

Registration number: 07713374

# St Ives Infant School

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2014

# **St Ives Infant School**

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## St Ives Infant School

### Reference and Administrative Details

**Governors and Trustees (Directors)** J McWilliams  
C Whelan  
C J Ford  
J A Marsden  
G S Anderson  
T R Murray  
S Perkin (resigned 18 November 2013)  
V A Gilbert (resigned 22 July 2014)  
G Davies  
N J D Thomas (resigned 31 July 2014)  
M L Armstrong  
A Georgiades (resigned 17 July 2014)  
S Hodges  
G Lunt (appointed 2 April 2014)

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

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

**Company Registration Number** 07713374

**Auditors** Walker Moyle Ltd  
Alverton Pavilion  
Trewithen Road  
Penzance  
Cornwall  
TR18 4LS

**Bankers** The Co-operative Bank  
PO BOX 250  
Skelmersdale  
WN8 6WT  
  
Barclays Bank  
Penzance Branch  
8/9 Market Jew Street  
Penzance  
Cornwall  
TR18 2TW

## **St Ives Infant School**

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

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

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.

## **St Ives Infant School**

### **Trustees' Report for the Year Ended 31 August 2014 (continued)**

#### ***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.

## **St Ives Infant School**

### **Trustees' Report for the Year Ended 31 August 2014 (continued)**

#### ***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.

#### ***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.

#### ***Connected organisations, including related party relationships***

All of the governors are related parties of the academy. Full details of related party transactions are included at Note 26 to the accounts.

## **St Ives Infant School**

### **Trustees' Report for the Year Ended 31 August 2014 (continued)**

#### **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 work, 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 2014 (continued)**

#### ***Public benefit***

The Trustees confirm that they have complied with the duty in Section 17(5) of the Charities Act 2011 and the Charities (Accounts and Reports) Regulations 2008 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. 32% 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.



## St Ives Infant School

### Trustees' Report for the Year Ended 31 August 2014 (continued)

#### Strategic Report

##### Achievements and performance

The children's attainment at the end of Year 2 was above national results in reading, writing and maths and were the best results the school has ever achieved. The rolling 3 year averages show a rising trend in all subjects and thresholds.

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.

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 and a significant majority achieved a good level of development.

During the year the school reviewed its teaching of phonics. Whole staff training took place and a consistent approach to planning and teaching was established. Intervention work was timetabled to give children additional support. In the Year 1 phonic test 79% of children were at the required level compared to 40% in the previous year and 74% nationally. This represents a significant improvement.

In February 2014 the school opened a breakfast club. The club is free for children who are eligible for pupil premium and available at a small price to other children. It has proved very popular with children of all ages. The children have an excellent breakfast prepared by the school cook and then a relaxed play session supervised by teaching assistants.

Over the summer holiday the kitchen and nursery were refurbished after a successful bid was made to the Academies Capital Maintenance Fund. The kitchen was modernised and its capacity increased in order to be ready to cater for the introduction of Universal Free School Meals from September 2014. The nursery project included the replacement of flooring, windows, toilets, work units and the installation of a new ceiling and kitchen area. It has created a much more attractive and suitable environment for the children.

In October 2013 the school employed a Home-School Liaison Officer to work with parents to improve their children's attendance. This proved very successful and the school met its target of 95% attendance over the school year. The role has now been extended to include direct work with children, drawing on the knowledge and experience of the post holder who is also a trained counsellor.

##### Key financial performance indicators

	Unit	2014	2013
General Annual Grant (GAG) received	£	653,550.00	715,930.00
Unrestricted reserves	£	62,453.00	80,166.00

##### 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.

## **St Ives Infant School**

### **Trustees' Report for the Year Ended 31 August 2014 (continued)**

#### **Strategic Report**

##### **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 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 2014 of £1,434K comprising £1,514K of restricted funds, £63K of unrestricted funds and a pension reserve deficit of £143K.

##### ***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 £143,000 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 unrestricted free reserves at the 31 August 2014 is £62,453 (2013 £80,166).

The trustees consider that the school's unrestricted reserves should be around 5% of its GAG funding. The school therefore has greater reserves than required and plans are in place to spend money on capital maintenance projects and on updating equipment in the 2014/2015 school year.

##### ***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 governors 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 2014 (continued)**

#### **Strategic Report**

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

The governors' key priority in 2014 – 2015 is to maintain the high levels of attainment and progress achieved in the past year.

The school will also continue to work to close the gap between the attainment of disadvantaged children and other children, particularly in writing.

The school's curriculum will be further enriched through the development of a larger library, music room and art studio in the Elliott classrooms which the school has recently taken over from Cornwall Council. A new path has been created to link the building with the playground thereby enabling the children to use the library at lunchtimes.

Additional teaching spaces will be created following the relocation of the library. A dedicated room for speech and language work and a room for individual and small group work will be created. The Home School Liaison Officer will also be provided with a dedicated room in which to meet with parents and work with children.

## St Ives Infant School

### Trustees' Report for the Year Ended 31 August 2014 (continued)

#### 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.

#### *Reappointment of auditor*

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of Walker Moyle Ltd as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

Trustees' Report, incorporating a Strategic Report, approved by order of the members of the Governing Body on 9.12.14 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:

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
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
T R Murray	2	3
N J D Thomas	1	3
M L Armstrong	0	3
V A Gilbert	3	3
G Davies	2	3
A Georghiades	3	3
S Hodges	3	3
G Lunt	1	1

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:

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
T R Murray	2	3
J Dean	3	3
C Whelan	3	3
V A Gilbert	3	3

## St Ives Infant School

### Governance Statement (continued)

A Georghiades	1	3
J A Marsden	3	3
S Perkin	0	1
J McWilliams	0	3
M L Armstrong	0	3
N J D Thomas	0	3
G S Anderson	0	3
C J Ford	0	3
G Davies	0	3
S Hodges	0	3
G Lunt	1	1

#### **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 2014 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 2014 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:

- to appoint Walker Moyle Ltd as internal auditor

## St Ives Infant School

### Governance Statement (continued)

The auditor'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 auditor 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 internal auditor to date.

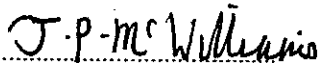
#### Review of effectiveness

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:

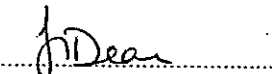
- the work of the internal auditor ;
- the work of the external auditor;
- the financial management and governance self assessment process;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

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 9.12.14 and signed on its behalf by:



J McWilliams  
Governor and trustee



J Dean  
Principal

## **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 the following instances of material irregularity, impropriety or funding non-compliance discovered to date have been notified to the Governing Body and the EFA. If any instances are identified after the date of this statement, these will be notified to the Governing Body and EFA:

- Lack of prior approval from the Secretary of State, via the EFA, for taking up the leasehold agreement from another party where the lease term is for more than five years. The leasehold agreement is with Cornwall Council for a temporary building and related land.

  
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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:

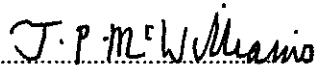
- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed 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 9.12.14 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 2014, which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, Balance Sheet, Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's 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 15), 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 2014 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and the Annual Accounts Direction issued by the Education Funding Agency; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

In our opinion the information given in the 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 (continued)

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of 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 Ltd, Statutory Auditor

Alverton Pavilion  
Trewithen Road  
Penzance  
Cornwall  
TR18 4LS

Date: 16<sup>th</sup> December 2014

## **St Ives Infant School**

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

In accordance with the terms of our engagement letter dated 13 November 2014 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 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 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 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 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.

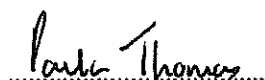
## St Ives Infant School

### Independent Reporting Accountant's Report on Regularity to St Ives Infant School and the Education Funding Agency (continued)

#### Conclusion

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

Lack of prior approval from the Secretary of State, via the EFA, for taking up a leasehold agreement from another party where the lease term is for more than five years. The leasehold agreement is with Cornwall Council for a temporary building and the related land. The accounting officer has since contacted the EFA regarding this matter and is awaiting confirmation of approval retrospectively.



Paula Thomas BA FCA DChA

For and on behalf of Walker Moyle Ltd, Chartered Accountants

Alverton Pavilion  
Trewithen Road  
Penzance  
Cornwall  
TR18 4LS

Date: 16<sup>th</sup> December 2014

# St Ives Infant School

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

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2014 £	Total 2013 £
<b>Incoming resources</b>						
<i>Incoming resources from generated funds:</i>						
Voluntary income	2	9,091	-	10,819	19,910	6,428
Activities for generating funds	3	5,933	16,340	-	22,273	20,871
Investment income	4	454	-	-	454	439
<i>Incoming resources from charitable activities:</i>						
Funding for the Academy's educational operations	5	-	820,901	82,906	903,807	1,069,902
Total incoming resources		15,478	837,241	93,725	946,444	1,097,640
<b>Resources expended</b>						
<i>Charitable activities:</i>						
Academy's educational operations	7	9,056	853,140	25,266	887,462	815,751
Governance costs	8	-	19,731	-	19,731	18,995
Total resources expended	6	9,056	872,871	25,266	907,193	834,746
Net incoming/(outgoing) resources before transfers		6,422	(35,630)	68,459	39,251	262,894
Gross transfers between funds		(24,135)	9,013	15,122	-	-
Net (expenditure)/income for the year		(17,713)	(26,617)	83,581	39,251	262,894
<b>Other recognised gains and losses</b>						
Actuarial gains on defined benefit pension schemes	25	-	(59,000)	-	(59,000)	4,000
Net movement in (deficit)/funds		(17,713)	(85,617)	83,581	(19,749)	266,894
<b>Reconciliation of funds</b>						
Funds/(deficit) brought forward at 1 September 2013		80,166	(38,090)	1,411,348	1,453,424	1,186,530

# **St Ives Infant School**

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

Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2014 £	Total 2013 £
Funds/(deficit) carried forward at 31 August 2014	<u>62,453</u>	<u>(123,707)</u>	<u>1,494,929</u>	<u>1,433,675</u>	<u>1,453,424</u>

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 2014

	Note	2014 £	2013 £
<b>Fixed assets</b>			
Tangible assets	12	1,486,485	1,408,849
<b>Current assets</b>			
Stocks	13	3,366	3,076
Debtors	14	68,683	21,561
Cash at bank and in hand		136,914	153,883
		208,963	178,520
Creditors: Amounts falling due within one year	15	(118,773)	(55,945)
Net current assets		90,190	122,575
Total assets less current liabilities		1,576,675	1,531,424
Net assets excluding pension liability		1,576,675	1,531,424
Pension scheme liability	25	(143,000)	(78,000)
Net assets including pension liability		1,433,675	1,453,424
<b>Funds of the Academy:</b>			
<b>Restricted funds</b>			
Restricted general fund		19,293	39,910
Restricted fixed asset fund		1,494,929	1,411,348
Restricted pension fund		(143,000)	(78,000)
		1,371,222	1,373,258
<b>Unrestricted funds</b>			
Unrestricted general fund		62,453	80,166
Total funds		1,433,675	1,453,424

The financial statements on pages 20 to 44 were approved by the Trustees, and authorised for issue on 9.12.14 and signed on their behalf by:

*J.P-McWilliams*

J McWilliams  
Governor and trustee



# St Ives Infant School

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

	Note	2014 £	2013 £
Net cash inflow from operating activities	20	85,478	287,217
Returns on investments and servicing of finance	21	454	439
Capital expenditure and financial investment	22	<u>(102,901)</u>	<u>(247,780)</u>
(Decrease)/increase in cash in the year	23	<u>(16,969)</u>	<u>39,876</u>
<b>Reconciliation of net cash flow to movement in net funds</b>			
(Decrease)/increase in cash in the year		(16,970)	39,876
Net funds at 1 September 2013		<u>153,884</u>	<u>114,008</u>
Net funds at 31 August 2014		<u>136,914</u>	<u>153,884</u>

All of the cash flows are derived from continuing operations during the above two periods.

## **St Ives Infant School**

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

#### **1 Accounting policies**

##### **Basis of preparation**

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice: Accounting and Reporting by Charities' ('SORP 2005'), the Annual Accounts Direction issued by the Education Funding Agency, the Companies Act 2006 and the Financial Reporting Standard for Smaller Entities (2008). 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 and it is measurable.

##### **Donations**

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

##### **Other income**

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the goods have been provided or on completion of the service.

## **St Ives Infant School**

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

#### **1 Accounting policies (continued)**

##### ***Donated services and gifts in kind***

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

##### **Resources expended**

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

All resources expended are inclusive of irrecoverable VAT.

##### ***Cost of generating funds***

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

##### ***Charitable activities***

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

##### ***Governance costs***

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

## St Ives Infant School

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

#### 1 Accounting policies (continued)

##### **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.

Buildings and leasehold land are subsequently carried at revalued amounts less accumulated depreciation and accumulated impairment losses. A full valuation, undertaken by a qualified valuer, is performed at least every 5 years. Interim valuations are conducted where it is likely that there has been a material change in value.

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.

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

##### **Leased assets**

Rentals under operating leases are charged equally over the term of the lease.

##### **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 2014 (continued)

### 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 and other funders where the asset acquired or created is held for a specific purpose.

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

### 2 Voluntary income

	Unrestricted funds £	Restricted fixed asset funds £	Total 2014 £	Total 2013 £
Educational trips and visits	6,167	-	6,167	5,284
Other donations	2,924	-	2,924	1,144
Donation (Elliott Huts Leasehold)	-	10,819	10,819	-
	<u>9,091</u>	<u>10,819</u>	<u>19,910</u>	<u>6,428</u>

# St Ives Infant School

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

### 3 Activities for generating funds

	Unrestricted funds £	Restricted funds £	Total 2014 £	Total 2013 £
Hire of facilities	3,584	-	3,584	4,522
Catering income	-	16,340	16,340	13,768
Other sales	2,349	-	2,349	2,581
	<u>5,933</u>	<u>16,340</u>	<u>22,273</u>	<u>20,871</u>

### 4 Investment income

	Unrestricted funds £	Total 2014 £	Total 2013 £
Short term deposits	<u>454</u>	<u>454</u>	<u>439</u>

### 5 Funding for Academy's educational operations

	Restricted funds £	Restricted fixed asset funds £	Total 2014 £	Total 2013 £
<b>DfE/EFA capital grants</b>				
Devolved Formula Capital Grant	-	5,946	5,946	6,115
New Roof	-	-	-	196,500
Academies Capital Maintenance	-	76,960	76,960	-
	<u>-</u>	<u>82,906</u>	<u>82,906</u>	<u>202,615</u>
<b>DfE/EFA revenue grants</b>				
General Annual Grant (GAG)	653,550	-	653,550	715,930
Pupil Premium	51,922	-	51,922	39,794
Other	8,570	-	8,570	11,400
	<u>714,042</u>	<u>-</u>	<u>714,042</u>	<u>767,124</u>
<b>Other government grants</b>				
Nursery funding	77,974	-	77,974	80,019
Other	28,885	-	28,885	20,144
	<u>106,859</u>	<u>-</u>	<u>106,859</u>	<u>100,163</u>
<b>Total grants</b>	<u>820,901</u>	<u>82,906</u>	<u>903,807</u>	<u>1,069,902</u>

# St Ives Infant School

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

### 6 Resources expended

	Staff costs £	Premises £	Other costs £	Total 2014 £	Total 2013 £
<b>Academy's educational operations</b>					
Direct costs	567,669	-	79,197	646,866	589,307
Allocated support costs	<u>95,097</u>	<u>106,553</u>	<u>38,946</u>	<u>240,596</u>	<u>226,444</u>
	662,766	106,553	118,143	887,462	815,751
 Governance costs including allocated support costs					
	<u>15,701</u>	<u>-</u>	<u>4,030</u>	<u>19,731</u>	<u>18,995</u>
	<u><u>678,467</u></u>	<u><u>106,553</u></u>	<u><u>122,173</u></u>	<u><u>907,193</u></u>	<u><u>834,746</u></u>

# St Ives Infant School

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

### 6 Resources expended (continued)

Net incoming/outgoing resources for the year include:

	2014 £	2013 £
<b>Operating leases:</b>		
Operating leases - plant and machinery	2,925	2,955
Fees payable to auditor - audit	2,615	2,615
Audit fees (Pilot March 2013)	-	1,500
Accountancy Fees (Pilot March 2013)	-	2,800
Other audit/accountancy services	3,696	2,620
Depreciation	<u>25,266</u>	<u>20,083</u>

### 7 Charitable activities

	Total 2014 £	Total 2013 £
<b>Direct costs - educational operations</b>		
Teaching and educational support staff costs	567,669	530,322
Educational supplies	46,553	34,034
Staff development	7,122	9,099
Other direct costs	<u>25,522</u>	<u>15,852</u>
	<u>646,866</u>	<u>589,307</u>
<b>Support costs - educational operations</b>		
Support staff costs	95,097	85,765
Depreciation	25,266	20,083
Maintenance of premises and equipment	12,964	15,221
Cleaning	27,464	26,102
Rent, rates and utilities	14,717	15,004
Insurance	26,142	26,992
Security and transport	1,512	923
Catering	11,581	9,669
Bank interest and charges	249	266
Other support costs	<u>25,604</u>	<u>26,419</u>
	<u>240,596</u>	<u>226,444</u>
	<u>887,462</u>	<u>815,751</u>



# St Ives Infant School

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

### 8 Governance costs

	<b>Total 2014 £</b>	<b>Total 2013 £</b>
<b>Auditors' remuneration</b>		
Audit of financial statements	2,615	2,615
Support costs	<u>17,116</u>	<u>16,380</u>
	<u><b>19,731</b></u>	<u><b>18,995</b></u>

### 9 Staff costs

	<b>2014 £</b>	<b>2013 £</b>
<b>Staff costs during the year were:</b>		
Wages and salaries	539,570	500,159
Social security costs	29,293	30,300
Pension costs	87,838	78,868
Supply teacher costs	<u>21,766</u>	<u>21,263</u>
	<u><b>678,467</b></u>	<u><b>630,590</b></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:

	<b>2014 No</b>	<b>2013 No</b>
<b>Charitable Activities</b>		
Teachers	10	9
Administration and support	<u>14</u>	<u>13</u>
	<u><b>24</b></u>	<u><b>22</b></u>

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

	<b>2014 No</b>
£60,001 - £70,000	<u><b>1</b></u>

During 2013 no employees emoluments exceeded £60,000.

## St Ives Infant School

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

#### 9 Staff costs (continued)

10 (2013 - 9) of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2014, pension contributions for these staff amounted to £49,035 (2013 - £44,844). 10 (2013 - 10) of the above employees participated in the Local Government Pension Scheme, pension contributions amounted to £38,803 (2013 - £34,024).

#### 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): £60,000 - £65,000 (2013 - £55,000 - £60,000)

V A Gilbert (Staff Governor): £35,000 - £40,000 (2013 - £35,000 - £40,000)

G Davies (Staff Governor): £10,000 - £15,000 (2013 - £5,000 - £10,000)

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

J Dean (TPS) £8,518 (2013 - £8,229)

V A Gilbert (TPS) £5,580 (2013 - £5,540)

G Davies (LGPS) £540 (2013 - £459)

During the year ended 31 August 2014, travel and expenses totalling £Nil (2013 - £Nil) were reimbursed to 0 trustees (2013 - 0).

Related party transactions involving the trustees are set out in note 26.

#### 11 Trustees' 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 £5,000,000 on any one claim and the cost for the year ended 31 August 2014 was £773 (2013 - £750).

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

# St Ives Infant School

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

### 12 Tangible fixed assets

	Leasehold land and buildings £	Furniture and equipment £	Computer equipment £	Total £
<b>Cost or Valuation</b>				
At 1 September 2013	1,403,133	7,128	20,661	1,430,922
Additions	<u>99,993</u>	<u>2,908</u>	<u>-</u>	<u>102,901</u>
At 31 August 2014	<u>1,503,126</u>	<u>10,036</u>	<u>20,661</u>	<u>1,533,823</u>
<b>Depreciation</b>				
At 1 September 2013	15,756	396	5,921	22,073
Charge for the year	<u>17,966</u>	<u>451</u>	<u>6,848</u>	<u>25,265</u>
At 31 August 2014	<u>33,722</u>	<u>847</u>	<u>12,769</u>	<u>47,338</u>
<b>Net book value</b>				
At 31 August 2014	<u>1,469,404</u>	<u>9,189</u>	<u>7,892</u>	<u>1,486,485</u>
At 31 August 2013	<u>1,387,377</u>	<u>6,732</u>	<u>14,740</u>	<u>1,408,849</u>

The trust's transactions relating to land and buildings included:

- 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 £21,886.
- the taking up of a leasehold on the Elliott Huts by St Ives Infant School for £10,819 over a term of 121 years. The value of £10,819 is the estimated value of the land and buildings obtained under the leasehold agreement. There was no cost of acquiring the leasehold and no annual rent is paid.

### 13 Stock

	2014 £	2013 £
Stock	<u>3,366</u>	<u>3,076</u>

## St Ives Infant School

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

#### 14 Debtors

	2014 £	2013 £
Prepayments	3,407	7,394
Accrued grant and other income	46,673	-
VAT recoverable	12,255	4,540
Other debtors	6,348	9,627
	<u>68,683</u>	<u>21,561</u>

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

	2014 £	2013 £
Trade creditors	24,997	24,136
Other creditors	342	371
Accruals	66,599	31,438
Deferred income	26,835	-
	<u>118,773</u>	<u>55,945</u>
		<b>2014</b>
		£
Deferred income at 1 September 2013		-
Resources deferred in the period		<u>26,835</u>
Deferred income at 31 August 2014		<u>26,835</u>

At the balance sheet date the Academy Trust was holding Universal Infant Free School Meals funds received in advance of the Autumn term 2014.

# St Ives Infant School

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

### 16 Funds

	Balance at 1 September 2013 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2014 £
<b>Restricted general funds</b>					
Special Education Needs	-	12,955	(12,955)	-	-
3/4 year old free nursery places	8,658	77,974	(86,632)	-	-
General Annual Grant	19,736	653,550	(682,299)	9,013	-
Pupil Premium	11,516	51,922	(45,442)	-	17,996
Bursaries	-	13,286	(13,286)	-	-
Family Learning	-	2,644	(2,644)	-	-
Catering	-	16,340	(16,340)	-	-
PE and Sports grant	-	8,570	(7,273)	-	1,297
	<u>39,910</u>	<u>837,241</u>	<u>(866,871)</u>	<u>9,013</u>	<u>19,293</u>
<b>Restricted fixed asset funds</b>					
Devolved Formula Capital Grant	11,939	5,946	(442)	-	17,443
Backlog Maintenance	36,423	-	(759)	-	35,664
Transferred to the academy on conversion	988,149	-	(11,738)	-	976,411
From GAG	41,091	-	(6,855)	15,122	49,358
Revaluation Reserve	137,867	-	(1,534)	-	136,333
New Roof	195,207	-	(3,880)	-	191,327
Jubilee Room	672	-	(6)	-	666
Elliott Huts	-	10,819	-	-	10,819
ACMF	-	76,960	(52)	-	76,908
	<u>1,411,348</u>	<u>93,725</u>	<u>(25,266)</u>	<u>15,122</u>	<u>1,494,929</u>
<b>Restricted pension funds</b>					
Pension Fund	<u>(78,000)</u>	<u>-</u>	<u>(6,000)</u>	<u>(59,000)</u>	<u>(143,000)</u>
Total restricted funds	1,373,258	930,966	(898,137)	(34,865)	1,371,222
<b>Unrestricted funds</b>					
Unrestricted general funds	<u>80,166</u>	<u>15,478</u>	<u>(9,056)</u>	<u>(24,135)</u>	<u>62,453</u>
Total funds	<u>1,453,424</u>	<u>946,444</u>	<u>(907,193)</u>	<u>(59,000)</u>	<u>1,433,675</u>

## St Ives Infant School

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

#### 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.

General Annual Grant - This is the main source of funding for the Academy to fund its educational operations. The transfer of £9,013 represents further GAG expenditure funded by the Academy's unrestricted reserves.

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 - This represents the deficit on the Local Government Pension Scheme. See Note 25 for details. As with most pension schemes this is currently in deficit due to the excess of scheme liabilities over scheme assets which was inherited on conversion to an Academy. The Academy will follow the recommendations of the actuary to reduce the deficit over a number of years.

Following the release of the Academies Financial Handbook 2013, the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2014.

#### 17 Analysis of net assets between funds

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	1,486,485	1,486,485
Current assets	62,453	122,793	23,717	208,963
Current liabilities	-	(103,500)	(15,273)	(118,773)
Pension scheme liability	-	(143,000)	-	(143,000)
Total net assets	<u>62,453</u>	<u>(123,707)</u>	<u>1,494,929</u>	<u>1,433,675</u>

# St Ives Infant School

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

### 18 Capital commitments

	2014 £	2013 £
Contracted for, but not provided in the financial statements	-	22,000

### 19 Financial commitments

#### *Operating leases*

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

#### Operating leases which expire:

	2014 £	2013 £
<b>Other</b>		
Within one year	1,690	-
Within two to five years	3,379	3,363
	<u>5,069</u>	<u>3,363</u>

### 20 Reconciliation of net income to net cash inflow/(outflow) from operating activities

	2014 £	2013 £
Net income	39,251	262,894
Depreciation	25,265	20,084
Interest receivable	(454)	(439)
(Increase)/decrease in stocks	(290)	2,069
(Increase)/decrease in debtors	(47,122)	22,313
Increase/(decrease) in creditors	62,828	(22,704)
LGPS Liability	65,000	(1,000)
Actuarial gains on defined benefit pension schemes	<u>(59,000)</u>	<u>4,000</u>
Net cash inflow from operating activities	<u>85,478</u>	<u>287,217</u>

# St Ives Infant School

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

### 21 Returns on investments and servicing of finance

	2014 £	2013 £
Interest received	454	439
Net cash inflow from returns on investments and servicing of finance	454	439

### 22 Capital expenditure and financial investment

	2014 £	2013 £
Purchase of tangible fixed assets	(102,901)	(247,780)

### 23 Analysis of changes in net funds

	At 1 September 2013 £	Cash flows £	At 31 August 2014 £
Cash at bank and in hand	153,883	(16,969)	136,914

### 24 Members' liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/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.

### 25 Pension and similar obligations

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

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

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.



## **St Ives Infant School**

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

#### **25 Pension and similar obligations (continued)**

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

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

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

The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%);
- total scheme liabilities for service to the effective date of £191,500 million, and notional assets of £176,600 million, giving a notional past service deficit of £14,900 million; and
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations.

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

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

## **St Ives Infant School**

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

#### **25 Pension and similar obligations (continued)**

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

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

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

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

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

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

Under the definitions set out in Financial Reporting Standard 17 (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The 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 2014 was £42,000 (2013 - £40,000), of which employer's contributions totalled £33,000 (2013 - £31,000) and employees' contributions totalled £9,000 (2013 - £9,000). The agreed contribution rates for future years are 19 per cent for employers and 5.5-9.9 per cent for employees.

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

# St Ives Infant School

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

### 25 Pension and similar obligations (continued)

#### Principal actuarial assumptions

	At 31 August 2014 %	At 31 August 2013 %
Rate of increase in salaries	5.00	5.00
Rate of increase for pensions in payment/inflation	3.00	3.00
Discount rate for scheme liabilities	4.00	5.00
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 2014	At 31 August 2013
<b>Retiring today</b>		
Males retiring today	22.00	21.00
Females retiring today	24.00	23.00
<b>Retiring in 20 years</b>		
Males retiring in 20 years	24.00	23.00
Females retiring in 20 years	<u>27.00</u>	<u>26.00</u>

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

	At 31 August 2014 £	At 31 August 2013 £
Equities	185,000	167,000
Other bonds	140,000	66,000
Property	21,000	13,000
Cash	<u>4,000</u>	<u>19,000</u>
Total market value of assets	350,000	265,000
Present value of scheme liabilities - funded	<u>(493,000)</u>	<u>(343,000)</u>
Deficit in the scheme	<u>(143,000)</u>	<u>(78,000)</u>

# **St Ives Infant School**

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

### **25 Pension and similar obligations (continued)**

The expected rates of return were:

	<b>At 16 August 2013 %</b>	<b>At 16 August 2012 %</b>
Equities	6.00	7.00
Other bonds	3.00	4.00
Property	5.00	5.00
Cash	<u>3.00</u>	<u>4.00</u>

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 £32,000 (2013 - £25,000).

#### **Amounts recognised in the statement of financial activities**

	<b>2014 £</b>	<b>2013 £</b>
Current service cost	<u>38,000</u>	<u>33,000</u>
Total operating charge	<u>38,000</u>	<u>33,000</u>

#### **Analysis of pension finance income/(costs)**

	<b>2014 £</b>	<b>2013 £</b>
Expected return on pension scheme assets	16,000	11,000
Interest on pension liabilities	<u>(17,000)</u>	<u>(12,000)</u>
Pension finance costs	<u>(1,000)</u>	<u>(1,000)</u>

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 (£93,000) (2013 - (£34,000)).

# St Ives Infant School

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

### 25 Pension and similar obligations (continued)

#### Movements in the present value of defined benefit obligation

	2014 £	2013 £
At 1 September	343,000	279,000
Current service cost	38,000	33,000
Interest cost	17,000	12,000
Employee contributions	9,000	9,000
Actuarial losses	87,000	10,000
Benefits paid	(1,000)	-
At 31 August	<u>493,000</u>	<u>343,000</u>

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

	2014 £	2013 £
At 1 September	265,000	200,000
Expected return on assets	16,000	11,000
Actuarial gains	28,000	14,000
Employer contributions	33,000	31,000
Employee contributions	9,000	9,000
Benefits paid	(1,000)	-
At 31 August	<u>350,000</u>	<u>265,000</u>

The estimated value of employer contributions for next period is £37,000 (2013 - £33,000).

## St Ives Infant School

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

#### 25 Pension and similar obligations (continued)

##### History of experience adjustments

Amounts for the current and previous 2 periods are as follows:

	2014	2013	2012
	£	£	£
Present value of scheme liabilities	(493,000)	(343,000)	(279,000)
Fair value of scheme assets	<u>350,000</u>	<u>265,000</u>	<u>200,000</u>
Deficit in the scheme	<u>(143,000)</u>	<u>(78,000)</u>	<u>(79,000)</u>
	2014	2013	2012
	£	£	£
Experience adjustments arising on scheme assets	28,000	14,000	1,000
Experience adjustments arising on scheme liabilities	<u>1,000</u>	<u>-</u>	<u>-</u>

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

#### 26 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.