

St Ives Infant School

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2013

Walker Moyle Chartered Accountants
Alverton Pavilion
Trewithen Road
Penzance
Cornwall
TR18 4LS

St Ives Infant School

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St Ives Infant School

Reference and Administrative Details

Governors and Trustees (Directors) J McWilliams
C Whelan
J Dean
C J Ford
J A Marsden
G S Anderson
S Veal (Resigned 27 November 2012)
D Elliot (Resigned 27 November 2012)
T R Murray
S Perkin
V A Gilbert
G Davies
N J D Thomas
M L Armstrong
A Georghiades (appointed 4 June 2013)
S Hodges (appointed 4 June 2013)

Senior Management Team J Dean, Principal
C Pamplin, Deputy Head
L Saunders, Early Years Leader

Principal and Registered Office Trenwith Burrows
St Ives
Cornwall
TR26 1DH

Company Registration Number 07713374

Auditors Walker Moyle Chartered Accountants
Alverton Pavilion
Trewithen Road
Penzance
Cornwall
TR18 4LS

Bankers The Co-operative Bank
PO BOX 250
Skelmersdale
TR1 3AP

St Ives Infant School

Trustees' Report for the Year Ended 31 August 2013

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2013.

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 07713374.

The governors act as the trustees for the charitable activities of St Ives Infant School and are also the directors of the charitable company for the purposes of company law.

Details of the trustees 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.

Trustees' indemnities

The Academy through its Articles has indemnified its Trustees to the fullest extent permissible by law. During the period the Academy also purchased and maintained liability insurance for its Trustees.

Principal activities

The Principal Activity of St Ives Infant School is to advance for the public benefit education in the United Kingdom, in particular, by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum, as detailed in the Trust's articles of association and funding agreement.

St Ives Infant School

Trustees' Report for the Year Ended 31 August 2013

Method of recruitment and appointment or election of Trustees

The first governors are those persons named in the statement delivered pursuant to sections 9 and 12 of the Companies Act 2006.

Other governors are appointed as follows:

a) By members- The members may appoint up to 15 governors. They can appoint staff governors through such process as they may determine, provided that the total number of governors (including the Principal) who are employed by the academy trust does not exceed one-third of the total number of governors.

b) Local Authority - The Local Authority may appoint the Local Authority Governor.

c) Ex Officio Governor - Shall be the principal.

d) By parents - The parent governors shall be elected by parents of registered pupils at the academy. A parent governor must be a parent of a pupil at the academy at the time when elected. There should be a minimum of 2 parent governors.

e) Governing body - Can appoint parent governors if the number of parents standing for election is less than the number of vacancies.

f) The Governors - The governors may appoint up to 3 co-opted governors. The governors may not co-opt an employee of the academy trust as a co-opted governor if the number of governors who are employed by the academy trust would exceed one-third (including the Principal).

g) The Secretary of State - May appoint Additional Governors in the following circumstances:

i. If the governors have received a warning notice and the governors have failed to comply with the notice to the Secretary of State's satisfaction within the compliance period.

ii. Where following an Inspection by the Chief Inspector in accordance with the Education Act 2005 (an "Inspection") the academy trust receives an Ofsted grading (being a grade referred to in the Framework for School Inspection or any modification or replacement of that document for the time being in force) which amounts to a drop, either from one Inspection to the next Inspection or between any two Inspections carried out within a 5 year period, of two Ofsted grades. For the purposes of the foregoing the grade received by St Ives Infant School shall be regarded as the grade received by the academy.

iii. The Secretary of State may also appoint such Further Governors as he thinks fit if a Special Measures Termination Event (as defined in the Funding Agreement) occurs in respect of the academy.

Within 5 days of the Secretary of State appointing any Additional or Further Governors, any governors appointed under Article 50 of the Memorandum and Articles of Association and holding office immediately preceding the appointment of such governors, shall resign immediately and the Members' power to appoint governors under Article 50 shall remain suspended until the Secretary of State removes one or more of the Additional or Further Governors.

The term of office for any governor except the principal shall be 4 years. Subject to remaining eligible to be a particular type of governor, any governor may be reappointed or re-elected.

Policies and procedures adopted for the induction and training of Trustees

All governors are related to the academy in some way and are therefore familiar with the academy. All governors have the opportunity to go on training courses and receive guidance and training from existing governors.

Organisational structure

The decisions relating to the running of the academy are made by the Board of Governors, who meet on a regular basis. Academy policies and recommendations for future action can be put to the Board of Governors by any governor. Although the majority of the recommendations are by the governors employed by the academy. The day to day running of the academy is delegated to the Principal. The Vice Principal, Chair and Vice Chair support the Principal in the day to day management of the academy.

St Ives Infant School

Trustees' Report for the Year Ended 31 August 2013

Risk management

The governors have assessed the major risks to which the Academy is exposed, in particular relating to the Academy's system of internal control. This incorporates risk management and encompasses a number of elements that together facilitate an effective and efficient operation. This enables the Academy to respond to a variety of operational, financial and commercial risks.

St Ives Infant School

Trustees' Report for the Year Ended 31 August 2013

Objectives and activities

Objects and aims

The object of the academy is to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum.

The academy's motto is 'Setting Sail for New Horizons'.

For every child to set out confidently on the adventure of learning: curious about the world, excited about their future, positive about their ability and caring towards other people.

The academy's aims are:

Curious about the world

- To promote awareness and understanding of other cultures
- To develop the children's motivation, discovering their special interests and talents
- To introduce the children to a wide range of new experiences, ideas and activities
- To encourage the child to ask questions about the world, talk about their ideas and express their opinions

Excited about their future

- To make children excited about learning and eager to move on to the next stage of their education
- To help children to look beyond their immediate surroundings and their own personal experiences
- To shape a curriculum which will develop the knowledge and skills which the children will need to meet the challenges of their future lives
- To involve children in problem solving and develop their capacity to be active citizens

Positive of their ability

- To help children to reach the highest levels of achievement in all they do
- To demonstrate to all the children that they are able to learn
- To provide the highest quality of teaching for all children
- To develop the children's awareness of their own learning and the value of perseverance and dedication in their learning
- To identify and strive to meet the children's Special Educational Needs

Caring of other people

- To develop sensitivity to the feelings and concerns of other people
- To demonstrate compassion and respect for other people
- To develop the children's moral understanding
- To learn how to co-operate and work with other people

Objectives, strategies and activities

To ensure that the staff and governors become familiar with the additional responsibilities and opportunities by operating as an academy. For all children to have a successful year of learning and development.

St Ives Infant School

Trustees' Report for the Year Ended 31 August 2013

Public benefit

The Trustees confirm that they have complied with the duty in Section 17(5) of the Charities Act 2011 to have due regard to the public benefit guidance provided by the Charity Commission.

The Academy provides educational services to children in the local area. Applications for school places are welcome from any family, regardless of where they live and the school does not have a defined catchment area. However proximity to the school is used as the main criteria if a year group is over-subscribed, once places have been allocated to children in care or with a statement of special educational need.

The education provided directly benefits the children and indirectly benefits their families and the wider community in which they are growing up.

In practice, a large majority of children who attend the school live in the town of St Ives and within walking distance of the school. The community is predominantly white Cornish or white British and the area where most of the children live falls within the 30-40% most deprived areas in the country. 34% of children are currently eligible for pupil premium funding as they receive free school meals (or have done in recent years), are in care or have a parent in the armed services. The educational services provided by the school therefore benefit many children who would be identified as disadvantaged.

Achievements and performance

The school has continued to invest in additional individual support for children with particular needs and this proved very effective in helping the school to meet its aim of increasing the percentage of children attaining Level 2C and above in core subjects at the end of Year 2. The rolling 3 year averages show a rising trend in reading, writing and maths.

The children's attainment at the end of Year 2 was above national results in reading, writing and maths. The children made excellent progress from Year 1 to Year 2, exceeding all past years in writing and maths and continuing to maintain a very strong record in Reading.

At the end of their Reception year the majority of children achieved the expected level or above in each of the 17 areas of learning within Early Years Foundation Stage Profile.

2012 – 2013 saw the implementation of the school's new curriculum, the 'Setting Sails Curriculum', with its emphasis on developing topics from the children's interests, providing rich first hand experiences and incorporating time for the children to develop their own independent learning. The curriculum has been well-received by children, parents and staff and the topics chosen through the year have taken the children into areas and levels of learning that would not normally be covered at Key Stage 1.

During the year the school invested in a new safety surface for the children's play area and refurbished the cloakrooms and toilets in two classrooms. Academy Capital Maintenance money from the Education Funding Agency was used to replace the school roof.

A Quiet Area was created in a corner of the school field in which children can read, draw, write and explore during play times. The area includes a cosy reading den, a story-teller's chair and benches and a wooden sculpture of a bee. This area has extended the opportunities available to the children at playtimes and has proved a popular choice.

Going concern

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

Key financial performance indicators

	Unit	2013	2012
General Annual Grant (GAG) received	£	715,930.00	693,785.00
Unrestricted reserves	£	80,167.00	75,091.00

St Ives Infant School

Trustees' Report for the Year Ended 31 August 2013

Financial review

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 for Education.

The Academy also received a grant of £196K from the Academies Capital Maintenance fund to replace its flat roof. This work was completed during the year and the expenditure is recorded within fixed assets.

The Academy also receives funding from the Local Authority (Cornwall Council) including nursery funding for 3/4 year olds.

The Academy Trust held fund balances at 31 August 2013 of £1,453K comprising £1,451K of restricted funds, £80K of unrestricted funds and a pension reserve deficit of £78K

Principal risks and uncertainties

The principal risk and uncertainty facing the Academy is the level of future Government funding and the subsequent potential impact on its ability to maintain the current level of provision. This risk is managed by careful control over budgeted expenditure, combined with the monitoring of reserves.

Financial and risk management objectives and policies

The Governors examine the financial position of the Academy each term.

In respect of bank balances the liquidity risk is managed by a continual review of the balance and the forecast expenditure compared to actual expenditure, to ensure that the account never goes overdrawn and all liabilities are met.

Reserves policy

There are no designated reserves. All restricted reserves relate to income received with conditions regarding expenditure. The pension deficit of £78,000 represents the deficit on the Local Government Pension Scheme. The deficit on the pension scheme would generally result in a cash flow effect for the academy trust in the form of an increase in employers' pension contributions over a period of years. However on the basis that increased pension contributions should generally be met from the academy trust's budgeted annual income, whilst the deficit might not be eliminated, there should be no actual cash flow deficit on the fund, or direct impact on the free reserves of the academy trust because of recognising the deficit. The level of free, unrestricted reserves at the 31 August 2013 is £80,167 (2012 £75,091).

Investment policy

The academy retains surplus funds in its bank accounts. The Board of Governors monitor the type of bank accounts held and decide to either close or open additional accounts if necessary.

The governor's have the power to invest any funds of the academy not immediately required for the furtherance of its objects, but to invest only after obtaining such advice from a financial expert as the governors consider necessary and having regard to the suitability of investments and the need for diversification.

St Ives Infant School

Trustees' Report for the Year Ended 31 August 2013

Plans for future periods

The governors' key priority in 2013 – 2014 is to maintain the high levels of attainment and progress achieved in the past year through continued high quality teaching. The use of carefully targeted intervention groups will continue and each child's individual progress will be rigorously tracked.

The school's Setting Sails curriculum, which was introduced in 2012 – 2013, will be consolidated with particular attention given to developing a programme of whole school enrichment activities, for instance visits by theatre companies and a puzzle challenge day.

In the coming year the school will use some of its Pupil Premium funding to employ a Home-School Liaison Officer to work with parents to improve their children's attendance. This post will involve promoting good attendance, implementing attendance action plans and securing any relevant support which families need in order to improve attendance.

The school is planning to develop a horticultural area in the existing pond area which will include a poly-tunnel, re-sited pond, vegetable beds and storage for equipment and tools.

The staff toilets and cloakroom will be refurbished, windows replaced in the nursery and an application made to the Academies Capital Maintenance Fund for a grant to refurbish the kitchen and nursery.

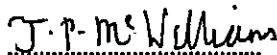
Auditor

In so far as the Trustees are aware:

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

The report has been prepared in accordance with the small companies regime of the Companies Act 2006.

Approved by order of the on 9-12-13 and signed on its behalf by:



J McWilliams

Governor and trustee

St Ives Infant School

Governance Statement

Scope of responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that St Ives Infant 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 J Dean, 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 Ives Infant 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 Trustees' Report and in the Statement of Trustees' Responsibilities. The Governing Body has formally met 3 times during the year. Attendance during the year at meetings of the Governing Body was as follows:

Trustee	Meetings attended	Out of a possible
J McWilliams	3	3
C Whelan	3	3
J Dean	3	3
C J Ford	3	3
J A Marsden	3	3
G S Anderson	3	3
D Elliot	1	1
T R Murray	2	3
S Perkin	2	3
N J D Thomas	3	3
M L Armstrong	1	3
V A Gilbert	3	3
G Davies	3	3
A Georghiades	1	2
S Hodges	2	2

The Finance and General Purposes Committee is a sub-committee of the main Governing Body. Its purpose is to manage and direct the academy's finances and specialist issues. Attendance at meetings during the year was as follows:

Trustee	Meetings attended	Out of a possible
T R Murray	4	4
J Dean	4	4
C Whelan	3	4
S Veal	0	1
V A Gilbert	4	4
A Georghiades	1	2
J A Marsden	1	2

St Ives Infant School

Governance Statement

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 Ives Infant School for the year ended 31 August 2013 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Governing Body 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 Governing Body 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 2013 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Body.

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 Governing Body;
- regular reviews by the Finance and General Purposes 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 Governing Body has considered the need for a specific internal audit function and has decided:

- not to appoint an internal auditor. However the Trustees have appointed G S Anderson as responsible officer (RO)

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 regular basis, the RO reports to the Governing Body on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities.

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

St Ives Infant School

Governance Statement

Review of effectiveness

As Accounting Officer, J Dean 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 General Purposes 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 Governing Body on 9-12-13 and signed on its behalf by:

J.P. McWilliams

J McWilliams
Governor and trustee

J Dean

J Dean
Governor and trustee

St Ives Infant School

Statement on Regularity, Propriety and Compliance

As accounting officer of St Ives Infant 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.

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date.

.....*J Dean*.....

J Dean

Accounting officer

St Ives Infant School

Statement of Trustees' Responsibilities

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

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


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

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

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

Approved by order of the members of the Board on 9.12.13 and signed on its behalf by:



J McWilliams
Governor and trustee

St Ives Infant School

Independent Auditor's Report on the Financial Statements to the members of St Ives Infant School

We have audited the financial statements of St Ives Infant School for the year ended 31 August 2013, which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, Balance Sheet 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 trustees, 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 trustees 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 trustees 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 Trustees' Responsibilities (set out on page 13), the trustees (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 trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited financial statements. 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 2013 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 Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

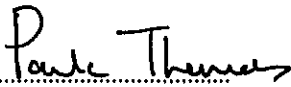
St Ives Infant School

Independent Auditor's Report on the Financial Statements to the members of St Ives Infant 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 trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.
- the trustees' were not entitled to prepare the financial statements in accordance with the small companies regime and take account of the small companies exemption in preparing the Trustees' Annual Report.



Paula Thomas BA FCA DChA (Senior Statutory Auditor)

For and on behalf of Walker Moyle Chartered Accountants, Statutory Auditor

Alverton Pavilion
Trewithen Road
Penzance
Cornwall
TR18 4LS

Date: 19 December 2013

St Ives Infant School

Independent Auditor's Assurance Report on Regularity to St Ives Infant School and the Education Funding Agency

In accordance with the terms of our engagement letter dated 5 November 2012 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by St Ives Infant School during the period 1 September 2012 to 31 August 2013 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 the Governing Body and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we may state to the Governing Body and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Governing Body and the EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of the Governing Body's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of the Governing Body's funding agreement with the Secretary of State for Education dated 1 September 2011 and the Academies Financial Handbook extant from 1 September 2012, 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. 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 2012 to 31 August 2013 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 Annual Accounts Direction issued by the Education Funding Agency. 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.

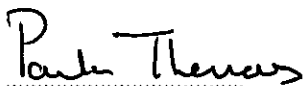
Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the academy trust's income and expenditure.

The work undertaken to draw to our conclusion includes:

- reviewing internal controls and testing a sample to ensure they are being correctly implemented
- reviewing the minutes of meetings of the trustees' and the finance and premises committee.
- reviewing a sample of expenditure incurred during the year and confirming it was in accordance with the academy's framework and charitable objectives.

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 2012 to 31 August 2013 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Paula Thomas BA FCA DChA

For and on behalf of Walker Moyle Chartered Accountants, Chartered Accountants

Alverton Pavilion
Trewithen Road
Penzance
Cornwall
TR18 4LS

Date: 19 December 2013

St Ives Infant School

Statement of Financial Activities for the Year Ended 31 August 2013 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2013 £	Total 2012 £
Incoming resources					
<i>Incoming resources from generated funds:</i>					
Voluntary income					
Transfer on conversion	2	-	-	-	1,020,252
Other voluntary income	2	128	6,300	6,428	6,574
Activities for generating funds	3	7,103	13,768	20,871	20,925
Investment income	4	439	-	439	211
<i>Incoming resources from charitable activities:</i>					
Funding for the Academy's educational operations	5	-	867,287	202,615	1,069,902
Total incoming resources		7,670	887,355	202,615	1,097,640
Resources expended					
<i>Charitable activities:</i>					
Academy's educational operations	7	2,594	793,074	20,083	815,751
Governance costs	8	-	18,995	-	18,995
Total resources expended	6	2,594	812,069	20,083	834,746
Net incoming resources before transfers		5,076	75,286	182,532	262,894
Gross transfers between funds		-	(45,584)	45,584	-
Net income for the year		5,076	29,702	228,116	262,894
Other recognised gains and losses					
Gains/losses on revaluation of fixed assets		-	-	-	139,400
Actuarial gains on defined benefit pension schemes	21	-	4,000	-	4,000
Net movement in funds		5,076	33,702	228,116	266,894
Reconciliation of funds					
Funds/(deficit) brought forward at 1 September 2012		75,091	(71,793)	1,183,232	1,186,530
Funds/(deficit) carried forward at 31 August 2013		80,167	(38,091)	1,411,348	1,453,424

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

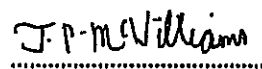
A Statement of Total Recognised Gains and Losses is not required as all gains and losses are included in the Statement of Financial Activities.

St Ives Infant School

(Registration number: 07713374)
Balance Sheet as at 31 August 2013

	Note	2013 £	2012 £
Fixed assets			
Tangible assets	12	1,408,849	1,181,152
Current assets			
Stocks	13	3,076	5,145
Debtors	14	21,561	43,874
Cash at bank and in hand		<u>153,883</u>	<u>114,008</u>
		178,520	163,027
Creditors: Amounts falling due within one year	15	<u>(55,945)</u>	<u>(78,649)</u>
Net current assets		<u>122,575</u>	<u>84,378</u>
Total assets less current liabilities		<u>1,531,424</u>	<u>1,265,530</u>
Net assets excluding pension liability		1,531,424	1,265,530
Pension scheme liability	21	<u>(78,000)</u>	<u>(79,000)</u>
Net assets including pension liability		<u>1,453,424</u>	<u>1,186,530</u>
Funds of the Academy:			
Restricted funds			
Restricted general fund		39,910	7,207
Restricted fixed asset fund		1,411,348	1,183,232
Restricted pension fund		<u>(78,000)</u>	<u>(79,000)</u>
		1,373,258	1,111,439
Unrestricted funds			
Unrestricted general fund		<u>80,166</u>	<u>75,091</u>
Total funds		<u>1,453,424</u>	<u>1,186,530</u>

The financial statements on pages 17 to 35 were approved by the Trustees, and authorised for issue on 9.12.13 and signed on their behalf by:


.....
J McWilliams
Governor and trustee

St Ives Infant School

Notes to the Financial Statements for the Year Ended 31 August 2013

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 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.

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.

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.

St Ives Infant School

Notes to the Financial Statements for the Year Ended 31 August 2013

1 Accounting policies (continued)

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.

Tangible fixed assets

Assets costing £500 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.

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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.

Asset class	Depreciation method and rate
Long leasehold buildings	Equally over 50 years
Fixtures, fittings and equipment	Equally over 10 years
ICT equipment	Equally over 3 years
Paintings	No depreciation

Stock

Unsold uniforms and catering stocks are valued at the lower of cost or net realisable value.

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 Ives Infant School

Notes to the Financial Statements for the Year Ended 31 August 2013

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 trustees.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Education Funding Agency/Department for Education/sponsor/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.

2 Voluntary income

	Unrestricted funds £	Restricted funds £	Total 2013 £	Total 2012 £
Transfer on conversion	-	-	-	1,020,252
Other voluntary income				
Educational trips and visits	-	5,284	5,284	-
Other donations	128	1,016	1,144	6,574
	<u>128</u>	<u>6,300</u>	<u>6,428</u>	<u>6,574</u>
Total voluntary income	<u>128</u>	<u>6,300</u>	<u>6,428</u>	<u>1,026,826</u>

St Ives Infant School

Notes to the Financial Statements for the Year Ended 31 August 2013

3 Activities for generating funds

	Unrestricted funds £	Restricted funds £	Total 2013 £	Total 2012 £
Hire of facilities	4,522	-	4,522	4,467
Catering income	-	13,768	13,768	15,840
Other sales	2,581	-	2,581	618
	<u>7,103</u>	<u>13,768</u>	<u>20,871</u>	<u>20,925</u>

4 Investment income

	Unrestricted funds £	Total 2013 £	Total 2012 £
Short term deposits	439	439	211

St Ives Infant School

Notes to the Financial Statements for the Year Ended 31 August 2013

5 Funding for Academy's educational operations

	Restricted funds £	Restricted fixed asset funds £	Total 2013 £	Total 2012 £
DfE/EFA capital grants				
Backlog Maintenance	-	-	-	37,941
Devolved Formula Capital Grant	-	6,115	6,115	6,025
New Roof	-	196,500	196,500	-
	<u>-</u>	<u>202,615</u>	<u>202,615</u>	<u>43,966</u>
DfE/EFA revenue grants				
General Annual Grant (GAG)	715,930	-	715,930	693,785
Start up Grant	-	-	-	25,000
Pupil Premium	39,794	-	39,794	22,224
Other	11,400	-	11,400	-
	<u>767,124</u>	<u>-</u>	<u>767,124</u>	<u>741,009</u>
Other government grants				
Nursery funding	80,019	-	80,019	83,065
Other	20,144	-	20,144	11,479
School Development Grant	-	-	-	842
	<u>100,163</u>	<u>-</u>	<u>100,163</u>	<u>95,386</u>
Non-government grants and other income				
Other	-	-	-	5,518
	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,518</u>
Total grants	<u>867,287</u>	<u>202,615</u>	<u>1,069,902</u>	<u>885,879</u>

6 Resources expended

	Staff costs £	Premises £	Other costs £	Total 2013 £	Total 2012 £
Academy's educational operations					
Direct costs	530,322	-	58,985	589,307	598,703
Allocated support costs	85,765	103,402	37,277	226,444	231,909
	<u>616,087</u>	<u>103,402</u>	<u>96,262</u>	<u>815,751</u>	<u>830,612</u>
Governance costs including allocated support costs					
	14,503	-	4,492	18,995	18,099
	<u>630,590</u>	<u>103,402</u>	<u>100,754</u>	<u>834,746</u>	<u>848,711</u>

St Ives Infant School

Notes to the Financial Statements for the Year Ended 31 August 2013

6 Resources expended (continued)

Net incoming/outgoing resources for the year include:

	2013 £	2012 £
Fees payable to auditor - audit	2,615	2,500
Audit fees (Pilot March 2013)	1,500	-
Accountancy Fees (Pilot March 2013)	2,800	-
Other audit/accountancy services	2,620	750

7 Charitable activities - Academy's educational operations

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total 2013 £	Total 2012 £
Direct costs					
Teaching and educational support staff costs	-	530,322	-	530,322	557,741
Educational supplies	269	33,765	-	34,034	21,646
Staff development	-	9,099	-	9,099	8,747
Other direct costs	-	15,852	-	15,852	10,569
	<u>269</u>	<u>589,038</u>	<u>-</u>	<u>589,307</u>	<u>598,703</u>
Allocated support costs					
Support staff costs	-	85,765	-	85,765	79,807
Depreciation	-	-	20,083	20,083	1,990
Maintenance of premises and equipment	-	15,221	-	15,221	33,106
Cleaning	-	26,102	-	26,102	29,379
Rent, rates and utilities	-	15,004	-	15,004	13,555
Insurance	-	26,992	-	26,992	25,092
Security and transport	-	923	-	923	615
Catering	-	9,669	-	9,669	10,786
Bank interest and charges	-	266	-	266	291
Other support costs	2,325	24,094	-	26,419	37,288
	<u>2,325</u>	<u>204,036</u>	<u>20,083</u>	<u>226,444</u>	<u>231,909</u>
	<u>2,594</u>	<u>793,074</u>	<u>20,083</u>	<u>815,751</u>	<u>830,612</u>

8 Governance costs

	Restricted funds £	Total 2013 £	Total 2012 £
Auditors' remuneration			
Audit of financial statements	2,615	2,615	2,500
Support costs	16,380	16,380	15,599
	<u>18,995</u>	<u>18,995</u>	<u>18,099</u>

St Ives Infant School

Notes to the Financial Statements for the Year Ended 31 August 2013

9 Staff costs

	2013 £	2012 £
Staff costs during the year were:		
Wages and salaries	500,159	529,755
Social security costs	30,300	32,308
Pension costs	78,868	73,773
Supply teacher costs	21,263	15,351
	<u>630,590</u>	<u>651,187</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:

	2013 No	2012 No
Charitable Activities		
Teachers	9	10
Administration and support	13	13
	<u>22</u>	<u>23</u>

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

	2012 No
£60,001 - £70,000	<u>1</u>

During 2013 no employees emoluments exceeded £60,000.

9 (2012 - 10) of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2013, pension contributions for these staff amounted to £44,844 (2012 - £49,317). 10 (2012 - 10) of the above employees participated in the Local Government Pension Scheme, pension contributions amounted to £34,024 (2012 - £24,456).

10 Trustees' remuneration and expenses

The Principal and staff trustees only receive remuneration in respect of services they provide undertaking the roles of Principal and staff and not in respect of their services as trustees. Other trustees did not receive any payments, or expenses, from the Academy in respect of their role as trustees. The value of trustees' remuneration was as follows:

J Dean (Principal): £55,000 - £60,000 (2012 - £60,000 - £65,000)

V A Gilbert (Staff Governor): £35,000 - £40,000 (2012 - £40,000 - £45,000)

G Davies (Staff Governor): £5,000 - £10,000 (2012 - £5,000 - £10,000)

St Ives Infant School

Notes to the Financial Statements for the Year Ended 31 August 2013

10 Trustees' remuneration and expenses (continued)

The employer also made pension contributions for the above Trustees' as follows:

J Dean (TPS) £8,229
V A Gilbert (TPS) £5,540
G Davies (LGPS) £459

During the year ended 31 August 2013, travel and expenses totalling £Nil (2012 - £Nil) were reimbursed to 0 trustees (2012 - 0).
Related party transactions involving the trustees are set out in note 22.

11 Trustees' and officers' insurance

In accordance with normal commercial practice the Academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2013 was £750 (2012 - £730).

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

12 Tangible fixed assets

	Leasehold land and buildings £	Furniture and equipment £	Computer equipment £	Total £
Cost or Valuation				
At 1 September 2012	1,176,340	3,950	2,853	1,183,143
Additions	226,793	3,178	17,808	247,779
At 31 August 2013	1,403,133	7,128	20,661	1,430,922
Depreciation				
At 1 September 2012	843	195	952	1,990
Charge for the year	14,913	201	4,969	20,083
At 31 August 2013	15,756	396	5,921	22,073
Net book value				
At 31 August 2013	1,387,377	6,732	14,740	1,408,849
At 31 August 2012	1,175,497	3,755	1,901	1,181,153

The leasehold property was revalued on 1 April 2012 to £1,134,182 by the Local Authority, Cornwall Council. This is an external party to the academy. The basis of the valuation is in accordance with FRS15. There has been no change to the valuation this year as the Trustees' do not consider there has been a material change. The historical cost (valuation of transfer received from local authority on conversion) was £994,782. Accumulated depreciation on the historic cost amounts to £10,943.

13 Stock

	2013 £	2012 £
Stock	3,076	5,145

St Ives Infant School

Notes to the Financial Statements for the Year Ended 31 August 2013

14 Debtors

	2013 £	2012 £
Prepayments	7,394	6,227
VAT recoverable	4,540	32,015
Other debtors	9,627	5,632
	<u>21,561</u>	<u>43,874</u>

15 Creditors: amounts falling due within one year

	2013 £	2012 £
Trade creditors	24,136	13,171
Other creditors	371	-
Accruals	31,438	65,478
	<u>55,945</u>	<u>78,649</u>

St Ives Infant School

Notes to the Financial Statements for the Year Ended 31 August 2013

16 Funds

	Balance at 1 September 2012 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2013 £
Restricted general funds					
Special Education Needs	508	15,053	(15,561)	-	-
School Development Grant	842	-	(842)	-	-
3/4 year old free nursery places	5,050	80,019	(76,411)	-	8,658
Donation - Jubilee Room	800	-	(122)	(678)	-
Donation - Same Earth	7	-	(7)	-	-
General Annual Grant	-	715,930	(651,288)	(44,906)	19,736
Pupil Premium	-	39,794	(28,278)	-	11,516
WGA/Budget Forecast/Pilot March 13	-	11,400	(11,400)	-	-
Bursaries	-	2,195	(2,195)	-	-
Family Learning	-	2,895	(2,895)	-	-
Fundraising for other charities	-	823	(823)	-	-
Donation - Christmas Tree	-	5	(5)	-	-
Donation - Friends of St Ives	-	185	(185)	-	-
Swimming	-	1,053	(1,053)	-	-
Music	-	3,112	(3,112)	-	-
Educational Visits	-	1,119	(1,119)	-	-
Catering	-	13,767	(13,767)	-	-
	<u>7,207</u>	<u>887,350</u>	<u>(809,063)</u>	<u>(45,584)</u>	<u>39,910</u>
Restricted fixed asset funds					
Devolved Formula Capital Grant	5,941	6,115	(117)	-	11,939
Backlog Maintenance	37,182	-	(759)	-	36,423
Transferred to the academy on conversion	999,829	-	(11,680)	-	988,149
From GAG	880	-	(4,695)	44,906	41,091
Revaluation Reserve	139,400	-	(1,533)	-	137,867
New Roof	-	196,500	(1,293)	-	195,207
Jubilee Room	-	-	(6)	678	672
	<u>1,183,232</u>	<u>202,615</u>	<u>(20,083)</u>	<u>45,584</u>	<u>1,411,348</u>
Restricted pension funds					
Pension Fund	<u>(79,000)</u>	<u>4,000</u>	<u>(3,000)</u>	<u>-</u>	<u>(78,000)</u>
Total restricted funds	1,111,439	1,093,965	(832,146)	-	1,373,258
Unrestricted funds					
Unrestricted general funds	<u>75,091</u>	<u>7,670</u>	<u>(2,595)</u>	<u>-</u>	<u>80,166</u>
Total funds	<u><u>1,186,530</u></u>	<u><u>1,101,635</u></u>	<u><u>(834,741)</u></u>	<u><u>-</u></u>	<u><u>1,453,424</u></u>

St Ives Infant School

Notes to the Financial Statements for the Year Ended 31 August 2013

16 Funds (continued)

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

Special Educational Needs - Funding received is restricted to assist children with special educational needs.

3/4 year old nursery places - Funding received to fund nursery places. The balance carried forward will be used in future years to fund the costs of running the nursery.

General Annual Grant - This is the main source of funding for the academy to fund its educational operations. The transfer of £44,906 represents capital expenditure funded by the GAG.

Pupil Premium - Funding is allocated to schools to close the gap in attainment between children from lower income families and their peer group. The balance will be carried forward to assist the school in future years.

Family Learning - Cornwall Council provide funding to enable the academy to run this activity.

Other Restricted Grants/Donations have been received for and expended for the purpose described.

Fixed Asset Restricted funds have been expended for the purpose described.

Roof-Funding was received to enable the academy to replace its existing flat roof. The cost incurred is held within fixed assets.

Pension Scheme - The balance represents the deficit on the local government pension scheme.

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 2013

17 Analysis of net assets between funds

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	1,408,849	1,408,849
Current assets	80,166	80,583	17,774	178,523
Current liabilities	-	(40,673)	(15,272)	(55,945)
Pension scheme liability	-	(78,000)	-	(78,000)
Total net assets	<u>80,166</u>	<u>(38,090)</u>	<u>1,411,351</u>	<u>1,453,427</u>

18 Capital commitments

	2013 £	2012 £
Contracted for, but not provided in the financial statements	<u>22,000</u>	<u>21,200</u>

St Ives Infant School

Notes to the Financial Statements for the Year Ended 31 August 2013

19 Financial commitments

Operating leases

At 31 August 2013 the Academy had annual commitments under non-cancellable operating leases as follows:

Operating leases which expire:

	2013 £	2012 £
Other		
Within two to five years	<u>3,363</u>	<u>3,363</u>

20 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.

21 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 2004 and of the LGPS 31 August 2013.

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). These regulations apply to teachers in schools that are maintained by local authorities and other educational establishments, including academies, in England and Wales. In addition teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and from 1 January 2007 automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

The Teachers' Pension Budgeting and Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and are paid by public funds provided by Parliament. 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 under arrangements governed by the above Act.

The Teachers' Pensions Regulations require an annual account, the Teachers' Pension Budgeting and Valuation 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.

St Ives Infant School

Notes to the Financial Statements for the Year Ended 31 August 2013

21 Pension and similar obligations (continued)

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.

Actuarial scheme valuations are dependent on assumptions about the value of future costs, the design of benefits and many other factors. Many of these assumptions are being considered as part of the work on the reformed TPS, as set out below. Scheme valuations therefore remain suspended. The Public Service Pensions Bill, which is being debated in the House of Commons, provides for future scheme valuations to be conducted in accordance with Treasury directions. The timing for the next valuation has still to be determined, but it is likely to be before the reformed schemes are introduced in 2015.

Teachers' Pension Scheme Changes

Lord Hutton published his final report in March 2011 and made recommendations 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 and Ministers engaged in extensive discussions with trade unions and other representative bodies on reform of the TPS. Those discussions concluded on 9 March 2012 and the Department published a Proposed Final Agreement, setting out the design for a reformed TPS to be implemented from 1 April 2015.

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. Importantly, 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 just 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 were to be phased in from April 2012 on a 40:80:100% basis.

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 the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2013 was £40,000 (2012 - £37,000), of which employer's contributions totalled £31,000 (2012 - £29,000) and employees' contributions totalled £9,000 (2012 - £8,000). The agreed contribution rates for future years are 18.5 per cent for employers and 5.5-7.5 per cent for employees.

St Ives Infant School

Notes to the Financial Statements for the Year Ended 31 August 2013

21 Pension and similar obligations (continued)

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.

Principal actuarial assumptions

	At 31 August 2013 %	At 31 August 2012 %
Rate of increase in salaries	5.00	5.00
Rate of increase for pensions in payment/inflation	3.00	2.00
Discount rate for scheme liabilities	5.00	4.00
Inflation assumptions (CPI)	3.00	2.00
Commutation of pensions to lump sums	<u>40.00</u>	<u>40.00</u>

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 2013	At 31 August 2012
Retiring today		
Males retiring today	21.00	21.00
Females retiring today	23.00	23.00
Retiring in 20 years		
Males retiring in 20 years	23.00	23.00
Females retiring in 20 years	<u>26.00</u>	<u>26.00</u>

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

	At 31 August 2013 £	At 31 August 2012 £
Equities	167,000	134,000
Other bonds	66,000	34,000
Property	13,000	14,000
Cash	<u>19,000</u>	<u>18,000</u>
Total market value of assets	265,000	200,000
Present value of scheme liabilities - funded	<u>(343,000)</u>	<u>(279,000)</u>
Deficit in the scheme	<u>(78,000)</u>	<u>(79,000)</u>

St Ives Infant School

Notes to the Financial Statements for the Year Ended 31 August 2013

21 Pension and similar obligations (continued)

The expected rates of return were:

	At 31 August 2013 %	At 31 August 2012 %
Equities	7.00	6.00
Other bonds	4.00	3.00
Property	5.00	4.00
Cash	4.00	3.00

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 £25,000 (2012 - £12,000).

Amounts recognised in the statement of financial activities

	2013 £	2012 £
Current service cost	33,000	24,000
Total operating charge	33,000	24,000
Analysis of pension finance income/(costs)		
	2013 £	2012 £
Expected return on pension scheme assets	11,000	10,000
Interest on pension liabilities	(12,000)	(11,000)
Pension finance costs	(1,000)	(1,000)

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 (£34,000) (2012 - (£38,000)).

St Ives Infant School

Notes to the Financial Statements for the Year Ended 31 August 2013

21 Pension and similar obligations (continued)

Movements in the present value of defined benefit obligation

	2013 £	2012 £
At 1 September	279,000	197,000
Current service cost	33,000	24,000
Interest cost	12,000	11,000
Employee contributions	9,000	8,000
Actuarial losses	10,000	39,000
At 31 August	<u>343,000</u>	<u>279,000</u>

Movements in the fair value of academy's share of scheme assets

	2013 £	2012 £
At 1 September	200,000	152,000
Expected return on assets	11,000	10,000
Actuarial gains	14,000	1,000
Employer contributions	31,000	29,000
Employee contributions	9,000	8,000
At 31 August	<u>265,000</u>	<u>200,000</u>

The estimated value of employer contributions for next period is £33,000 (2012 - £27,000).

St Ives Infant School

Notes to the Financial Statements for the Year Ended 31 August 2013

21 Pension and similar obligations (continued)

History of experience adjustments

Amounts for the current and previous period are as follows:

	2013	2012
	£	£
Present value of scheme liabilities	(343,000)	(279,000)
Fair value of scheme assets	265,000	200,000
Deficit in the scheme	<u>(78,000)</u>	<u>(79,000)</u>
	2013	2012
	£	£
Experience adjustments arising on scheme assets	14,000	1,000
Experience adjustments arising on scheme liabilities	<u>-</u>	<u>-</u>

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

22 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.

There were no related party transactions in the year.