATING ACTIVITIES**

	Continuing £	Discontinued £	Year 31 August 2014 Total £	Period 31 August 2013 £
Net incoming resources before revaluations	89,219	-	89,219	3,311,465
Assets donated by predecessor school	-	-	-	(3,411,000)
Depreciation of tangible fixed assets	60,940	-	60,940	46,996
Movement in stocks	(194)	-	(194)	-
Movement in debtors	(34,323)	-	(34,323)	(16,110)
Movement in creditors	76,328	-	76,328	68,143
FRS 17 adjustments	20,000	-	20,000	282,000
<b>Net cash inflow from operations</b>			<u>211,970</u>	<u>281,494</u>

**26. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT**

	Year 31 August 2014 £	Period 31 August 2013 £
<b>Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets	<u>(63,016)</u>	<u>(21,017)</u>

---

**HOLYWELL PRIMARY SCHOOL**  
(A company limited by guarantee)

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2014**

---

**27. ANALYSIS OF CHANGES IN NET FUNDS**

	1 September 2013	Cash flow	Other non-cash changes	31 August 2014
	£	£	£	£
Cash at bank and in hand:	260,477	148,954	-	409,431
<b>Net funds</b>	<b>260,477</b>	<b>148,954</b>	<b>-</b>	<b>409,431</b>

**28. CONTINGENT LIABILITIES**

During the period of the Funding Agreement, in the event of the sale or disposal by other means of any asset for which a Government capital grant was received, the Academy is required either to re-invest the proceeds or to repay to the Secretary of State for Education the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State.

Upon termination of the Funding Agreement, whether as a result of the Secretary of State or the Academy servicing notice, the Academy shall repay to the Secretary of State sums determined by reference to:

- (a) the value at that time of the Academy's site and premises and other assets held for the Academy; and
- (b) the extent to which expenditure incurred in providing those assets was met by payments by the Secretary of State under the Funding Agreement.

**29. PENSION COMMITMENTS**

The Academy's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Leicestershire County 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 related to the period ended 31 March 2004 and of the LGPS 31 March 2010.

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.

---

**HOLYWELL PRIMARY SCHOOL**  
**(A company limited by guarantee)**

---

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2014**

---

**29. PENSION COMMITMENTS (continued)**

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**

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

The last valuation of the TPS related to the period 1 April 2001 to 31 March 2004. The Government Actuary's report of October 2006 revealed that the total liabilities of the Scheme (pensions in payment and the estimated cost of future benefits) amounted to £166,500 million. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at that valuation date) was £163,240 million. The assumed real rate of return was 3.5% in excess of prices and 2% in excess of earnings. The rate of real earnings growth was assumed to be 1.5%. The assumed gross rate of return was 6.5%. From 1 January 2007, the SCR was assessed at 19.75%, and the supplementary contribution rate was assessed to be 0.75% (to balance assets and liabilities as required by the regulations within 15 years). This resulted in a total contribution rate of 20.5%, which translated into an employee contribution rate of 6.4% and employer contribution rate of 14.1% payable.

The Public Service Pensions Bill provides for future scheme valuations to be conducted in accordance with Treasury directions. The actuarial valuation report in summer 2014 takes effect from September 2015.

**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.



**HOLYWELL PRIMARY SCHOOL**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2014**

**29. PENSION COMMITMENTS (continued)**

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 from 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 reformed Teachers' Pension Scheme and regulations giving effect to it came into force on 1 April 2014. Communications are being rolled out and the reformed scheme will commence on 1 April 2015.

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The Academy is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the Academy 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 Academy has set out above the information available on the scheme.

**Local Government Pension Scheme**

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the Year ended 31 August 2014 was £64,000, of which employer's contributions totalled £50,000 and employees' contributions totalled £14,000. The agreed contribution rates for future years are 20% for employers and various% 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.

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

	Expected return at 31 August 2014 %	Fair value at 31 August 2014 £	Expected return at 31 August 2013 %	Fair value at 31 August 2013 £
Equities	6.30	276,000	6.60	186,000
Bonds	3.30	67,000	3.80	76,000
Property	4.50	39,000	4.70	26,000
Cash	3.30	12,000	3.60	3,000
Total market value of assets		<u>394,000</u>		<u>291,000</u>
Surplus in the scheme		<u>394,000</u>		<u>291,000</u>

**HOLYWELL PRIMARY SCHOOL**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2014**

**29. PENSION COMMITMENTS (continued)**

The amounts recognised in the Balance sheet are as follows:

	Year 31 August 2014 £	Period 31 August 2013 £
Present value of funded obligations	(858,000)	(592,000)
Fair value of scheme assets	394,000	291,000
Net liability	<u>(464,000)</u>	<u>(301,000)</u>

The amounts recognised in the Statement of financial activities are as follows:

	Year 31 August 2014 £	Period 31 August 2013 £
Current service cost	(59,000)	(38,000)
Interest on obligation	(29,000)	(18,000)
Expected return on scheme assets	18,000	10,000
Total	<u>(70,000)</u>	<u>(46,000)</u>

Movements in the present value of the defined benefit obligation were as follows:

	Year 31 August 2014 £	Period 31 August 2013 £
Opening defined benefit obligation	592,000	490,000
Current service cost	59,000	38,000
Interest cost	29,000	18,000
Contributions by scheme participants	14,000	11,000
Actuarial Losses	175,000	35,000
Benefits paid	(11,000)	-
Closing defined benefit obligation	<u>858,000</u>	<u>592,000</u>

**HOLYWELL PRIMARY SCHOOL**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2014**

**29. PENSION COMMITMENTS (continued)**

Movements in the fair value of the Academy's share of scheme assets:

	Year 31 August 2014 £	Period 31 August 2013 £
Opening fair value of scheme assets	291,000	218,000
Expected return on assets	18,000	10,000
Actuarial gains and (losses)	32,000	16,000
Contributions by employer	50,000	36,000
Contributions by employees	14,000	11,000
Benefits paid	(11,000)	-
	394,000	291,000

The cumulative amount of actuarial gains and losses recognised in the Statement of Financial Activities was £143,000 (2013 - £19,000).

The Academy expects to contribute £56,000 to its Defined benefit pension scheme in 2015.

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	2014	2013
European equities	70.00 %	64.00 %
European bonds	17.00 %	26.00 %
Property	10.00 %	9.00 %
Cash	3.00 %	1.00 %

Principal actuarial assumptions at the Balance sheet date (expressed as weighted averages):

	2014	2013
Discount rate for scheme liabilities	3.70 %	4.60 %
Expected return on scheme assets at 31 August	5.50 %	5.70 %
Rate of increase in salaries	4.40 %	5.10 %
Rate of increase for pensions in payment / inflation	2.60 %	2.80 %

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

	2014	2013
Retiring today		
Males	22.2	20.9
Females	24.3	23.3
Retiring in 20 years		
Males	24.2	23.3
Females	26.6	25.6

**HOLYWELL PRIMARY SCHOOL**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2014**

**29. PENSION COMMITMENTS (continued)**

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

Defined benefit pension schemes

	2014 £	2013 £	2012 £	2011 £	2010 £
Defined benefit obligation	(858,000)	(592,000)	-	-	-
Scheme assets	394,000	291,000	-	-	-
Deficit	(464,000)	(301,000)	-	-	-
Experience adjustments on scheme liabilities	(175,000)	(35,000)	-	-	-
Experience adjustments on scheme assets	32,000	16,000	-	-	-

**SENSITIVITY ANALYSIS**

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

	Approx. % increase to employer liability %	Approx. monetary amount £
0.5% decrease in real discount rate	12	103,000
1 year increase in member life expectancy	3	26,000
0.5% increase in salary increase rate	6	50,000
0.5 % increase in the pension increase rate	6	50,000

**30. OPERATING LEASE COMMITMENTS**

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

	Land and buildings		Other	
	2014 £	2013 £	2014 £	2013 £
<b>Expiry date:</b>				
Within 1 year	-	-	1,304	-
Between 2 and 5 years	-	-	445	1,305

---

**HOLYWELL PRIMARY SCHOOL**  
**(A company limited by guarantee)**

---

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2014**

---

**31. 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 a governors 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.

During the year the Academy paid £500 to Mrs H Needham, wife of Mr M Needham, Vice Chair of Governors for pupils' music lessons.

During the year the Academy purchased safety shoes at a cost of £6.31 for the site manager from David Linnitt, husband of Christine Linnitt, Head Teacher.

**32. CONTROLLING PARTY**

The trustees have ultimate control of the Academy.