Registration number: 07713374

St Ives Infant School

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2016

St Ives Infant School

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St Ives Infant School

Reference and Administrative Details

Members	J McWilliams (resigned 24 November 2016) J Dean (resigned 10 March 2016) C Whelan G Lunt (appointed 10 March 2016) G Scott Anderson (appointed 10 March 2016) M Read (appointed 10 March 2016) D Stevens (appointed 12 December 2016)
Governors and Trustees (Directors)	J McWilliams (resigned 24 November 2016) C Whelan C J Ford J A Marsden (resigned 24 March 2016) G S Anderson T R Murray G Davies (resigned 24 November 2016) M L Armstrong S Hodges G Lunt J Dean (Principal and Accounting Officer) R Smith M Read M Parma (appointed 10 March 2016) D Stevens (appointed 5 June 2016) K Goatly (appointed 5 June 2016 and resigned 7 November 2016) N Merrill (appointed 28 November 2016)
Principal	J Dean
Senior Management Team	J Dean, Principal C Pamplin-Barnard, Deputy Head L Saunders, Early Years Leader
Principal and Registered Office	Trenwith Burrows St Ives Cornwall TR26 1DH
Company Registration Number	07713374

St Ives Infant School

Reference and Administrative Details (continued)

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 2016

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2016. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

Administrative details set out on Page 1 form part of this report.

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 broad object of the Academy Trust 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 company registration number is 07713374. The charitable company is known as St Ives Infant School.

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 Trust 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.

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.

Arrangements for setting pay and remuneration of key management personnel

The school's key management personnel are the headteacher, Joanne Dean, and the deputy headteacher, Cassie Pamplin. Their pay is determined at their annual performance management review. The headteacher conducts the deputy head's review and a panel of governors conduct the headteacher's review. The school abides by the national pay scales and progression on the leadership scale, within their set range, is determined following this review of their performance.

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.

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 monthly management accounts which indicate financial performance against the forecasts and which are reviewed by the Finance and Premises Committee.
- Regular reviews by the finance and general purposes committee of major purchase plans, capital works and expenditure programmes.
- Delegation of authority and segregation of duties.
- Identification and management of risks.

The board of trustees has considered the need for a specific internal audit function and has decided:

To appoint Walker Moyle to complete two internal audits each year and Gilly Lunt, a trustee, to carry out an additional two internal audits each year.

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 22 to the accounts.

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 encourange 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 work towards the school's current school improvement priorities. Our current priorities are:

•Maths
To complete the implementation of the mastery approach and our new calculations policy. To raise attainment and levels of progress across the school.

•Social and Emotional Well-being
To ensure that the children's emotional development is a significant priority for all staff and is reflected in the way we work and support children throughout the school.

•Spelling
To raise levels of attainment in spelling and ensure that the children meet the national average in the 2017 writing assessments.

•Deep level learning (including closing the gap)
To strengthen our understanding of involvement and well-being (Ferre Laevers) and the growth mind set (Carol Dweck) and use these to secure deep learning and high levels of attainment.

Public benefit

The Trustees have complied with the duty in Section 17 of the 2011 Charities Act to have due regard to the public benefit guidance published 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. 24% 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.

Strategic Report

Achievements and performance

The children's attainment at the end of Year 2, was below the national average for the expected level, but is described as 'in line with national results' in the Fisher Family Trust analysis, overall. The school achieved above average attainment at Greater Depth in Reading and Maths.

The children's phonic results in Year 1 were below the national average, but the school's cumulative result, by the end of Year 2 was above the national average for all groups.

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 the Good Level of Development increased from 29% in 2015 to 52% in 2016.

Key financial performance indicators

	Unit	2016	2015
General Annual Grant (GAG) received	£	681,859.00	670,357.00
Unrestricted reserves	£	85,585.00	58,139.00

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.

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 2016 of £1,275K comprising £1,558K of restricted funds, £86K of unrestricted funds and a pension reserve deficit of £369K.

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.

Strategic Report

Reserves policy

There are no designated reserves. All restricted reserves relate to income received with conditions regarding expenditure. The pension deficit of £369K 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 2016 is £70,239 (2015 - £43,755).
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 the excess of these reserves are being held to support the school's capital budget for the 2016 – 2017 school year to be invested in the school.

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.

Principal risks and uncertainties

The main risks facing the school are:

□ Uncertainty about future funding levels when a National Funding Formula is introduced in 2018 – 2019, particularly when it is fully implemented in 2019 – 2020.

The school will ensure that it remains up to date with information about the formula as it is released by the government. Reserves will be maintained at an appropriate level to give some initial protection pending savings being made if required.

□ Reduction in Nursery funding following the government's Early Years Funding Review which may lead to a decrease in the amount of funding per hour for three and four year old children.

We will closely monitor this funding situation and consider how we can ensure that our nursery remains viable and whether we are able to offer increased hours as planned by the government.

□ Fall in the NOR resulting in insufficient income to fund the current staffing levels.

The school monitors future numbers carefully, reviewing evidence from nursery numbers. We have some flexibility within our teaching assistant hours and PPA cover. Teacher redundancies are costly to the school and would be avoided unless the fall was forecast to continue for several years.

Strategic Report

Plans for future periods

The governors' key priority in 2016 – 2017 is to raise the levels of attainment at the end of Year 2 particularly the percentage achieving the expected level or above.

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

Trustees' Report for the Year Ended 31 August 2016 (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 12.12.16... and signed on its behalf by:

.....

M Read
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 4 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	4	4
C Whelan	1	4
J Dean	4	4
C J Ford	0	4
J A Marsden	2	3
G S Anderson	3	4
T R Murray	3	4
M L Armstrong	1	4
G Davies	3	4
M Read	4	4
R Smith	4	4
S Hodges	4	4
G Lunt	4	4
M Parma	2	2
D Stevens	1	1
K Goatly	1	1

The Finance and Premises 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
J McWilliams	1	3
C Whelan	1	3
J Dean	3	3
J A Marsden	1	2
T R Murray	3	3
G Davies	1	2
G Lunt	3	3
M Parma	1	1

Review of value for money

As accounting officer the headteacher has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The accounting officer considers how the trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where available.

The accounting officer for the academy trust has delivered improved value for money during the year by:

• Reviewing the provision of staff absence insurance and securing a less expensive contract with a new company.

• Providing dedicated planning time for teaching assistants and time for them to review their work regularly with the teachers. This has significantly enhanced the quality of group work in literacy and maths and the targeted intervention work which some teaching assistants provide.

• Invested in the creation of new teaching spaces for small group work and one to one teaching. The school employs a dedicated speech and language therapy teaching assistant who now has her own room which has provided a much better environment for the children. Similarly the school's Home School Liaison Officer has a dedicated base in which to meet parents and work with children. The school's data indicates that the investment in high quality guidance, support and individual teaching has had a very significant impact on the children's attainment and progress.

• In the new financial year the school will be reviewing its electricity contract and seeking the advice of an established energy broker. The school's cleaning contract will also be reviewed to ensure that the school is receiving value for money.

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 2016 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 2016 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 Premises 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

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.

Governance Statement (continued)

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 performed 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 12.12.16. and signed on its behalf by:

.....J Dean.....
J Dean
Accounting officer
Principal

.....
M Read
Governor and trustee

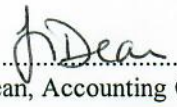
St Ives Infant School

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. If any instances are identified after the date of this statement, these will be notified to the Governing Body and EFA.



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 published by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the 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 FRS 102 and the Academies Accounts Direction 2015 to 2016;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards FRS 102 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 12.12.16 and signed on its behalf by:

.....

M Read
Governor and trustee

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 2016, which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, Balance Sheet, Statement of Cash Flows 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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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

Respective responsibilities of governors and auditors

As explained more fully in the Statement of Trustees' Responsibilities (set out on page 17), 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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2016 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 Academies Accounts Direction 2015 to 2016; 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.

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: 20th December 2016.

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 7 November 2016 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, 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 2015 to 31 August 2016 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to St Ives Infant School and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we may state to St Ives Infant School and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than St Ives Infant School and the EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of St Ives Infant School's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of St Ives Infant School's funding agreement with the Secretary of State for Education dated 1 September 2011 and the Academies Financial Handbook extant from 1 September 2014, 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 2015 to 2016. 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 2015 to 31 August 2016 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2015 to 2016. 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.

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 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 2015 to 31 August 2016 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 Ltd, Chartered Accountants

Alverton Pavilion
Trewithen Road
Penzance
Cornwall
TR18 4LS

Date: 20th December 2016.

St Ives Infant School

Statement of Financial Activities for the Year Ended 31 August 2016 (including Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2016 £
Income and endowments from:					
Donations and capital grants	2	8,945	300	97,150	106,395
Charitable activities:					
Funding for the Academy trust's educational operations	3	4,666	886,226	-	890,892
Other trading activities	4	25,161	-	-	25,161
Investments	5	(108)	-	-	(108)
Total		38,664	886,526	97,150	1,022,340
Expenditure on:					
Charitable activities:					
Academy trust educational operations	7	11,218	913,894	25,152	950,264
Net income/(expenditure)		27,446	(27,368)	71,998	72,076
Transfers between funds		-	(1,310)	1,310	-
Other recognised gains and losses					
Actuarial gain/(loss) on defined benefit pension schemes	21	-	(190,000)	-	(190,000)
Net movement in funds/(deficit)		27,446	(218,678)	73,308	(117,924)
Reconciliation of funds					
Total funds/(deficit) brought forward at 1 September 2015		58,139	(138,940)	1,473,254	1,392,453
Total funds/(deficit) carried forward at 31 August 2016		85,585	(357,618)	1,546,562	1,274,529

St Ives Infant School

Statement of Financial Activities for the Year Ended 31 August 2015 (including Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2015 £
Income and endowments from:					
Donations and capital grants	2	10,934	832	6,012	17,778
Charitable activities:					
Funding for the Academy trust's educational operations	3	3,923	872,290	-	876,213
Other trading activities	4	25,095	-	-	25,095
Investments	5	191	-	-	191
Total		40,143	873,122	6,012	919,277
Expenditure on:					
Charitable activities:					
Academy trust educational operations	7	9,884	932,928	27,687	970,499
Net income/(expenditure)		30,259	(59,806)	(21,675)	(51,222)
Transfers between funds		(34,573)	34,573	-	-
Other recognised gains and losses					
Actuarial gain/(loss) on defined benefit pension schemes	21	-	10,000	-	10,000
Net movement in deficit		(4,314)	(15,233)	(21,675)	(41,222)
Reconciliation of funds					
Total funds/(deficit) brought forward at 1 September 2014		62,453	(123,707)	1,494,929	1,433,675
Total funds/(deficit) carried forward at 31 August 2015		58,139	(138,940)	1,473,254	1,392,453

St Ives Infant School

(Registration number: 07713374)
Balance Sheet as at 31 August 2016

	Note	2016 £	2015 £
Fixed assets			
Tangible assets	10	1,468,205	1,485,139
Current assets			
Stocks		2,720	2,912
Debtors	11	18,098	14,647
Cash at bank and in hand		226,572	120,606
		247,390	138,165
Creditors: Amounts falling due within one year	12	(72,066)	(72,851)
Net current assets		175,324	65,314
Total assets less current liabilities		1,643,529	1,550,453
Net assets excluding pension liability		1,643,529	1,550,453
Pension scheme liability	21	(369,000)	(158,000)
Net assets including pension liability		1,274,529	1,392,453
Funds of the Academy:			
Restricted funds			
Restricted general fund		11,382	19,060
Restricted fixed asset fund		1,546,562	1,473,254
Restricted pension fund		(369,000)	(158,000)
		1,188,944	1,334,314
Unrestricted funds			
Unrestricted general fund		85,585	58,139
Total funds		1,274,529	1,392,453

The financial statements on pages 22 to 45 were approved by the Trustees, and authorised for issue on 12.12.16. and signed on their behalf by:



M Read
Governor and trustee

St Ives Infant School

Statement of Cash Flows for the Year Ended 31 August 2016

	Note	2016 £	2015 £
Cash flows from operating activities			
Net cash provided by operating activities	17	18,060	4,054
Cash flows from investing activities	18	87,906	(20,362)
Change in cash and cash equivalents in the year		105,966	(16,308)
Cash and cash equivalents at 1 September		120,606	136,914
Cash and cash equivalents at 31 August	19	226,572	120,606

1 Accounting policies

Statement of accounting policies

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgements and key sources of estimation uncertainty, is set out below.

Basis of preparation

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency, the Charities Act 2011 and the Companies Act 2006.

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

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 at least one year from the date of authorisation for issue of the financial statements and have concluded that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy Trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Income

All incoming resources are recognised when the Academy Trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably. The income is derived from the Ordinary Activities and is stated after trade discounts, other sales taxes and net of VAT (if charged).

Grants

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income untill the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

The General Annual Grant (GAG) is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability. Any unspent amount is reflected as a balance in the restricted general fund.

Capital grants are recognised when there is entitilement 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.

1 Accounting policies (continued)

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 are no performance-related conditions), where the receipt is probable and it can be measured reliably.

Donations

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

Other income

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the Academy Trust has provided the goods or services.

Donated goods, facilities and services

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.

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

This includes all expenditure incurred by the Academy Trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Charitable activities

These are costs incurred on the Academy Trust's educational operations, including support costs and costs relating to the governance of the Academy Trust apportioned to charitable activities.

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.

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

Liabilities
Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions

Provisions are recognised when the Academy Trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

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.

1 Accounting policies (continued)

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.

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.

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 quadrennial valuations using a prospective unit credit method. As stated in Note 21, the TPS is a multi employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded scheme and the assets are held separately from those of the academy 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 credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

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.

Critical accounting estimates and areas of judgement
Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

1 Accounting policies (continued)

Critical accounting estimates and assumptions

The Academy Trust makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31/08/2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

2 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total 2016 £	Total 2015 £
Educational trips and visits	5,157	-	-	5,157	5,315
Capital grants	-	-	97,150	97,150	6,012
Other donations	3,788	300	-	4,088	6,451
	8,945	300	97,150	106,395	17,778

3 Funding for the Academy Trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
DfE/EFA revenue grants				
General Annual Grant (GAG)	-	681,859	681,859	670,357
Pupil Premium	-	58,675	58,675	68,647
Other	-	-	-	8,500
Universal Infant Free School Meals	-	52,877	52,877	46,104
	-	793,411	793,411	793,608
Other government grants				
Nursery funding	-	78,738	78,738	62,941
Other	-	8,500	8,500	15,741
	-	87,238	87,238	78,682
Non-government grants and other income				
Other	4,666	5,577	10,243	3,923
Total grants	4,666	886,226	890,892	876,213

4 Other trading activities

	Unrestricted funds £	Total 2016 £	Total 2015 £
Hire of facilities	1,553	1,553	1,516
Catering income	1,829	1,829	498
Other sales	21,779	21,779	23,081
	25,161	25,161	25,095

5 Investment income

	Unrestricted funds £	Total 2016 £	Total 2015 £
Short term deposits	(108)	(108)	191

6 Expenditure

	Staff costs £	Premises £	Other costs £	Total 2016 £	Total 2015 £
Academy's educational operations					
Direct costs	616,718	-	58,728	675,446	685,761
Allocated support costs	104,678	108,705	61,435	274,818	284,738
	721,396	108,705	120,163	950,264	970,499

Net incoming/outgoing resources for the year include:

	2016 £	2015 £
Operating leases:		
Operating leases - plant and machinery	1,690	1,690
Fees payable to auditor - audit	2,500	2,500
Other audit/accountancy services	4,850	4,955
Depreciation	26,070	27,911

Resources expended	**Total £**	**Reason**
Gifts made by the trust	**158**	Gifts and flowers to staff on birthday/occasions.

7 Charitable activities

	Total 2016 £	Total 2015 £
Direct costs - educational operations		
Teaching and educational support staff costs	595,718	592,941
Educational supplies	26,694	42,020
Staff development	13,469	9,171
Other direct costs	18,565	16,629
Pension (Income)/Cost	21,000	25,000
	675,446	685,761
Support costs - educational operations		
Support staff costs	104,678	114,895
Depreciation	26,071	27,911
Maintenance of premises and equipment	9,041	9,194
Cleaning	29,850	28,498
Rent, rates and utilities	17,000	14,310
Insurance	26,743	26,726
Security and transport	800	618
Catering	21,307	18,360
Bank interest and charges	272	284
Other support costs	18,355	22,067
Governance costs	20,701	21,875
	274,818	284,738
Total direct and support costs	950,264	970,499

	Educational operations £	Total 2016 £	Total 2015 £
Analysis of support costs			
Support staff costs	104,678	104,678	114,895
Depreciation	26,071	26,071	27,911
Premises costs	82,634	82,634	78,728
Other support costs	40,734	40,734	41,329
Governance costs	20,701	20,701	21,875
Total support costs	274,818	274,818	284,738

8 Staff

	2016 £	2015 £
Staff costs during the year were:		
Wages and salaries	572,564	585,322
Social security costs	35,666	33,880
Pension costs	99,344	111,357
	707,574	730,559
Supply teacher costs	11,022	17,656
	718,596	748,215

Staff numbers

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

	2016 No	2015 No
Charitable Activities		
Teachers	8	8
Administration and support	25	21
	33	29

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

	2016 No	2012 No
£60,001 - £70,000	1	1

The key management personnel of the Academy Trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy Trust was £175,847 (2015: £153,131).

9 Related party transactions - 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):

Remuneration: £60,000 - £65,000 (2015 - £60,000 - £65,000)
Employer's pension contributions: £10,000 - £15,000 (2015 - £5,000 - £10,000)

R Smith (Staff Governor):

Remuneration: £35,000 - £40,000 (2015 - £35,000 - £40,000)
Employer's pension contributions: £5,000 - £10,000 (2015 - £0 - £5,000)

G Davies (Staff Governor):

Remuneration: £5,000 - £10,000 (2015 - £10,000 - £15,000)
Employer's pension contributions: £0 - £5,000 (2015 - £0 - £5,000)

C J Ford (Governor):

Remuneration: £0 - £5,000 (2015 - £0 - £5,000)
Employer's pension contributions: £Nil (2015 - £Nil)

Other related party transactions involving the trustees are set out in note 22.

10 Tangible fixed assets

	Leasehold land and buildings £	Furniture and equipment £	Computer equipment £	Total £
Cost or Valuation				
At 1 September 2015	1,518,397	18,971	23,020	1,560,388
Additions	3,288	1,477	4,371	9,136
At 31 August 2016	1,521,685	20,448	27,391	1,569,524
Depreciation				
At 1 September 2015	53,800	2,744	18,705	75,249
Charge for the year	20,144	1,727	4,199	26,070
At 31 August 2016	73,944	4,471	22,904	101,319
Net book value				
At 31 August 2016	1,447,741	15,977	4,487	1,468,205
At 31 August 2015	1,464,597	16,227	4,315	1,485,139

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. This revaluation has been used as the deemed cost of the property at the date of transition to FRS 102.

11 Debtors

	2016 £	2015 £
Trade debtors	42	130
Prepayments	15,534	13,016
VAT recoverable	2,522	1,501
	18,098	14,647

12 Creditors: amounts falling due within one year

	2016	2015
	£	£
Trade creditors	15,858	15,504
Other creditors	342	343
Accruals	25,021	30,110
Deferred income	30,845	26,894
	72,066	72,851

	2016
	£
Deferred income at 1 September 2015	26,894
Resources deferred in the period	30,845
Amounts released from previous periods	(26,894)
Deferred income at 31 August 2016	30,845

At the balance sheet date the Academy Trust was holding Universal Infant Free School Meals funds received in advance of the Autumn term 2016.

13 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 2016 was £887 (2015 - £796).

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

14 Funds

	Balance at 1 September 2015 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2016 £
Restricted general funds					
General Annual Grant	-	681,859	(672,917)	-	8,942
Pupil Premium	13,914	58,675	(72,589)	-	-
Nursery funding	-	78,738	(78,738)	-	-
Universal Infant Free School Meals	2,588	52,877	(53,025)	-	2,440
Special Education Needs	-	5,577	(5,577)	-	-
PE and Sports grant	2,148	8,500	(9,338)	(1,310)	-
Family Learning	410	-	(410)	-	-
Donations	-	300	(300)	-	-
	19,060	886,526	(892,894)	(1,310)	11,382
Restricted fixed asset funds					
Transferred to the academy on conversion	964,985	-	(10,998)	-	953,987
Revaluation Reserve	134,800	-	(1,533)	-	133,267
New Roof	187,447	-	(3,880)	-	183,567
Devolved Formula Capital Grant	22,119	5,944	(3,048)	-	25,015
Backlog Maintenance	34,905	-	(759)	-	34,146
From GAG or other funds	42,660	-	(2,881)	1,310	41,089
ACMF	75,137	-	(1,769)	-	73,368
Conditions Improvement Fund	-	91,206	-	-	91,206
Jubilee Room	598	-	(68)	-	530
Elliott Huts	10,603	-	(216)	-	10,387
	1,473,254	97,150	(25,152)	1,310	1,546,562
Restricted pension funds					
Pension Fund	(158,000)	-	(21,000)	(190,000)	(369,000)
Total restricted funds	1,334,314	983,676	(939,046)	(190,000)	1,188,944
Unrestricted funds					
Unrestricted general funds	58,139	38,664	(11,218)	-	85,585
Total funds	1,392,453	1,022,340	(950,264)	(190,000)	1,274,529

14 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.

Nursery funding - Funding received to fund nursery places.

General Annual Grant - This is the main source of funding for the Academy to fund its educational operations.

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. The transfer of £1,310 to fixed asset restricted funds is for play equipment purchased funded by the Academy's sports grant.

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 21 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 2016.

15 Analysis of net assets between funds

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	15,346	-	1,452,859	1,468,205
Current assets	70,239	68,176	108,975	247,390
Current liabilities	-	(56,794)	(15,272)	(72,066)
Pension scheme liability	-	(369,000)	-	(369,000)
Total net assets	85,585	(357,618)	1,546,562	1,274,529

16 Commitments under operating leases

Operating leases

At 31 August 2016 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2016 £	2015 £
Within one year	1,690	1,690
In two and five years	-	1,690
	1,690	3,380

17 Reconciliation of net income/(expenditure) to net cash inflow/(outflow) from operating activities

	2016 £	2015 £
Net income/(expenditure)	72,076	(51,222)
Depreciation	26,070	27,911
Capital grants from DfE and other capital income	(97,150)	(6,012)
Interest receivable	108	(191)
Decrease in stocks	192	454
(Increase)/decrease in debtors	(3,451)	54,036
Decrease in creditors	(785)	(45,922)
Pension (Income)/Cost	21,000	25,000
Net cash provided by Operating Activities	18,060	4,054

18 Cash flows from investing activities

	2016 £	2015 £
Dividends, interest and rents from investments	(108)	191
Purchase of tangible fixed assets	(9,136)	(26,565)
Capital funding received from sponsors and others	97,150	6,012
Net cash provided by/(used in) investing activities	87,906	(20,362)

19 Analysis of cash and cash equivalents

	At 31 August 2016 £	At 31 August 2015 £
Cash at bank and in hand	226,572	120,606
Total cash and cash equivalents	226,572	120,606

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

The latest actuarial valuation of the TPS related to the period ended 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.

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.

21 Pension and similar obligations (continued)

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

• employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%));

• total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million;

• an employer cost cap of 10.9% of pensionable pay will be applied to future valuations;

• the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS will be as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £54,371 (2015 - £45,331).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

Under the definitions set out in FRS 102, the TPS is a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2016 was £57,000 (2015 - £58,000), of which employer's contributions totalled £45,000 (2015 - £45,000) and employees' contributions totalled £12,000 (2015 - £13,000). The agreed contribution rates for future years are 18.5% 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.

21 Pension and similar obligations (continued)

Principal actuarial assumptions

	At 31 August 2016 %	At 31 August 2015 %
Rate of increase in salaries	4.10	4.60
Rate of increase for pensions in payment/inflation	2.10	2.70
Discount rate for scheme liabilities	2.10	3.80
Commutation of pensions to lump sums	40.00	40.00

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

	At 31 August 2016	At 31 August 2015
Retiring today		
Males retiring today	22	22
Females retiring today	24	24
Retiring in 20 years		
Males retiring in 20 years	24	24
Females retiring in 20 years	27	27

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

	At 31 August 2016 £	At 31 August 2015 £
Equities	251,000	173,000
Other bonds	225,000	210,000
Property	37,000	29,000
Cash	10,000	8,000
Total market value of assets	523,000	420,000
Present value of scheme liabilities - funded	(892,000)	(578,000)
Deficit in the scheme	(369,000)	(158,000)

The actual return on scheme assets was £47,000 (2015 - £13,000).

21 Pension and similar obligations (continued)

Amounts recognised in the statement of financial activities

	2016	2015
	£	£
Current service cost	60,000	64,000
Benefit changes, gain/(loss) on curtailment and gain/(loss) on settlement	6,000	6,000
Total operating charge	66,000	70,000

Changes in the present value of defined benefit obligations were as follows:

	2016	2015
	£	£
At 1 September	578,000	493,000
Current service cost	60,000	64,000
Interest cost	23,000	20,000
Employee contributions	12,000	13,000
Actuarial losses/(gains)	220,000	(11,000)
Benefits paid	(1,000)	(1,000)
At 31 August	892,000	578,000

Changes in the fair value of academy's share of scheme assets:

	2016	2015
	£	£
At 1 September	420,000	350,000
Expected return on assets	17,000	14,000
Return on plan assets (excluding net interest on the net defined pension liability)	30,000	(1,000)
Employer contributions	45,000	45,000
Employee contributions	12,000	13,000
Benefits paid	(1,000)	(1,000)
At 31 August	523,000	420,000

22 Related party transactions

Owing to the nature of the Academy Trust and the composition of the board of governors being drawn from local public and private sector organisations, transactions may take place with organisations in which the Academy Trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy Trust's financial regulations and normal procurement procedures.

There were no related party transactions in the year, other than certain trustees' remuneration already disclosed in note 9.

23 Transition to FRS 102

First time adoption of FRS 102

These financial statements are the first financial statements of St Ives Infant School prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the Charities SORP FRS 102. The financial statements of St Ives Infant School for the year ended 31 August 2015 were prepared in accordance with previous Generally Accepted Accounting Practice ('UK GAAP') and SORP 2005.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the trustees have amended certain accounting policies to comply with FRS 102 and SORP FRS 102.

Explanation of transition to FRS 102

It is the first year that the Academy Trust has presented its financial statements under SORP FRS 102 and FRS 102. The following disclosures are required in the year of transition. The last financial statements prepared under previous UK GAAP were for the year ended 31 August 2015 and the date of transition to FRS 102 and SORP FRS 102 was therefore 1 September 2014. As a consequence of adopting FRS 102 and SORP FRS 102, a number of accounting policies have changed to comply with those standards.

Reconciliation of net income/(expenditure)

	Note	Amount £
Net income/(expenditure) previously reported under UK GAAP		(47,222)
Change in recognition of LGPS interest cost		(4,000)
Net movement in funds reported under FRS 102		(51,222)

Change in recognition of LGPS interest cost

Under previous UK GAAP the trust recognised an expected return on defined benefit plan assets in income/expense. Under FRS 102 a net interest expense, based on the net defined benefit liability, is recognised in income/expense. There has been no change in the defined benefit liability at either 1 September 2014 or 31 August 2015. The effect of the change has been to reduce the credit/debit to income/expense by £4,000 and increase the credit/debit in other recognised gains and losses in the SOFA by an equivalent amount.