

Company Registration Number: 7751232

**Cams Hill School**

**(A Company Limited by Guarantee)**

**Annual Report and Financial Statements**

**Year ended 31 August 2014**

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## Reference and administrative details

### Governors

R G Lee* **	Chairman of the Governing Body, (Appointed Chairman 23 September 2014)
P A Squire* **	Former Chairman of the Governing Body, (Resigned 23 September 2014)
S G Freeman*	Vice Chair
D K Wilmot*	Headteacher & Accounting Officer, (Resigned 24 July 2014)
D J Lowndes*	Acting Headteacher & Accounting Officer, (Appointed 24 July 2014)
K A Anderson* **	(Resigned 19 September 2014)
D Hurman*	(Resigned 19 September 2014)
R J Ellis*	
J Clark*	
L J Downer*	(Resigned 16 September 2014)
P D Gough*	
J Fullarton*	(Appointed 30 June 2014)

### Staff Governors

S Brooker\*  
A Potts\*

### Parent Governors

Dr A H Goode\*  
S G Freeman\*  
R G Lee\*  
S L Higgs\* (Resigned 3 October 2013)  
J Bullock\*  
J W Ure\*  
R Cheattle\* (Appointed 25 October 2013)  
L Wiltshire\* (Appointed 25 October 2013)

### Senior Management Team

D K Wilmot Headteacher (Resigned 24 July 2014)  
D J Lowndes Acting Headteacher (Appointed 24 July 2014)  
A Govan Acting Deputy Headteacher (Appointed 24 July 2014)  
R Matthews Assistant Headteacher  
C Martinelli Assistant Headteacher  
M Newberry Curriculum Projects Manager  
J Browning Finance and Lettings Manager

\*Registered as statutory directors at Companies House whilst appointed

\*\* Registered as a Member of Cams Hill School

### 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 4RP

**Reference and administrative details (continued)**

*Bankers*

National Westminster Bank  
52 West Street  
Fareham  
PO16 0JX

HSBC Bank PLC  
71 West Street  
Fareham  
PO16 0AN

*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 2014. The Charitable Company was incorporated on 24 August 2011. On 1 October 2011 Cams Hill School converted to an academy.

### 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.

## 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.

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

The Academy Board of Governors will consist of not less than 3 and up to 18 Governors. They will be appointed according to the provisions of the Articles of Association as follows:

- a) Up to 16 Governors, appointed by members.
- b) 2 Staff Governors appointed from candidates by election, if necessary.
- c) 1 Local Authority Governor if the LA wishes to make an appointment.
- d) A minimum of 2 Parent Governors appointed by election, if necessary, from the parents of children currently attending the school.
- e) The Headteacher.
- f) 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.

### Connected Organisations, including Related Party Relationships

The Academy Trust has no connected organisations.

There are no Related Party Relationships.

### 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 7 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.

## Governors' Report (continued)

### Objectives and Activities

#### Objectives and Aims

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.

#### Objectives, Strategies and Activities

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 2014 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)

### Strategic Report

#### Achievements and Performance

Pupils have traditionally made good or very good progress at Cams Hill School from broadly average starting points. During the year 2013-14 progress has been good or very good for pupils in many different subjects. In English Literature, 91% of pupils achieved an A\*-C grade and 37% achieved an A\*-A; pupils in Art achieved 90% A\*-C (A\*-A - 32%); in Drama, 95% of pupils achieved A\*-C (32% - A\*-A); and there were 100% pass rates in Health and Social Care, Art and Design, CiDA, Biology, Chemistry and Physics.

In English, the Academy's results were seriously affected by the national GCSE controversy. In 2014, 66% of pupils made expected progress and 29% made better than expected progress; in 2013, 77% of pupils made expected progress (compared to the national figure of 69%) and 38% made better than expected progress (compared to the national figure of 30%). In mathematics, 73% of pupils made expected progress and 35% made better than expected progress; in 2013, 83% of pupils made expected progress (compared to the national figure of 70%) and 44% made better than expected progress (compared to the national figure of 32%).

Overall, 62% of pupils achieved 5 or more GCSEs, including English and mathematics. The percentage of pupils achieving 5 or more GCSE A\*-G grades (including English and mathematics) was 95%. Attainment remains high in relation to national attainment.

#### 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.

#### 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**

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 2014 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.



## Governors' Report (continued)

### Strategic Report (continued)

### Financial review (continued)

#### 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.

#### Restricted Funds

In the period, the Academy has received General Annual Grant (GAG) income totalling £4,807,548 (2013: £4,820,501). The Academy carries forward £132,563 (2013: £267,606) into the next accounting period. At the year end the Academy holds restricted funds of £21,381,762 (2013: £22,197,573). Within restricted funds is a fixed asset fund of £21,933,611 (2013: £22,253,042), general restricted funds of £154,309 (2013: £537,400) and pension reserve in deficit of £670,472 (2013: £592,869).

#### Unrestricted Funds

At the period end the Academy holds unrestricted funds of £706,534 (2013: £507,274).

#### 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.



## Governors' Report (continued)

### Strategic Report (continued)

#### Plans for Future Periods

Our primary focus in 2014/15 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:

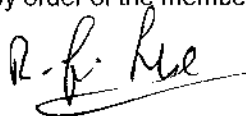
- Maintaining and improving further, attainment and progress across the School
- Focus on achievement of pupil premium pupils
- Creation and deployment of new academic intervention resource for vulnerable pupils
- Teacher/pupil/parent engagement with mentoring system
- Wide-spread use of well-judged and imaginative teaching strategies
- Highly effective teaching of communication, reading, writing and mathematics across all subjects
- 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 8 December 2014 and signed on its behalf by:



**Royston Lee**  
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 resigned 23 September 2014)	4	4
D Hurman (Joint Vice Chair resigned 19 September 2014)	4	4
K A Anderson (resigned 19 September 2014)	4	4
J Bullock	2	4
S Brooker (Staff Governor)	3	4
J Clark	3	4
R Cheatle (appointed 25 October 2013)	1	3
L J Downer (resigned 16 September 2014)	3	4
R Ellis	2	4
S G Freeman (Parent Governor)	4	4
A Goode (Parent Governor)	4	4
P Gough	4	4
S L Higgs (Parent Governor resigned 3 October 2013)	0	0
R G Lee (Parent Governor appointed Chairman 23 September 2014)	4	4
A Potts (Staff Governor)	1	4
J Ure (Parent Governor)	3	4
L Wiltshire (appointed 25 October 2013)	0	3
DK Wilmot (Headteacher and Accounting Officer resigned 24 July 2014)	4	4
D J Lowndes (appointed Acting Headteacher and Acting Accounting Officer 24 July 2014)	0	0
J Fullarton (appointed 30 June 2014)	0	0

The Governing Body has made the following changes: P A Squire resigned on 23 September 2014 and R G Lee was appointed Chairman on 23 September 2014. D K Wilmot resigned on 24 July 2014 and D J Lowndes was appointed Acting Headteacher and Acting Accounting Officer on 24 July 2014. L J Downer resigned on 16 September 2014. D Hurman and K A Anderson resigned on 19 September 2014 and S L Higgs resigned on 3 October 2013. R Cheatle was appointed on 25 October 2013, L Wiltshire was appointed on 25 October 2013 and J Fullarton was appointed on 30 June 2014

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 virements 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 A Anderson (Resigned 19 September 2014)	5	5
J Clark	4	5
R Ellis	3	5
S Freeman	4	5
D K Wilmot (Resigned 24 July 2014)	5	5
L Wiltshire (Appointed 25 October 2013)	2	4
D J Lowndes (Appointed 24 July 2014)	0	0
J Fullarton (Appointed 30 June 2014)	0	0

### 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 2014 and up to the date of approval of the annual report and financial statements.

### Capacity to Handle Risk

The Governing Body has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Governing Body is of the view that there is a formal 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 2014 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Body.

### The Risk and Control Framework

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

- Comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Governing Body;
- Regular reviews by the Finance 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 four 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 8 December 2014 and signed on its behalf by:



R G Lee

Chair of Governors



D J Lowndes

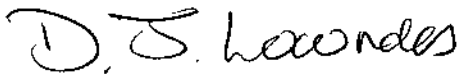
Acting Accounting Officer

### Statement on Regularity, Propriety and Compliance

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



**D J Lowndes**  
**Acting Accounting Officer**

Date: 8 December 2014

## 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.

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 8 December 2014 and signed on its behalf by:



**R G Lee**  
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 2014 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 2014 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 to 2014 issued by the Education Funding Agency

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

In our opinion the information given in the Governors' Report for the financial 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: *16/12/14*

## 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 to 2014, 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 2014 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to 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 2013, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2013 to 2014. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year to 31 August 2014 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

### Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2013 to 2014 issued by 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 to 2014. 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 2014 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 16/12/14

Statement of Financial Activities for the year ended 31 August 2014

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

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2014 £	Total 2013 £
<b>Incoming resources</b>						
<i>Incoming resources from generated funds:</i>						
Activities for generating funds	2	489,733	11,388	-	501,121	371,360
Investment income	3	2,627	-	-	2,627	-
<i>Incoming resources from charitable activities</i>						
Funding for the Academy's educational operations	4	-	4,976,450	45,823	5,022,273	5,303,456
<b>Total incoming resources</b>	<b>16</b>	<b>492,360</b>	<b>4,987,838</b>	<b>45,823</b>	<b>5,526,021</b>	<b>5,674,816</b>
<b>Resources expended</b>						
<i>Charitable activities:</i>						
Academy's educational operations	6	293,100	5,230,675	468,416	5,992,191	5,675,287
Governance costs	7	-	66,695	-	66,695	73,178
<b>Total resources expended</b>	<b>5,16</b>	<b>293,100</b>	<b>5,297,370</b>	<b>468,416</b>	<b>6,058,886</b>	<b>5,748,465</b>
<b>Net (outgoing)</b>						
<b>Resources before transfers</b>		199,260	(309,532)	(422,593)	(532,865)	(73,649)
Gross transfers between funds	16	-	(103,162)	103,162	-	-
<b>Net (Expenditure) for the year</b>		199,260	(412,694)	(319,431)	(532,865)	(73,649)
<b>Other recognised gains and losses</b>						
Actuarial (losses) on defined benefit pension schemes	16,24	-	(48,000)	-	(48,000)	16,000
<b>Net movement in funds</b>		199,260	(460,694)	(319,431)	(580,865)	(57,649)
<b>Reconciliation of funds</b>						
Total funds brought forward	16	507,274	(55,469)	22,253,042	22,704,847	22,762,496
<b>Total funds carried forward</b>	<b>16</b>	<b>706,534</b>	<b>(516,163)</b>	<b>21,933,611</b>	<b>22,123,982</b>	<b>22,704,847</b>

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 2014

	Notes	2014 £	2014 £	2013 £	2013 £
<b>Fixed assets</b>					
Tangible assets	11		21,933,611		22,241,187
<b>Current assets</b>					
Stock	12	4,098		4,098	
Debtors	13	135,088		238,321	
Cash at bank and in hand		1,046,407		1,146,265	
		<u>1,185,593</u>		<u>1,388,684</u>	
<b>Liabilities</b>					
Creditors: Amounts falling due within one year	14	(290,457)		(275,001)	
<b>Net current assets</b>			<u>895,136</u>		<u>1,113,683</u>
<b>Total assets less current liabilities</b>			<u>22,828,747</u>		<u>23,354,870</u>
<b>Liabilities</b>					
Creditors: Amounts falling due after more than one year	15		(34,293)		(57,154)
<b>Net assets excluding pension liability</b>			<u>22,794,454</u>		<u>23,297,716</u>
Pension scheme liability	24		(670,472)		(592,869)
<b>Net assets including pension liability</b>			<u>22,123,982</u>		<u>22,704,847</u>
<b>Funds of the Academy:</b>					
<b>Restricted income funds</b>					
Fixed asset fund(s)	16		21,933,611		22,253,042
General fund(s)	16		154,309		537,400
Pension reserve	16		(670,472)		(592,869)
<b>Total restricted funds</b>			<u>21,417,448</u>		<u>22,197,573</u>
<b>Unrestricted income funds</b>					
General fund(s)	16		706,534		507,274
<b>Total unrestricted funds</b>			<u>706,534</u>		<u>507,274</u>
<b>Total funds</b>			<u>22,123,982</u>		<u>22,704,847</u>

The financial statements on pages 17 to 35 were approved by the Governors, and authorised for issue on 8 December 2014 and are signed on their behalf by:



**R G Lee**  
Chair of Governors

Company Limited by Guarantee  
Registration Number 7751232

**Cash Flow Statement for the year to 31 August 2014**

	Notes	2014 £	2013 £
<b>Net cash inflow from operating activities</b>	19	38,020	60,507
Capital expenditure and capital grants (outflow)/ inflow	20	(115,017)	(73,209)
Financing	21	(22,861)	80,016
<b>(Decrease) / increase in cash in the year</b>	22	<u>(99,858)</u>	<u>67,314</u>
<b>Reconciliation of net cash flow to movement in net funds</b>			
Net cash (decrease) / increase in the year		(99,858)	67,314
Net funds at 1 September		<u>1,146,265</u>	<u>1,078,951</u>
<b>Net funds at 31 August 2013</b>		<u>1,046,407</u>	<u>1,146,265</u>
<b>Cash at bank and in hand</b>		<u>1,046,407</u>	<u>1,146,265</u>

## Notes to the Financial Statements for the year ended 31 August 2014

### 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 were 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 2014 (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. 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.

- **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. 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.

- **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 that 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 2014 (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.

#### Comparative figures restated

The analysis of resources expended for the prior year has been restated based on the format provided in the Academies Accounts Direction 2013 to 2014. The Governors consider the revised presentation more appropriate for the Academy going forward. There is no effect to the deficit reported for the year ended 31 August 2013.

#### 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 2014 (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 24, 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 Education Funding Agency, Department for Education and the Local Authority.

2. Activities for Generating Funds

	Unrestricted Funds £	Restricted Funds £	Total 2014 £	Total 2013 £
Hire of Facilities	17,086	-	17,086	19,351
Catering Income	170,249	-	170,249	163,918
Other Income	123,493	11,388	134,881	95,852
Clubs and Trips	178,905	-	178,905	92,239
	489,733	11,388	501,121	371,360

Notes to the Financial Statements for the year ended 31 August 2014 (continued)

3. Investment Income

	Unrestricted Funds £	Restricted Funds £	Total 2014 £	Total 2013 £
Deposit account	2,627	-	2,627	-
	<u>2,627</u>	<u>-</u>	<u>2,627</u>	<u>-</u>

4. Funding for Academy's educational operations

	Unrestricted Funds £	Restricted Funds £	Total 2014 £	Total 2013 £
<b>DfE / EFA revenue grants</b>				
General Annual Grant (GAG)	-	4,807,548	4,807,548	4,820,501
Other DfE / EFA grants	-	125,655	125,655	354,329
Capital Grants	-	21,702	21,702	123,234
	<u>-</u>	<u>4,954,905</u>	<u>4,954,905</u>	<u>5,298,064</u>
<b>Other Government grants</b>				
Local authority grants	-	43,247	43,247	5,392
Capital Grants	-	24,121	24,121	-
Special educational projects	-	-	-	-
	<u>-</u>	<u>5,022,273</u>	<u>5,022,273</u>	<u>5,303,456</u>

5. Resources Expended

	Staff Costs £	Non Pay Expenditure		Total 2014 £	Total 2013 £
		Premises £	Other Costs £		
Academy's educational operations					
Direct costs	3,478,243	-	272,583	3,750,826	3,513,643
Allocated support costs	746,611	825,478	418,219	1,990,308	1,987,457
Activities for generating funds	-	-	251,057	251,057	174,187
	<u>4,224,854</u>	<u>825,478</u>	<u>941,859</u>	<u>5,992,191</u>	<u>5,675,287</u>
Governance costs including allocated support	-	-	66,695	66,695	73,178
	<u>4,224,854</u>	<u>825,478</u>	<u>1,008,554</u>	<u>6,058,886</u>	<u>5,748,465</u>

Incoming/outgoing resources for the year include:

	2014 £	Total 2013 £
Operating leases		
- Other leases	51,893	25,072

Notes to the Financial Statements for the year ended 31 August 2014 (continued)

6. Charitable Activities – Academy's educational operations

	Unrestricted Funds £	Restricted Funds £	Total 2014 £	Restated Total 2013 £
<b>Direct costs</b>				
Teaching and educational support staff costs	2,263	3,447,858	3,450,121	3,231,961
Technology costs	-	603	603	1,183
Educational supplies	10,604	121,769	132,373	117,760
Examination fees	-	72,767	72,767	73,529
Staff development	-	33,836	33,836	28,000
Educational consultancy	-	8,803	8,803	11,247
Other direct costs	1,661	50,662	52,323	49,963
	<b>14,528</b>	<b>3,736,298</b>	<b>3,750,826</b>	<b>3,513,643</b>
<b>Allocated support costs</b>				
Support staff costs	23,732	691,393	715,125	664,974
Depreciation	-	468,416	468,416	461,235
Technology costs	-	78,095	78,095	50,642
Recruitment and support	-	17,241	17,241	4,617
Maintenance of premises and equipment	-	349,827	349,827	409,621
Cleaning	-	7,720	7,720	5,508
Rent & rates	-	48,559	48,559	44,437
Energy costs	-	54,884	54,884	68,389
Insurance	-	52,452	52,452	79,816
Security and transport	-	8,032	8,032	6,365
Catering	5,055	7,432	12,487	13,194
Retirement benefit cost including finance cost	-	135,000	135,000	127,000
Bank interest and charges	138	4,444	4,582	4,627
Other support costs	-	37,888	37,888	47,032
	<b>28,925</b>	<b>1,961,383</b>	<b>1,990,308</b>	<b>1,987,457</b>
<b>Activities for generating funds</b>				
Catering	84,436	-	84,436	70,539
School trips	165,211	1,410	166,621	103,648
	<b>249,647</b>	<b>1,410</b>	<b>251,057</b>	<b>174,187</b>
	<b>293,100</b>	<b>5,699,091</b>	<b>5,992,191</b>	<b>5,675,287</b>

7. Governance costs

	Unrestricted Funds £	Restricted Funds £	Total 2014 £	Total 2013 £
Legal and professional fees	-	42,937	42,937	59,600
Auditor's remuneration	-	-	-	-
• Audit of financial statements	-	10,533	10,533	6,750
• Responsible officer audit	-	975	975	1,300
• Accountancy, taxation and other services	-	11,990	11,990	5,505
Support staff costs	-	-	-	-
Governors' reimbursed expenses	-	260	260	23
	-	<b>66,695</b>	<b>66,695</b>	<b>73,178</b>

Notes to the Financial Statements for the year ended 31 August 2014 (continued)

8. Staff costs

Staff costs during the year were:

	2014	Total 2013
	£	£
Wages and salaries	3,519,085	3,132,187
Social security costs	253,980	233,999
Pension costs	451,789	440,655
	<u>4,224,854</u>	<u>3,806,841</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:

	2014 No.	2013 No.
<b>Charitable Activities</b>		
Teachers	67	61
Administration and support	53	50
Management	6	6
	<u>126</u>	<u>117</u>

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

	2014 No.	2013 No.
£60,001 - £70,000	-	-
£70,001 - £80,000	1	1
£81,001 - £90,000	-	-
£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 2014, pension contributions for these staff amounted to £23,038 (2013: £34,803).

9. 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):	£95,000 - £100,000 (2013: £115,000 to £120,000)(to July 2014)
S Brooker (Other staff Governor):	£20,000 - £25,000 (2013: £20,000 to £25,000)
A Potts (Other staff Governor):	£40,000 - £45,000 (2013: £25,000 to £30,000 from February 2013)
D J Lowndes (Acting Headteacher):	£5,000 - £10,000 (2013: £Nil) (from July 2014)

During the year ended 31 August 2014, travel and subsistence expenses totalling £260 (2013: £62) were reimbursed to Governors.

Other related party transactions involving the Governors are set out in note 25.

Notes to the Financial Statements for the year ended 31 August 2014 (continued)

10. 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 2014 was £1,380 (2013: £1,380).

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

11. Tangible Fixed Assets

	Freehold Land and Buildings £	Furniture and Equipment £	Computer Equipment £	Motor Vehicles £	Total £
<b>Cost</b>					
At 1 September 2013	22,962,676	140,923	25,584	19,000	23,148,183
Additions	134,841	18,591	7,408	-	160,840
At 31 August 2014	<b>23,097,517</b>	<b>159,514</b>	<b>32,992</b>	<b>19,000</b>	<b>23,309,023</b>
<b>Depreciation</b>					
At 1 September 2013	847,465	44,630	9,471	5,430	906,996
Charged in period	427,092	28,691	9,918	2,715	468,416
At 31 August 2014	<b>1,274,557</b>	<b>73,321</b>	<b>19,389</b>	<b>8,145</b>	<b>1,375,412</b>
<b>Net book values</b>					
At 31 August 2014	<b>21,822,960</b>	<b>86,193</b>	<b>13,603</b>	<b>10,855</b>	<b>21,933,611</b>
At 31 August 2013	22,115,211	96,293	16,113	13,570	22,241,187

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 2014.

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.

Included in freehold land and buildings is an amount of £134,841 (2013: £Nil) in respect of assets under construction relating to new building work not yet complete at the balance sheet date.

At the balance sheet date there was £253,845 of capital expenditure committed to relating to freehold land and buildings.

12. Stock

	2014 £	2013 £
Catering	4,098	4,098
	<b>4,098</b>	<b>4,098</b>

13. Debtors

	2014 £	2013 £
Trade debtors	15,756	2,146
Other debtors	73,075	73,364
Prepayments and accrued income	46,257	162,811
	<b>135,088</b>	<b>238,321</b>

Notes to the Financial Statements for the year ended 31 August 2014 (continued)

14. Creditors: amounts falling due within one year

	2014 £	2013 £
Trade creditors	81,256	84,991
PAYE & NIC creditor	75,985	67,615
Other creditors	63,807	53,862
Accruals and deferred income	46,547	45,671
Loan	22,862	22,862
	<b>290,457</b>	<b>275,001</b>

At 31 August 2014 the Academy held the following in respect of deferred income:

	2014 £	2013 £
New York trip	-	14,751
Ardeche trip	-	12,243
Ski Trip	16,967	-
French trip	13,890	-
	<b>30,857</b>	<b>26,994</b>

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

	2014 £	2013 £
Loan	34,293	57,154
	<b>34,293</b>	<b>57,154</b>

The loan was taken out in 2013 and is repayable over 4 years, is unsecured and interest free.

16. Funds

	Balance at 1 September 2013 £	Incoming Resources £	Resources Expended £	Gains, Losses and Transfers £	Balance at 31 August 2014 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	267,606	4,807,548	(4,839,429)	(103,162)	132,563
Other DfE/EFA grants	257,138	125,655	(382,793)	-	-
William Price Charitable Trust	12,656	11,388	(2,298)	-	21,746
Pension reserve	(592,869)	-	(29,603)	(48,000)	(670,472)
Local Authority Grants	-	43,247	(43,247)	-	-
	<b>(55,469)</b>	<b>4,987,838</b>	<b>(5,297,370)</b>	<b>(151,162)</b>	<b>(516,163)</b>
<b>Restricted fixed asset funds</b>					
Fixed assets upon transfer	22,010,877	-	(445,163)	-	21,565,714
DfE/ EFA capital grants	242,165	21,702	(21,610)	-	242,257
Local Authority Grants	-	24,121	(1,643)	-	22,478
Capital expenditure from GAG	-	-	-	103,162	103,162
	<b>22,253,042</b>	<b>45,823</b>	<b>(468,416)</b>	<b>103,162</b>	<b>21,933,611</b>
<b>Total restricted funds</b>	<b>22,197,573</b>	<b>5,033,661</b>	<b>(5,765,786)</b>	<b>(48,000)</b>	<b>21,417,448</b>
<b>Unrestricted funds</b>					
Unrestricted funds	507,274	492,360	(293,100)	-	706,534
<b>Total unrestricted funds</b>	<b>507,274</b>	<b>492,360</b>	<b>(293,100)</b>	<b>-</b>	<b>706,534</b>
<b>Total funds</b>	<b>22,704,847</b>	<b>5,526,021</b>	<b>(6,058,886)</b>	<b>(48,000)</b>	<b>22,123,982</b>

Notes to the Financial Statements for the year ended 31 August 2014 (continued)

16. Funds (continued)

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

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 2014.

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.

17. Analysis of net assets between funds

Fund balances at 31 August 2014 are represented by:

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total Funds 2014	Total Funds 2013
	£	£	£	£	£
Tangible fixed assets	-	-	21,933,611	21,933,611	22,241,187
Current assets	706,534	479,059		1,185,593	1,388,684
Current and long term liabilities	-	(324,750)	-	(324,750)	(332,155)
Pension scheme liability	-	(670,472)	-	(670,472)	(592,869)
<b>Total net assets</b>	<b>706,534</b>	<b>(516,163)</b>	<b>21,933,611</b>	<b>22,123,982</b>	<b>22,704,847</b>

Notes to the Financial Statements for the year ended 31 August 2014 (continued)

18. Financial commitments

*Operating leases*

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

	2014 £	2013 £
<i>Other</i>		
Expiring within one year		17,154
Expiring within two and five years inclusive	51,867	9,223
Expiring in over five years	-	-
	<u>51,867</u>	<u>26,377</u>

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

	2014 £	2013 £
Net income / (deficit)	(532,865)	(73,651)
Depreciation (note 11)	468,416	461,235
FRS 17 pension cost less contributions payable (note 24)	21,603	21,094
FRS 17 pension finance cost (note 24)	8,000	13,000
(Increase) in stocks	-	-
Decrease / (increase) in debtors	103,233	(170,655)
Increase/(decrease) in creditors	15,456	(169,933)
Adjustment for fixed asset creditor	-	102,651
Capital grants from DFE/YPLA/EFA	(45,823)	(123,234)
<b>Net cash inflow from operating activities</b>	<u>38,020</u>	<u>60,507</u>

20. Capital expenditure and financial investment

	2014 £	2013 £
Purchase of tangible fixed assets funded by capital grants	(160,840)	(93,792)
Increase/(decrease) in fixed asset creditor	-	(102,651)
Receipt of capital grants	45,823	123,234
<b>Net cash (outflow)/ inflow from capital expenditure and financial investment</b>	<u>(115,017)</u>	<u>(73,209)</u>

21. Financing

	2014 £	2013 £
New loan	-	91,447
Repayments in year	(22,861)	(11,431)
<b>Net cash (outflow) / inflow from financing</b>	<u>(22,861)</u>	<u>80,016</u>

22. Analysis of changes in net funds

	At 1 September 2013 £	Cash flows £	At 31 August 2014 £
Cash in hand and at bank	1,146,265	(99,858)	1,046,407
	<u>1,146,265</u>	<u>(99,858)</u>	<u>1,046,407</u>



## Notes to the Financial Statements for the year ended 31 August 2014 (continued)

### 23. 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.

### 24. 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 31 March 2013.

Contributions amounting to £63,003 were payable to the schemes at 31 August 2014 (2013: £52,829) 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) 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.

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

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

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

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

## Notes to the Financial Statements for the year ended 31 August 2014 (continued)

### 24. Pension and similar obligations (continued)

#### Teachers' Pension Scheme Changes

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

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

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

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

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

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

#### Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2014 was £139,544 (2013: £122,980) of which employers' contributions totalled £105,397 (2013: £92,906) and employees' contributions totalled £34,146 (2013: £30,074). The agreed contribution rates for future years are 13.1 per cent for employers (2013: 13.1 per cent) and between 5.5 and 7.5 per cent for employees (2013: 5.5 and 7.5 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 2014 (continued)

24. Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

Principal Actuarial Assumptions

	At 31 August 2014	At 31 August 2013
Rate of increase in salaries	3.6%	4.7%
Rate of increase for pensions in payment / inflation	2.1%	2.8%
Discount rate for scheme liabilities	3.7%	4.5%
Inflation assumption (CPI)	2.1%	2.8%
Inflation assumption (RPI)	3.1%	3.7%

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 2014	At 31 August 2013
<i>Retiring today</i>		
Males	24.4	24.0
Females	26.2	25.0
<i>Retiring in 20 years</i>		
Males	26.5	25.7
Females	28.5	26.9

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

	Expected return at 31 August 2014	Fair value at 31 August 2014 £	Expected return at 31 August 2013	Fair value at 31 August 2013 £
Equities	7.5%	653,000	7.9%	633,000
Property	6.8%	84,000	7.4%	75,000
Government bonds	2.9%	261,000	3.4%	243,000
Corporate bonds	3.3%	15,000	4.1%	12,000
Cash	1.1%	40,000	0.9%	30,000
Other	7.5%	34,000	7.9%	1,131
<b>Total market value of assets</b>		<b>1,087,000</b>		<b>994,131</b>
Present value of scheme liabilities - funded		<b>(1,758,000)</b>		<b>(1,587,000)</b>
<b>(Deficit) in the scheme</b>		<b>(671,000)</b>		<b>(592,869)</b>

The return on the Fund (on a bid value to bid value basis) for the year ended 31 August 2014 is estimated to be 10.3% (2013: 12.7%). 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 2014 was £2,000 (2013: £106,000).

Notes to the Financial Statements for the year ended 31 August 2014 (continued)

24. Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

Amounts recognised in the statement of financial activities

	2014 £	2013 £
Current service cost (net of employee contributions)	(127,000)	(114,000)
Past service cost	-	-
<b>Total operating charge</b>	<b>(127,000)</b>	<b>(114,000)</b>

Analysis of pension finance income / (costs)

Expected return on pension scheme assets	66,000	47,000
Interest on pension liabilities	(74,000)	(60,000)
<b>Pension finance (costs)</b>	<b>(8,000)</b>	<b>(13,000)</b>

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 £146,000 (2013:£98,000) loss.

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

	2014 £	2013 £
<b>At 1 September 2013</b>	<b>1,587,000</b>	<b>1,376,000</b>
Current service cost	127,000	114,000
Interest cost	74,000	60,000
Employee contributions	34,000	30,000
Actuarial (gain)/loss	(16,000)	43,000
Benefits paid net of transfers in	(48,000)	(36,000)
<b>At 31 August 2014</b>	<b>1,758,000</b>	<b>1,587,000</b>

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

	2014 £	2013 £
<b>At 1 September 2013</b>	<b>994,131</b>	<b>801,225</b>
Expected return on assets	66,000	47,000
Actuarial (loss) / gain	(64,000)	59,000
Employer contributions	105,397	92,906
Employee contributions	34,000	30,000
Benefits paid net of transfers in	(48,000)	(36,000)
<b>At 31 August 2014</b>	<b>1,087,528</b>	<b>994,131</b>

The estimated value of employer contributions for the year ended 31 August 2015 is £111,000 (2014:£96,000).



Notes to the Financial Statements for the year ended 31 August 2014 (continued)

24. Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

The five year history of experience adjustments is as follows:

	2014 £	2013 £	2012 £
Present value of defined benefit obligations	(1,758,000)	(1,587,000)	(1,376,000)
Fair value of share of scheme assets	1,087,528	994,131	801,225
<b>Surplus/(Deficit) in the scheme</b>	<b>(670,472)</b>	<b>(592,869)</b>	<b>(574,775)</b>
<b>Experience adjustments on share of scheme assets</b>			
Amount	£(64,000)	£59,000	£41,000
<b>Experience adjustments on scheme liabilities:</b>			
Amount	£(22,000)	£Nil	£Nil

25. Related Party Transactions

Owing to the nature of the Academy's operations and the composition of the Governing Body 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 Governing Body 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.