

Company Registration Number: 7751232

Cams Hill School

(A Company Limited by Guarantee)

Annual Report and Financial Statements

Year ended 31 August 2013

Chantrey Vellacott DF K LLP

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Reference and administrative details

Governors

P A Squire*	Chairman of the Governing Body
S Freeman*	Vice Chair
D K Wilmot*	Headteacher & Accounting Officer
K Anderson*	
D Hurman*	
R J Ellis*	
J Clark*	
L J Downer*	
P D Gough*	

Staff Governors

B J Ewers*	Resigned 4 th February 2013
S Brooker*	
A Potts	Appointed 5 th February 2013

Parent Governors

Dr A H Goode*	
S G Freeman*	
R G Lee*	
S L Higgs*	
C S West*	Resigned 26 th February 2013
J W Ure*	
J Bullock*	Appointed 10 th December 2012
H Molteno*	Resigned 12 th September 2012

Senior Management Team

D K Wilmot	Headteacher
D J Lowndes	Deputy Headteacher
R Matthews	Assistant Headteacher
C Martinelli	Assistant Headteacher
A Govan	Assistant Headteacher
M Newberry	Curriculum Projects Manager
J Browning	Finance and Lettings Manager

*Registered as statutory directors at Companies House

Principal and Registered Office

Shearwater Avenue
Fareham
Hampshire
PO16 8AH

Company Registration Number
7751232 (England and Wales)

Independent Auditor

Chantrey Vellacott DFK LLP
Prospect House
58 Queens Road
Reading
Berkshire
RG1 4R

Reference and administrative details (continued)

Bankers

HSBC Bank PLC
71 West Street
Fareham
PO16 0AN

Natwest Commercial Banking
Bay House
Compass Road
North Harbour Business Park
Portsmouth
PO6 4RS

Solicitors

Veale Wasbrough Vizards
Orchard Court
Orchard Lane
Bristol
BS1 5WS

Surveyors

Hampshire County Council Property Services
76 High Street
Winchester
Hampshire
SO23 8UL

Actuaries

Aon Hewitt Limited
8 Devonshire Square
London
EC2M 4PL

Governors' Report

The Governors present their annual report together with the financial statements and auditors' report of Cams Hill School (hereafter referred to as "Charitable Company" or "Academy Trust" or "Academy" or "School") for the year ended 31 August 2013. The Charitable Company was incorporated on 24 August 2011. On 1 October 2011 Cams Hill School converted to an academy. The comparative period is from 24 August 2011 to 31 August 2012.

Structure, Governance and Management

Constitution

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

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

Details of the Governors who served throughout the period, 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 Charitable Company in the event of it being wound up while they are a member, or within one year after they cease to be a member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before they ceased to be a member.

Governors' Indemnities

Cams Hill School holds an insurance policy with Zurich Municipal Policy Number KSC-27013-8243 which includes Governors' liability insurance. This qualifies as third party indemnity insurance, as defined by Section 234 of the Companies Act 2006.

Principal Activities

The Academy Trusts' object, as set out in the Articles of Association, is to advance education in the United Kingdom for the public benefit, 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 with an emphasis on Science.

Method of Recruitment and Appointment or Election of Governors

The Academy Board of Governors will consist of not less than 3 and up to 16 Governors.

They will be appointed according to the provisions of the Articles of Association as follows:

- a) 2 Staff Governors appointed from candidates by election, if necessary
- b) 1 Local Authority Governor if the LA wishes to make an appointment
- c) A minimum of 2 Parent Governors appointed by election, if necessary, from the parents of children currently attending the school
- d) The Headteacher
- e) Any Additional Governors co-opted, for example, to bring specific skills to the Board. This could result from a need identified by a skills audit or following a recommendation from an existing Governor.

Governors' Report (continued)

Policies and Procedures Adopted for the Induction and Training of Governors

All Governors are issued with a welcome pack and meet with the Headteacher and Chair of Governors. All new Governors attend a Local Authority Induction Course. The Training Liaison Governor will discuss training course requirements with the new Governors. In house training, and/or external speaker presentations are provided to Governors 3 times a year. The Governors have access to the resources at the National Governors Association (NGA) and Hampshire Governors web portal. Governors received individual briefs from school SMEs, as required to undertake their duties.

Organisational Structure

The Academy was set up with a management structure to support the Education Brief. The organisational structure consists of the Governors and Senior Leadership Team.

The Governors are responsible for setting general policy, adopting an annual plan and budget, monitoring its financial and operational performance, making strategic decisions about the direction of the Academy, approving major items of expenditure and making senior staff appointments.

The Governing Body consists of 4 main committees, Curriculum, Finance, Audit and Premises. There are 3 Sub Committees, Executive and Personnel, Admissions and Headteacher Performance Management Review. There are 6 Committees that meet when required: Pupil Discipline, Admissions Appeal, Staff Dismissal, Staff Dismissal Appeal, Governors' Complaints Panel and ICT Working Group.

The Governors have approved a scheme of financial delegation which clearly sets out the level of financial authority delegated to the Headteacher and Senior Leadership team.

The Senior Leadership Team controls the Academy at an executive level implementing all policies approved by the Governors and the teaching and curriculum at the Academy. They are responsible for the authorisation of spending within agreed budgets and limits and for the appointment of staff with the exception of Senior Leadership Team members. The Headteacher is the Academy Trust's Accounting Officer.

Risk Management

The major risks to which the Academy Trust is exposed have been identified on the Academy's Risk Register and are identified in the Financial Review on Page 6 and in the Governance Statement on pages 9 to 11. The Risk Register seeks to identify the likelihood of a risk occurring, its impact and actions that are being taken to mitigate the risk. Risks included on the Register are varied but include failure to achieve pupil numbers on roll, a poor Ofsted inspection result and an inability to improve and maintain parental and wider community support. In addition, the register records the risks associated with major incidents, ICT system failures, financial and operational risks, including budgetary risks, health and safety and safeguarding of pupil risks. The Academy operates systems of internal financial control and checks which are examined termly by the Academy's Responsible Officer, employed by the Academy's External Auditor.

Connected Organisations, including Related Party Relationships

The Academy Trust has no connected organisations.

During the current period one Governor was reimbursed £62 for travel expenses.

Governors' Report (continued)

Objectives and Activities

Objectives, Strategies and Activities

The Academy objective is set out in the Articles of Association and referred to on page 3. In summary, it is to establish, maintain, manage and develop a school offering a broad and balanced curriculum with an emphasis in its secondary curriculum on Science.

In accordance with the Articles of Association the Academy has adopted a funding agreement approved by the Secretary of State for Education. The funding agreement specifies, amongst other things, the basis for admitting pupils to the Academy. The planned capacity of the Academy is 1,056 in the age range 11-16 and will be an all ability inclusive school operating an 'Equal Preference' admissions system.

Cams Hill School is a converter academy which exists to provide a high quality education for 11 to 16 year old pupils of all abilities. The academy is committed to supporting all children to do their best through cognitive, creative, physical, personal and social achievements. Special emphasis is placed on academic achievement because this is where the academy can make the greatest differences to pupils' lives. The academy aims to enable each emerging adult to take his or her place in society as an industrious, happy, self-motivated individual. The academy hopes that each will contribute to the development of society and its improvement, demonstrate tolerance and respect for self and for the welfare of others, a positively questioning attitude, the ability to discriminate and the flexibility and resilience to adapt in a rapidly changing world.

In doing so, the Academy will meet all statutory requirements and provide value for money. The Academy set objectives for the year ended 31 August 2013 which focussed on:

- Raising, yet further, pupil attainment and progress
- Developing, and securing, even more outstanding teaching
- Promoting even higher standards of pupil behaviour
- Further nurturing of pupils' moral, spiritual and social development
- Refining, and developing further, a reflective approach to the work of the Academy and further promoting a culture of improvement

To achieve these objectives the Academy has maintained its existing systems for delivery, monitoring and evaluation of all aspects of its work. In particular, during this period it has increased the nature and extent of supportive interventions for pupils, improved staff access to, and use of, a range of pupil data, provided training for staff on outstanding teaching and facilitated other, appropriate staff training, worked in partnership with other schools through links with the local teaching school consortium and through the very active science specialism activities. The rich and varied programme of extra-curricular activities, trips and special curriculum events has been maintained and further extended.

Public Benefit

In setting the objectives, the Governors have given consideration to the Charity Commission's general guidance on public benefit and in particular its supplementary guidance on education.

Governors' Report (continued)

Achievements and Performance

Pupils have traditionally made good or very good progress at Cams Hill School from broadly average starting points. During the year to 31 August 2013 progress has again been good or very good for the large majority of pupils. In English, in spite of the GCSE grade controversy (the Academy's results were seriously affected), 76% of pupils made expected progress (2012 national figure was 67%) and, amongst those, 37.6% made better than expected progress. In mathematics, 83% made expected progress (2012 National figure was 68%) and, of those, 44% made better than expected progress. 83.1% of pupils attained 5 or more A* to C grades at GCSE. At 5 or more A* to C GCSE grades including English and mathematics 72.4% of pupils achieved this performance indicator compared to the school's most challenging target of 76%. The percentage of pupils achieving 5 or more A* to G grades at GCSE was 98%. This is a measure of the inclusivity of the academy and a figure in which there is much to celebrate. At the time of writing the academy is awaiting results of appeals. Attainment and progress at the school remains high in relation to national attainment.

Going Concern

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

Key Financial Performance Indicators

The Academy's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties where possible 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 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.

Financial Review

The majority of the Academy Trust's income is obtained from the Education Funding Agency (EFA), in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the EFA during the year ended 31 August 2013 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

Governors' Report (continued)

Financial review (continued)

Restricted Funds

In the period, the Academy has received General Annual Grant (GAG) income totalling £4,820,501 (2012: £4,393,743). The Academy carries forward £267,606 (2012: £312,307) into the next accounting period. At the year end the Academy holds restricted funds of £22,197,573 (2012: £22,344,162). Within restricted funds is a fixed asset fund of £22,253,042 (2012: £22,591,043), general restricted funds of £537,400 (2012: £327,894) and pension reserve in deficit of £592,869 (2012: £574,775).

Unrestricted Funds

At the period end the Academy holds unrestricted funds of £507,274 (2012: £418,334).

Financial and Risk Management Objectives and Policies

The principal risks to the Academy are financial and result from a projected deficit on the Local Government Pension Scheme, the likelihood of the Academy not meeting its budgetary deadlines (due to the failure of the EFA to provide timely information) and risks associated with many changes to funding formulas. In addition there are the usual risks associated with fraud, damage to reputation, and failure to maintain academic standards. Control measures have been put in place to mitigate all these risks.

Under Financial Reporting Standard 17, it is necessary to charge projected deficits on the Local Government Pension Scheme, which is provided to support staff, to a restricted fund. This results in reducing the reserves shown in the total funds of the Academy. It should be noted that this does not present the Academy with any current liquidity problem. The Academy is currently paying increased employer contributions to reduce this deficit.

Principal Risks and Uncertainties

Income

As the Academy has one main funder, being the EFA, there is reliance on this funding remaining at a level sufficient to cover the financial requirements of the Academy.

Risk of fraud/mis-management

The Academy has appointed a Responsible Officer (RO) to carry out checks on financial systems and records as required by the Academy Financial Handbook. All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area.

Cashflow risk

The Academy currently has sufficient cash reserves and so can be considered to be a minimal risk. Cashflow forecasting forms part of the budgeting process.

Reserves Policy

The level of reserves held takes into account the nature of the income and expenditure streams, the need to match them with commitments, including future capital projects, and the nature of reserves. The Governors will keep the level of reserves under review.

Investment Policy

In a period of financial uncertainty and low interest rates, the Academy Trust's policy has been to maximize liquidity and minimize risk. This is consistent with the expectation that public funds are provided to finance current education needs. This policy will be kept under review.

Governors' Report (continued)

Plans for Future Periods

Our primary focus in 2013/14 is to ensure our pupils make significant progress and achieve high degrees of success in their exams. Other targets we have set within our Development Plan include:

- Maintaining and improving further, attainment and progress across the School
- Focus on achievement of pupil premium pupils
- Creation and deployment of new academic intervention resource for vulnerable pupils
- Teacher/pupil/parent engagement with mentoring system
- Wide-spread use of well-judged and imaginative teaching strategies
- Highly effective teaching of communication, reading, writing and mathematics across all subjects
- Replacement of Management Information System (MIS)
- Increase entry by 1 extra form a year: Years 3 -5 will require capital funding

Auditor

In so far as the Governors are aware:

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

Approved by order of the members of the Governing Body on 9 December 2013 and signed on its behalf by:



Paul Squire
Chair of Governors

Governance Statement

Scope of Responsibility

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

The Governing Body has delegated the day-to-day responsibility to the Headteacher, 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 Cams Hill School and the Secretary of State for Education. He is also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Governors' Report and in the Statement of Governors' Responsibilities. The Governing Body has formally met 4 times during the period. Attendance during the period at meetings of the Governing Body was as follows:

Governor	Meetings attended	Out of a possible
P Squire (Chairman)	4	4
D Hurman	3	4
C West (Jt Vice Chair and parent governor) (Resigned 26 February 2013)	2	2
K Anderson	4	4
J Bullock (Appointed 10 December 2012)	1	2
S Brooker (Staff Governor)	2	4
J Clark	2	4
L Downer	4	4
R Ellis	2	4
B Ewers (Staff Governor) (Resigned 4 February 2013)	1	1
S Freeman (Parent Governor) (Vice Chair)	3	4
A Goode (Parent Governor)	4	4
P Gough	4	4
S Higgs (Parent Governor)	4	4
R Lee (Parent Governor)	4	4
A Potts (Appointed 5 February 2013)	2	2
J Ure (Parent Governor)	4	4
DK Wilmot (Headteacher and Accounting Officer)	4	4

The Governing Body has made the following changes: H Molteno resigned 12 September 2012, C West resigned on 26 February 2013 and B Ewers resigned on 4 February 2013. J Bullock was appointed on 11 December 2012 and A Potts was appointed on 5 February 2013.

The **Finance Committee** is a sub-committee of the main Governing Body. Its purpose is to prepare the draft budget for the Governing Body to consider and approve, to monitor the progress of all expenditure, identifying the reasons for any variations and movements over £50k and to take decisions on financial matters that need to be dealt with between meetings of the Governing Body whilst providing guidance on all financial matters. Attendance at meetings in the period was as follows:

Governance Statement (continued)

Governance (continued)

Governor	Meetings attended	Out of a possible
K Anderson	4	4
J Clark	4	4
R Ellis	3	4
S Freeman	4	4
D K Wilmot	4	4

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Cams Hill School for the year ended 31 August 2013 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Governing Body has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Governing Body is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year ending 31 August 2013 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Body.

The Risk and Control Framework

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

- Comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Governing Body;
- Regular reviews by the Finance Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programme;
- Setting targets to measure financial and other performance;
- Clearly defined purchasing (asset purchase or capital investment) guidelines;
- Delegation of authority and segregation of duties
- Identification and management of risks.

The Governing Body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Governors have appointed Chantrey Vellacott DFK LLP to carry out the role of Responsible Officer ('RO'). The RO's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. On a termly basis, the RO reports to the Governing Body on the operation of the systems of control. This is carried out in line with EFA requirements. The RO visited three times during the year and reported no significant breaches in the Academy Trust's control systems.

Governance Statement (continued)

Review of Effectiveness

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

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

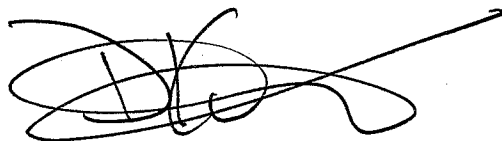
The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Governing Body on 9 December 2013 and signed on its behalf by:



P Squire

Chair of Governors



D K Wilmot

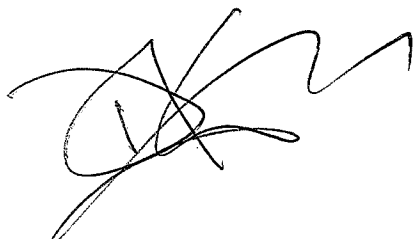
Accounting Officer

Statement on Regularity, Propriety and Compliance

As Accounting Officer of Cams Hill 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.



D K Wilmot
Accounting Officer

Date: 9 December 2013

Statement of Governors' Responsibilities

The Governors (who act as Trustees for charitable activities of Cams Hill School and are also the Directors of the Charitable Company for the purposes of company law) are responsible for preparing the Governors' report and the financial statements in accordance with the Annual Accounts Requirements issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

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

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

The Governors are responsible for ensuring that in its conduct and operation the Charitable Company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the Education Funding Agency and Department for Education have been applied for the purposes intended.

In so far as the Governors are aware:

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

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

Approved by order of the members of the Governing Body on 9 December 2013 and signed on its behalf by:



Paul Squire
Chair of Governors

Independent Auditor's Report on the Financial Statements to the Members of Cams Hill School

We have audited the financial statements of Cams Hill School for the year ended 31 August 2013 set out on pages 17 to 35. These financial statements have been prepared under the accounting policies set out therein.

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 Charitable Company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the 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 auditor

As explained more fully in the Governors' Responsibilities Statement, the Governors (who are also the directors of the 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 Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Charitable Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Governors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Governors' 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 financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 August 2013 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Academies: Accounts Direction 2013 issued by the Education Funding Agency

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Governors' Report for the financial period 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 Cams Hill School (continued)

Matters on which we are required to report by exception

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

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

Chantrey Vellacott DFK LLP

Ian B Johnson (Senior Statutory Auditor)
for and on behalf of CHANTREY VELLACOTT DFK LLP
Chartered Accountants and Statutory Auditor

58 Queens Road
Reading
RG1 4RP

Date: 16/12/13

Chantrey Vellacott DFK LLP

Independent Reporting Accountant's Assurance Report on Regularity to Cams Hill School and the Education Funding Agency

In accordance with the terms of our engagement letter dated 15 November 2012 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies: Accounts Direction 2013, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Cams Hill School during the year to 31 August 2013 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Cams Hill School and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Cams Hill 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 Cams Hill School and the EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of the Cams Hill School's Accounting Officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of Cams Hill School funding agreement with the Secretary of State for Education dated 1 October 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 to 31 August 2013 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

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

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

We have undertaken testing as appropriate in accordance with the Academies Accounts Direction 2013. This includes an evaluation of the control environment of the school, enquiry, analytical review and substantive testing.

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

Chantrey Vellacott DFK LLP
Chantrey Vellacott DFK LLP

Chartered Accountants

58 Queens Road

Reading

RG1 4RP

Date

16/12/13

Statement of Financial Activities for the year ended 31 August 2013

(including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2013 £	Period from 1 October 2011 to 31 August 2012 £
Incoming resources						
<i>Incoming resources from generated funds:</i>						
Transfer from local authority on conversion		-	-	-	-	22,927,770
Activities for generating funds	2	356,524	14,836	-	371,360	406,872
<i>Incoming resources from charitable activities</i>						
Funding for the Academy's educational operations	3	-	5,180,222	123,234	5,303,456	4,537,634
Total incoming resources	15	356,524	5,195,058	123,234	5,674,816	27,872,276
Resources expended						
<i>Charitable activities:</i>						
Academy's educational operations	5	266,360	4,947,692	461,235	5,675,287	4,930,337
Governance costs	6	1,224	71,954	-	73,178	65,443
Total resources expended	4,15	267,584	5,019,646	461,235	5,748,465	4,995,780
Net incoming / (outgoing) Resources before transfers		88,940	175,412	(338,001)	(73,649)	22,876,496
Gross transfers between funds	15	-	-	-	-	-
Net Income/(Expenditure) for the year		88,940	175,412	(338,001)	(73,649)	22,876,496
Other recognised gains and losses						
Actuarial (losses) gains on defined benefit pension schemes	15, 23	-	16,000	-	16,000	(114,000)
Net movement in funds		88,940	191,412	(338,001)	(57,649)	22,762,496
Reconciliation of funds						
Total funds brought forward	15	418,334	(246,881)	22,591,043	22,762,496	-
Total funds carried forward	15	507,274	(55,469)	22,253,042	22,704,847	22,762,496

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

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

Balance sheet as at 31 August 2013

	Notes	2013 £	2013 £	2012 £	2012 £
Fixed assets					
Tangible assets	10		22,241,187		22,608,630
Current assets					
Stock	11	4,098		4,098	
Debtors	12	238,321		67,666	
Cash at bank and in hand		1,146,265		1,078,951	
		<u>1,388,684</u>		<u>1,150,715</u>	
Liabilities					
Creditors: Amounts falling due within one year	13	(275,001)		(422,074)	
Net current assets			<u>1,113,683</u>		<u>728,641</u>
Total assets less current liabilities			23,354,870		23,337,271
Liabilities					
Creditors: Amounts falling due after more than one year	14		(57,154)		-
Net assets excluding pension liability			<u>23,297,716</u>		<u>23,337,271</u>
Pension scheme liability	23		(592,869)		(574,775)
Net assets including pension liability			<u>22,704,847</u>		<u>22,762,496</u>
Funds of the Academy:					
Restricted income funds					
Fixed asset fund(s)	15		22,253,042		22,591,043
General fund(s)	15		537,400		327,894
Pension reserve	15		(592,869)		(574,775)
Total restricted funds			<u>22,197,573</u>		<u>22,344,162</u>
Unrestricted income funds					
General fund(s)	15		507,274		418,334
Total unrestricted funds			<u>507,274</u>		<u>418,334</u>
Total funds			<u>22,704,847</u>		<u>22,762,496</u>

The financial statements on pages 17 to 35 were approved by the Governors, and authorised for issue on 9 December 2013 and are signed on their behalf by:



Paul Squire
Chair of Governors

Company Limited by Guarantee
Registration Number 7751232

Cash Flow Statement for the year to 31 August 2013

	Notes	2013 £	2012 £
Net cash inflow from operating activities	18	60,507	535,872
Capital expenditure and capital grants (outflow)/ inflow	19	(73,209)	85,064
Financing	20	80,016	-
Cash transferred on conversion to an Academy Trust		-	458,015
Increase in cash in the year	21	67,314	1,078,951
Reconciliation of net cash flow to movement in net funds			
Net cash increase in the year		67,314	1,078,951
Net funds at 1 September		1,078,951	-
Net funds at 31 August 2013		1,146,265	1,078,951
Cash at bank and in hand		1,146,265	1,078,951

Notes to the Financial Statements for the year ended 31 August 2013

1. Statement of 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 Academies Accounts Direction issued by the EFA and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

Conversion to an Academy

The conversion from a state maintained school to an Academy Trust involved the transfer of identifiable assets and liabilities and the operation of the school for £nil consideration and has been accounted for under the acquisition accounting method.

The assets and liabilities transferred on conversion from Cams Hill School to an Academy Trust have been valued at their fair value being a reasonable estimate of the current market value that the Governors would expect to pay in an open market for an equivalent item. Their fair value is in accordance with the accounting policies set out for Cams Hill School. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in voluntary income as net income in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds..

Going Concern

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

Incoming Resources

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

- **Grants receivable**

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant ("GAG") is included within the Statement of Financial Activities on a receivable basis. Income is deferred where received in advance and included within creditors as deferred income. Where entitlement occurs before income is received, the income is accrued. The GAG is treated as a restricted fund and is used to cover recurrent expenditure relating to the establishment, conduct, administration and maintenance of the Academy, where such expenditure does not fall under any other specific grants.

Other local authority grants relate to funding directly received from the local authority for the provision of specific services. Income is included within the Statement of Financial Activities on a receivable basis. Income is deferred where received in advance and included within creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Notes to the Financial Statements for the year ended 31 August 2013 (continued)

1. Statement of Accounting Policies (continued)

- **Grants receivable (continued)**

Other DFE/EFA grants for specific provisions or services, such as bursary funding, relate to funding directly received from these organisations for specific services, is included within the Statement of Financial Activities on a receivable basis. Income is deferred where received in advance and included within creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Capital grants are included within the Statement of Financial Activities on a received basis. Income is deferred where received in advance and included within creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

- **Donations**

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

- **Other income**

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

- **Donated Services and gifts in kind**

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

- **Land and Buildings**

Land and Buildings transferred to Cams Hill School at the time of conversion to an Academy were professionally valued and recognised within the Statement of Financial Activities at their valuation.

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.

- **Costs 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.

Notes to the Financial Statements for the year ended 31 August 2013 (continued)

1. Statement of Accounting Policies (continued)

Resources expended (continued)

- **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.

All resources expended are inclusive of irrecoverable VAT.

Tangible Fixed Assets

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the Government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy Trust's depreciation policy.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful lives, as follows:

Freehold buildings	the shorter of 50 years or over the expected life of the asset
Fixtures, fittings and equipment	10 years
ICT equipment	3 years
Motor Vehicles	7 years

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.

Leased Assets

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

Stock

Stock consists of purchased goods for resale. Stocks are valued at the lower of cost and net realisable value. Items donated for resale or distribution are not included in the financial statements until they are sold or distributed.

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.

Notes to the Financial Statements for the year ended 31 August 2013 (continued)

1. Statement of Accounting Policies (continued)

Pensions 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 Note 23, the TPS is a multi-employer scheme and the Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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

Fund Accounting

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

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

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

2. Activities for Generating Funds

	Unrestricted Funds	Restricted Funds	Total 2013	Period from 1 October 2011 to 31 August 2012
	£	£	£	£
Hire of Facilities	19,351	-	19,351	22,445
Catering Income	163,918	-	163,918	133,745
Other Income	81,016	14,836	95,852	112,192
Clubs and Trips	92,239	-	92,239	138,490
	<u>356,524</u>	<u>14,836</u>	<u>371,360</u>	<u>406,872</u>

Notes to the Financial Statements for the year ended 31 August 2013 (continued)

3. Funding for Academy's educational operations

	Unrestricted Funds	Restricted Funds	Restricted Fixed Asset Funds	Total 2013	Period from 1 October to 31 August 2012
	£	£	£	£	£
DfE / EFA revenue grants					
General Annual Grant (GAG)	-	4,820,501	-	4,820,501	4,393,743
Other DfE / EFA grants	-	354,329	123,234	477,563	69,063
	-	5,174,830	123,234	5,298,064	4,462,806
Other Government grants					
Local authority grants	-	5,392	-	5,392	74,828
Special educational projects	-	-	-	-	-
	-	5,180,222	123,234	5,303,456	4,537,634

4. Resources Expended

	Staff Costs	Non Pay Expenditure		Total 2013	Period from 1 October 2011 to 31 August 2012
	£	Premises	Other Costs	£	£
		£	£		
Academy's educational operations					
Direct costs	3,231,961	-	281,682	3,513,643	3,082,690
Allocated support costs	574,880	998,774	413,803	1,987,457	1,674,022
Activities for generating funds	-	-	174,187	174,187	173,625
	3,806,841	998,774	869,672	5,675,287	4,930,337
Governance costs including allocated support	-	-	73,178	73,178	65,443
	3,806,841	998,774	942,850	5,748,465	4,995,780

Incoming/outgoing resources for the year include:

	2013	Period from 1 October 2011 to 31 August 2012
	£	£
Operating leases	25,072	36,976
Fees payable to auditor - audit	8,050	7,500
- other services	5,505	1,000
	38,627	45,476

Notes to the Financial Statements for the year ended 31 August 2013 (continued)

5. Charitable Activities – Academy's educational operations

	Unrestricted Funds £	Restricted Funds £	Total 2013 £	Period from 1 October 2011 to 31 August 2012 £
Direct costs				
Teaching and educational support staff costs	57,245	3,174,716	3,231,961	2,858,493
Educational supplies	13,396	105,547	118,943	101,298
Examination fees	-	73,529	73,529	73,840
Staff development	667	27,333	28,000	20,675
Educational consultancy	95	11,152	11,247	10,373
Other direct costs	1,677	48,286	49,963	18,011
	73,080	3,440,563	3,513,643	3,082,690
Allocated support costs				
Support staff costs	2,344	662,630	664,974	553,643
Depreciation	-	461,235	461,235	445,761
Recruitment and support	-	4,617	4,617	9,834
Maintenance of premises and equipment	21,924	438,339	460,263	402,211
Cleaning	-	5,508	5,508	8,919
Rent & rates	-	112,826	112,826	91,920
Telephone	-	11,816	11,816	7,916
Printing, post & stationery	388	32,551	32,939	14,275
Insurance	-	79,816	79,816	19,076
Security and transport	902	5,463	6,365	3,188
Catering	-	13,194	13,194	13,786
Retirement benefit cost including finance cost	-	127,000	127,000	101,000
Bank interest and charges	300	4,327	4,627	1,435
Other support costs	300	1,977	2,277	1,058
	26,158	1,961,299	1,987,457	1,674,022
Activities for generating funds				
Catering	70,539	-	70,539	60,152
School trips	96,583	7,065	103,648	113,473
	167,122	7,065	174,187	173,625
	266,360	5,408,927	5,675,287	4,930,337

6. Governance costs

	Unrestricted Funds £	Restricted Funds £	Total 2013 £	Period from 1 October 2011 to 31 August 2012 £
Legal and professional fees	1,224	58,376	59,600	57,425
Auditor's remuneration	-	-	-	-
• Audit of financial statements	-	6,750	6,750	6,000
• Responsible officer audit	-	1,300	1,300	1,000
• Accountancy, taxation and other services	-	5,505	5,505	1,000
Support staff costs	-	-	-	-
Governors' reimbursed expenses	-	23	23	18
	1,224	71,954	73,178	65,443

Notes to the Financial Statements for the year ended 31 August 2013 (continued)

7. Staff costs

Staff costs during the year were:

	2013 £	Period from 1 October 2011 to 31 August 2012 £
Wages and salaries	3,132,187	2,920,035
Social security costs	233,999	204,730
Pension costs	440,655	372,371
	<u>3,806,841</u>	<u>3,497,136</u>

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

	2013 No.	Period from 1 October 2011 to 31 August 2012 No.
Charitable Activities		
Teachers	61	55
Administration and support	50	49
Management	6	6
	<u>117</u>	<u>110</u>

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

	2013 No.	Period from 1 October 2011 to 31 August 2012 No.
£60,001 - £70,000	-	1
£70,001- £80,000	1	-
£90,001 - £100,000	-	1
£110,001- £120,000	1	-

Of the 2 employees noted above both participated in the Teachers' Pension Scheme. During the year ended 31 August 2013, pension contributions for these staff amounted to £34,803 (2012: £19,196).

8. Governors' remuneration and expenses

The Headteacher and Staff Governors only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff and not in respect of their services as Governors. Other Governors did not receive any payments, other than expenses, from the Academy in respect of their role as Governors. The value of the total Governors' remuneration for salary and pensions was as follows:

D K Wilmot (Headteacher):	£115,000 - £120,000 (2012: £90,000 - £95,000)
B Ewers (Other staff Governor):	£20,000 - £25,000 (2012: £45,000 - £50,000) (to February 2013)
S Brooker (Other staff Governor):	£20,000 - £25,000 (2012: £15,000- £20,000)
A Potts (Other staff Governor):	£25,000 - £30,000 (2012: £Nil) (From February 2013)

During the year ended 31 August 2013, travel and subsistence expenses totalling £62 were reimbursed to one Governor.

Other related party transactions involving the Governors are set out in note 24.

Notes to the Financial Statements for the year ended 31 August 2013 (continued)

9. Governors' and Officers' Insurance

In accordance with normal commercial practice the Academy has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £5m on any one claim and the cost for the year ended 31 August 2013 was £1,380 (2012: £1,380).

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

10. Tangible Fixed Assets

	Freehold Land and Buildings £	Furniture and Equipment £	Computer Equipment £	Motor Vehicles £	Total £
Cost					
At 1 September 2012	22,906,341	122,291	6,759	19,000	23,054,391
Additions	56,335	18,632	18,825	-	93,792
At 31 August 2013	22,962,676	140,923	25,584	19,000	23,148,183
Depreciation					
At 1 September 2012	421,672	19,708	1,666	2,715	445,761
Charged in period	425,793	24,922	7,805	2,715	461,235
At 31 August 2013	847,465	44,630	9,471	5,430	906,996
Net book values					
At 31 August 2013	22,115,211	96,293	16,113	13,570	22,241,187
At 31 August 2012	22,484,669	102,583	5,093	16,285	22,608,630

On 31 August 2012 Land was professionally valued at £9,375,000 and Buildings were valued at £13,440,185. The total amount of £22,815,185, which the Governors have deemed to be equivalent to the fair value of land and buildings on conversion to an Academy on 1 October 2011 and have been adopted by them for the purposes of the financial statements for the year ended on 31 August 2013.

The valuation was obtained from a "full valuation" carried out by the valuers Hampshire County Council and the Governors have considered this valuation sufficient for the purposes of the financial statements.

11. Stock

	2013 £	2012 £
Catering	4,098	4,098
	4,098	4,098

12. Debtors

	2013 £	2012 £
Trade debtors	2,146	2,593
Other debtors	73,364	44,233
Prepayments and accrued income	162,811	20,840
	238,321	67,666

Notes to the Financial Statements for the year ended 31 August 2013 (continued)

13. Creditors: amounts falling due within one year

	2013 £	2012 £
Trade creditors	84,991	31,699
PAYE & NIC creditor	67,615	68,056
Other creditors	53,862	82,395
Accruals and deferred income	45,671	239,924
Loan	22,862	-
	275,001	422,074

At 31 August 2013 the Academy held the following in respect of deferred income:

	2013 £	2012 £
New York trip	14,751	-
Ardeche trip	12,243	-
	26,994	-

14. Creditors: amounts falling due after more than one year

	2013 £	2012 £
Loan	57,154	-
	57,154	-

The loan is repayable over 4 years, is unsecured and interest free.

15. Funds

	Balance at 1 September 2012 £	Incoming Resources £	Resources Expended £	Gains, Losses and Transfers £	Balance at 31 August 2013 £
Restricted general funds					
General Annual Grant (GAG)	312,307	4,820,501	(4,865,202)		267,606
Other DfE/EFA grants	6,337	359,721	(108,920)	-	257,138
William Price Charitable Trust	9,250	14,836	(11,430)	-	12,656
Pension reserve	(574,775)	-	(34,094)	16,000	(592,869)
	(246,881)	5,195,058	(5,019,646)	16,000	(55,469)
Restricted fixed asset funds					
Fixed assets upon transfer	22,468,464	-	(457,587)	-	22,010,877
DfE/ EFA capital grants	122,579	123,234	(3,648)	-	242,165
	22,591,043	123,234	(461,235)	-	22,253,042
Total restricted funds	22,344,162	5,318,292	(5,480,881)	16,000	22,197,573
Unrestricted funds					
Unrestricted funds	418,334	356,524	(267,584)	-	507,274
Total unrestricted funds	418,334	356,524	(267,584)	-	507,274
Total funds	22,762,496	5,674,816	(5,748,465)	16,000	22,704,847

Notes to the Financial Statements for the year ended 31 August 2013 (continued)

15. Funds (continued)

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

The General Annual Grant ("GAG") relates to recurrent income and expenditure for the establishment, conduct and administration and maintenance of the Academy, where such expenditure does not fall under any other grant.

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2013.

Other local authority grants relate to funding received directly from the local authority, most notably Hampshire County Council, for the provision of specific services such as education for special education needs students.

Other DFE/EFA grants received are for specific services such as funding for learning support students and "golden hellos" or incentive payments to teachers in subjects of scarce resource.

The pension reserve relates to the provision of pension costs for non teaching staff. The fund includes the transfer of a pension deficit from the local authority to Cams Hill School upon conversion to an Academy.

Fixed asset funds include the transfer of land and buildings from the local authority upon conversion to an Academy. Where tangible fixed assets are acquired through the aid of a specific grant they are credited to the restricted fixed asset fund within the Statement of Financial Activities and also included in the balance sheet within fixed assets. Funds will be transferred on an annual basis into the fixed asset fund, where required, from available revenue reserves at the behest of the Governors.

Capital grants received as part of the GAG are treated in the same way as the fixed asset fund.

Unrestricted funds are generated from income and expenditure that is incidental and supplementary to the educational activities of the Academy such as from sales in catering and the letting of buildings to other organisations.

16. Analysis of net assets between funds

Fund balances at 31 August 2013 are represented by:

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total Funds 2013	Total Funds 2012
	£	£	£	£	£
Tangible fixed assets	-	-	22,241,187	22,241,187	22,608,630
Current assets	507,274	869,555	11,855	1,388,684	1,150,715
Current and long term liabilities	-	(332,155)	-	(332,155)	(422,074)
Pension scheme liability	-	(592,869)	-	(592,869)	(574,775)
Total net assets	507,274	(55,469)	22,253,042	22,704,847	22,762,496

Notes to the Financial Statements for the year ended 31 August 2013 (continued)

17. Financial commitments

Operating leases

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

	2013 £	2012 £
Other		
Expiring within one year	17,154	-
Expiring within two and five years inclusive	9,223	36,976
Expiring in over five years	-	-
	26,377	36,976

18. Reconciliation of net income to net cash inflow from operating activities

	2013 £	2012 £
Net income	(73,651)	22,876,496
Depreciation (note 10)	461,235	445,761
Transfer of fixed assets upon conversion to an academy	-	(22,911,755)
Transfer of fixed asset capital grant	-	(77,947)
Transfer of FRS pension liability upon conversion	-	442,000
Cash received on conversion to academy	-	(458,015)
FRS 17 pension cost less contributions payable (note 23)	21,094	2,775
FRS 17 pension finance cost (note 23)	13,000	16,000
(Increase) in stocks	-	(4,098)
(Increase) in debtors	(170,655)	(67,666)
Increase/(decrease) in creditors	(169,933)	422,074
Adjustment for fixed asset creditor	102,651	(102,651)
Capital grants from DFE/YPLA/EFA	(123,234)	(47,102)
Net cash inflow from operating activities	60,507	535,872

19. Capital expenditure and financial investment

	2013 £	2012 £
Purchase of tangible fixed assets funded by capital grants	(93,792)	(142,636)
Increase/(decrease) in fixed asset creditor	(102,651)	102,651
Receipt of capital grants	123,234	125,049
Net cash (outflow)/ inflow from capital expenditure and financial investment	(73,209)	85,064

20. Financing

	2013 £	2012 £
New loan	91,447	-
Repayments in year	(11,431)	-
Net cash inflow from financing	80,016	

21. Analysis of changes in net funds

	At 1 September 2012 £	Cash flows £	At 31 August 2013 £
Cash in hand and at bank	1,078,951	67,314	1,146,265
	1,078,951	67,314	1,146,265

Notes to the Financial Statements for the year ended 31 August 2013 (continued)

22. 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.

23. 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 Aon Hewitt Limited. Both are defined-benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2004 and of the LGPS 1 October 2011.

Contributions amounting to £52,829 were payable to the schemes at 31 August 2013 (2012: £50,999) and are included within creditors.

Teachers' Pension Scheme

The Teachers' Pension Scheme ("TPS") is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010). These regulations apply to teachers in schools that are maintained by local authorities and other educational establishments, including academies, in England and Wales. In addition teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and from 1 January 2007 automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

The Teachers' Pension Budgeting and Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under Superannuation Act (1972) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions along with those made by employers are credited to the Exchequer under arrangements governed by the above Act.

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

Valuation of the Teachers' Pension Scheme

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

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

Notes to the Financial Statements for the year ended 31 August 2013 (continued)

23. Pension and similar obligations (continued)

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

Teachers' Pension Scheme Changes

Lord Hutton published his final report in March 2011 and made recommendations about how pensions can be made to sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation and Ministers engaged in extensive discussions with trade unions and other representative bodies on reform of the TPS. Those discussions concluded on 9 March 2012 and the Department published a Proposed Final Agreement, setting out the design for a reformed TPS to be implemented from 1 April 2015.

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

In addition, the Proposed Final Agreement includes a Government commitment that those within 10 years of Normal Pension Age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they received when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall just outside the 10 year protection.

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

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The academy is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the academy has taken advantage of the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy has set out above the information available on the scheme.

During the year ended 31 August 2013 pension contributions to the TPS scheme amounted to £326,655 (2012: £287,371).

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2013 was £122,980 (2012: £108,225) of which employers' contributions totalled £92,906 (2012: £82,225) and employees' contributions totalled £30,074 (2012: £26,000). The agreed contribution rates for future years are 13.1 per cent for employers (2012: 13.1 per cent) and between 5.5 and 7.5 per cent for employees (2012: 5.5 and 6.8 per cent).

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.

Notes to the Financial Statements for the year ended 31 August 2013 (continued)

23. Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

Principal Actuarial Assumptions

	At 31 August 2013	At 31 August 2012
Rate of increase in salaries	4.7%	4.7%
Rate of increase for pensions in payment / inflation	2.8%	2.2%
Discount rate for scheme liabilities	4.5%	4.2%
Inflation assumption (CPI)	2.8%	2.2%
Inflation assumption (RPI)	3.7%	3.2%

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 2013	At 31 August 2012
<i>Retiring today</i>		
Males	89.0	88.9
Females	90.0	89.9
<i>Retiring in 20 years</i>		
Males	90.7	90.6
Females	91.9	91.8

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

	Expected return at 31 August 2013	Fair value at 31 August 2013 £	Expected return at 31 August 2012	Fair value at 31 August 2012 £
Equities	7.9%	633,000	7.5%	435,000
Property	7.4%	75,000	7.0%	64,000
Government bonds	3.4%	243,000	2.5%	221,000
Corporate bonds	4.1%	12,000	3.2%	11,000
Cash	0.9%	30,000	1.3%	27,000
Other	7.9%	1,131	7.5%	43,225
Total market value of assets		994,131		801,225
Present value of scheme liabilities - funded		(1,587,000)		(1,376,000)
Surplus/(deficit) in the scheme		(592,869)		(574,775)

The return on the Fund (on a bid value to bid value basis) for the year ended 31 August 2013 is estimated to be 12.7% (2012: 11.7%). The Academy's share of the assets of the fund is less than 1%. The expected rate of return on assets is based on the long-term future expected investment return for each asset class at the beginning of the period.

The actual return on scheme assets for the year ended 31 August 2013 was £106,000 (2012: £77,000).

Notes to the Financial Statements for the year ended 31 August 2013 (continued)

23. Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

Amounts recognised in the statement of financial activities

	2013 £	2012 £
Current service cost (net of employee contributions)	(114,000)	(85,000)
Past service cost	-	-
Total operating charge	(114,000)	(85,000)

Analysis of pension finance income / (costs)

Expected return on pension scheme assets	47,000	36,000
Interest on pension liabilities	(60,000)	(52,000)
Pension finance income/(costs)	(13,000)	(16,000)

The actuarial gains and losses for the current period 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 a £98,000 loss (2012:£114,000)

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

	2013 £	2012 £
At 1 September 2012	1,376,000	1,060,000
Current service cost	114,000	85,000
Interest cost	60,000	52,000
Employee contributions	30,000	26,000
Actuarial (gain)/loss	43,000	155,000
Benefits paid	(36,000)	(2,000)
At 31 August 2013	1,587,000	1,376,000

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

	2013 £	2012 £
At 1 September 2012	801,225	618,000
Expected return on assets	47,000	36,000
Actuarial gain/(loss)	59,000	41,000
Employer contributions	92,906	82,225
Employee contributions	30,000	26,000
Benefits paid	(36,000)	(2,000)
At 31 August 2013	994,131	801,225

The estimated value of employer contributions for the year ended 31 August 2014 is £96,000 (2013:£92,000).

Notes to the Financial Statements for the year ended 31 August 2013 (continued)

23. Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

The history of experience adjustments is as follows:

	2013 £	2012 £
Present value of defined benefit obligations	(1,587,000)	(1,376,000)
Fair value of share of scheme assets	994,131	801,225
Surplus/(Deficit) in the scheme	(592,869)	(574,775)

Experience adjustments on share of scheme assets

Amount	£59,000	£41,000
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Experience adjustments on scheme liabilities:

Amount	£Nil	£Nil
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24. 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.