
CAMS HILL SCHOOL
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

CAMS HILL SCHOOL
(A company limited by guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2018

Members

J Bullock
R Cheatle
S Freeman
J Fullarton
R Lee
J Ure

Governors

A Anderson (appointed 9 July 2018)
J Bowles
S Brooker
R Cheatle
W Druce (resigned 21 May 2018)
S Freeman (resigned 9 July 2018)
J Fullarton (resigned 18 September 2018)
P Gough (resigned 1 January 2018)
G Harrison-Jones
C Hiron (resigned 8 May 2018)
A Kaye
N Rawlings
S Read
C Reilly (appointed 9 July 2018)
N Trend (appointed 16 October 2017)
J Ure (resigned 20 July 2018)
A Williams
E Woollard (appointed 30 April 2018)

Company registered number

07751232

Company name

Cams Hill School

Principal and registered office

Shearwater Avenue
Fareham
Hampshire
PO16 8AH

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS GOVERNORS AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2018**

Advisers (continued)

Senior management team

Mrs G Harrison-Jones, Headteacher
Miss R Matthews, Deputy Headteacher
Mr A Govan, Deputy Headteacher
Mr I Hudson, Assistant Headteacher
Mrs A Potts, Assistant Headteacher
Mrs J Greenham-Smith, Associate Assistant Headteacher
Mrs J Lawrence, Associate Assistant Headteacher
Mrs P Newman, Associate Assistant Headteacher

Independent auditors

Hopper Williams & Bell Limited
Statutory Auditor
Highland House
Mayflower Close
Chandlers Ford
Eastleigh
Hampshire
SO53 4AR

Bankers

Lloyds Bank Plc
PO Box 1000
BX1 1LT

Solicitors

DAS Law
North Quay
Temple Black
Bristol
BS1 6FL

CAMS HILL SCHOOL
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GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2018

The governors present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2018. The annual report services the purpose of both a trustees' report, and a director's report under company law.

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 year, except as noted, are included in the Reference and Administrative Details on page 1.

Members' Liability

Each member of the Charitable Company undertakes to contribute to the assets of the 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.

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 recruited according to the provisions of the Articles of Association as follows:

- (a) Up to 16 Governors appointed by the Cams Hill Academy Trust
- (b) Two Staff Governors appointed from candidates by election, if necessary
- (c) One Local Authority Governor if the LA wishes to make an appointment
- (d) A minimum of one Parent Governors appointed by election, if necessary, from the parents of children currently attending the school
- (e) the Headteacher
- (f) Up to two 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

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

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), Hampshire Governors web portal along with a specific subscription to 'The Key' governor website.

Organisational Structure

The new 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 four main committees (Curriculum, Finance, Audit and Premises), three Sub Committees (Executive and Personnel, Admissions, and Headteacher Performance Management Review), and six Committees that meet when required (Pupil Discipline, Admissions Appeal, Staff Dismissal, Staff Dismissal Appeal, Governors' Complaints Panel and ICT Working Group).

From the Summer Term 2015, the Governing Body reduced the Committees down to three core Committees plus Full Board of Governors. Finance, Audit and Premises is now within Resources, Curriculum is now Teaching and Learning and a new committee for Pastoral. Ad hoc committees are owned by these core committees. Governors sit on one core committee each. New Terms of Reference have been ratified.

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

The Headteacher and Senior Leadership Team manage 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 authorization 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.

Arrangements for Setting Pay and Remuneration of Key Management Personnel

Pay and remuneration is set and reviewed annually by the Governing Body. Further details are given in the academy's pay and remuneration policy.

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. 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 audited by members of the resources committee.

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

Trade Union Facility Time

There were no relevant union officials during the year and no facility time was provided.

Connected Organisations, including Related Party Relationships

The Academy Trust has no connected organisations.

There are no Related Party Relationships other than those noted in note 25 to the financial statements.

Objectives and Activities

Objectives and Aims

The Academy Trust's objective is set out in the Articles of Association and referred to above. In summary, it is to establish, maintain, manage and develop a school offering a broad and balanced curriculum with an emphasis on ensuring individual progress in line with or above expectations.

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 capacity of the Academy is 1,200 (currently 1,167) in the age range 11 – 16 and is an all ability inclusive school operating an 'Equal Preference' admissions system. The school has increased its intake for the past 5 years. This will cease now the school has 8 rather than 7 form entry (210 to 240) throughout, having reached maximum capacity September 2017.

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 resilience, 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 2018 which focussed on:

- Improve whole school use of data to provide measurable impact on improved outcomes
- Deepen the understanding and develop quality of teaching and learning
- Ensure the curriculum meets the needs of all
- Evolve roles and responsibilities to increase accountability and maximise impact on outcomes/ standards
- Reinvigorate Cams Hill School mission, vision and values and the way it communicates these with stakeholders
- Introduce new MIS to ensure fit for purpose support for teaching, learning and assessment along with personal development and pupil welfare

Public Benefit

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

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

Strategic Report

Achievements and Performance

Cams Hill School is incredibly proud of the class of 2018 GCSE exam results. They worked hard in a really difficult year with great support from teachers, parents and carers to achieve some fantastic results!

Class of 2018 is the cohort who have been taught the new specifications in the large majority of subjects for the first time; all now with numerical final grades ranging from a grade 9 (higher than an A*) to 1. In a year where National media has described a Grade 4 as being a 'good pass', higher than a C grade, we are delighted that so many of our pupils at Cams Hill have achieved this 'gold standard' and a large percentage achieved a grade 5 or above. (*all data below is provisional data and is subject to change).

82% (2017 80%) of our pupils achieved 9-4 grades including English and Maths up 2% on 2017.
57% (2017 46%) of our pupils achieved 9-5 grades including English and Maths up 17% on 2017.
English 86% (2017 86%) of our pupils achieved grade 9-4; 70% (2017 71%) achieved grade 9-5.
Maths 88% (2017 84%) of our pupils achieved grade 9-4; 68% (2017 52%) achieved grade 9-5.
42% (2017 37%) of our pupils achieved the EBACC.
Our progress 8 data is indicating -0.08 (average) compared to -0.36 in 2017 (below average).
Our attainment 8 points score is 52.34 compared to 48 in 2017.

Key Financial Performance Indicators

See Achievements and Performance above.

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 & Skills Funding Agency (ESFA), in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the period ended 31 August 2018 and the associated expenditure are shown as restricted funds in the statement of financial activities. Income is obtained from the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes.

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 ESFA to provide timely information) and risks associated with 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 No. 102, 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

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

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.

The reserves as at 31 August 2016 were as follows:

- Unrestricted (free) reserves of £632,783
- A restricted fixed asset fund of £22,082,760, which can only be realised through disposal of tangible fixed assets
- A pension deficit of £1,065,000
- Total funds of £21,650,543

Investment Policy

In a period of financial uncertainty and low interest rates, the Academy Trust's policy has been to maximise liquidity and minimise risk. This is consistent with the expectation that public funds are provided to finance current education needs. This policy will be kept under review. The Academy Trust follows the guidelines from the ESFA as to where its funds are invested.

Principal Financial Risks and Uncertainties

Income

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

Risk of fraud/mismanagement

The Academy has appointed a governor as Responsible Officer (RO) to carry out checks on financial systems and records as required by the Academy Financial Handbook. During the year checks were carried out on the payroll, authorisation of payments, nominal ledger coding and clearance of old sundry debit and credit balances. In addition an independent finance manager came into the school and helped prepare and review the financial information on a regular basis and carried out a regular peer review. All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area.

Cash flow risk

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

Fundraising

As part of its work within the community, the academy trust undertakes fundraising activities, for example through cake sales and non-uniform days. The academy trust raises funds in order to support its own operations and also to make donations to local and national charities. The academy trust undertakes all such activities itself, with the help of its students and their families. In relation to fundraising, the Trustees confirm that:

- No unsolicited approaches are made to members of the public.
- No commercial participators are used.
- No regularity schemes or standards are applicable.
- No complaints were made to the academy trust during the year.

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

Plans for Future Periods

Cams Hill School has a clear and ambitious strategic improvement plan. Centered around three key priorities it aims to improve outcomes (progress and attainment data); continue to develop a more aspirant culture and focus on continuing to provide a high quality educational experience for all.

Working in collaboration with local schools and colleges across all phases remains a key priority to ensure that there is the opportunity to benchmark and barometer successes and developments focusing on high impact.

Ensuring that the school is financially secure is a key priority and financial mitigation discussions have already taken place amongst the senior leadership team and the Board of Governors.

Funds Held as Custodian Trustee on Behalf of Others

During the year the academy held funds collected on behalf of the James Tait Fund.

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 10 December 2018 and signed on its behalf by:


.....
A Williams
Chair of Trustees

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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 board of trustees 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. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustee's Report and in the Statement of Trustee's 'responsibilities'. The Board of Trustees has formally met five times during the year. Attendance during the year at meetings of the Full Governing Body was as follows:

<u>Governor</u>	<u>Meetings attended</u>	<u>Out of a possible</u>
Mr R Cheatle	1	6
Mr S Freeman (resigned 09/07/18)	5	6
Mrs P Gough (resigned 01/01/18)	2	2
Mrs G Harrison-Jones	6	6
Mrs N Rawlings	6	6
Mr J Fullarton (joint Vice Chair)	5	6
Mr J Ure (resigned 20/07/18)	2	6
Mrs J Bowles	6	6
Mrs S Brooker	3	6
Mr J Anderson (appointed 09/07/18)	2	2
Ms E Woollard (appointed 30/04/18)	2	2
Ms N Trend (appointed 01/10/17)	4	5
Mrs A Williams (Chair)	6	6
Mrs W Druce (resigned 21/05/18)	5	5
Mr A Kaye	6	6
Mrs S Read	5	6
Mrs C Hiron (resigned 08/05/18)	4	4

The Governors review their skill sets and assess training needs on a regular basis. They have signed up to governor training services with the Local Authority, which provides training for governors who wish to attend. Certain governors have attended workshops to establish an appropriate governance structure. The Governors will be continuing to review training and skill set needs over the coming year

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GOVERNANCE STATEMENT (continued)

The Finance Committee is a committee of the main governing body, now the Resources Committee. A 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 year was as follows:

<u>Governor</u>	<u>Meetings attended</u>	<u>Out of a possible</u>
Mr J Fullarton (Chair)	7	7
Mr S Freeman (resigned 09/07/18)	3	7
Mrs G Harrison-Jones	7	7
Mrs N Rawlings	6	7
Mrs P Gough (resigned 01/01/18)	5	5
Ms E Woollard (appointed 30/04/18)	1	1

Review of Value for Money

As Accounting Officer, the Headteacher has responsibility for ensuring that the Academy delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The Accounting Officer considers how the Academy's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the Academy has delivered improved value for money during the year by:

- Close monitoring of existing contracts to ensure they are meeting their obligations and ensuring the costs are controlled appropriately;
- Minimising waste, inefficiency and ineffectiveness;
- Reviewing and evaluating staffing expenditure to rationalise costs and inspire efficiency;
- Review all budget arrangements for all budget holders to ensure greater transparency and effectiveness.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy 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 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks, that has been in place for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

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GOVERNANCE STATEMENT (continued)

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 programmes;
- setting targets to monitor 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.

The Academy has appointed a governor as Responsible Officer (RO) to carry out checks on financial systems and records as required by the Academy Financial Handbook. During the year checks were carried out on the payroll, authorisation of payments, nominal ledger coding and clearance of old sundry debit and credit balances. In addition an independent finance manager came into the school and helped prepare and review the financial information on a regular basis and carried out a regular peer review.

Review of Effectiveness

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

- the work of the internal auditor;
- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy 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 board of trustees on 10 December 2018 and signed on their behalf, by:


.....
A Williams
Chair of Trustees


.....
G Harrison-Jones
Accounting Officer

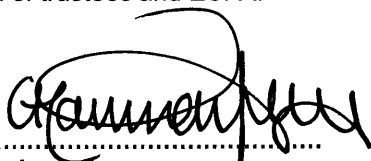
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Cams Hill School I have considered my responsibility to notify the academy trust board of trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

I confirm that I and the academy trust board of trustees 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 2017.

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 board of trustees and ESFA.



.....
G Harrison-Jones
Accounting Officer

Date: 10 December 2018

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STATEMENT OF GOVERNORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2018

The Governors (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Strategic report, the Governors' report and the financial statements in accordance with the Annual Accounts Direction issued by the Education & Skills 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 year. 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 of the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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 ESFA/DfE 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 board of trustees on 10 December 2018 and signed on its behalf by:


.....
A Williams
Chair of Trustees

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INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF CAMS HILL SCHOOL

OPINION

We have audited the financial statements of Cams Hill School (the 'Academy') for the year ended 31 August 2018 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2018 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Academy in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Governors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Governors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Academy's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF CAMS HILL SCHOOL

OTHER INFORMATION

The Governors are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditors' report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Governors' report including the Strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Governors' report and the Strategic report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of our knowledge and understanding of the Academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Governors' report including the Strategic report.

We have nothing to report in respect of the following matters in relation to which 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.

CAMS HILL SCHOOL
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF CAMS HILL SCHOOL

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Statement of Governors' responsibilities, the Governors (who are also the directors of the Academy 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, and for such internal control as the Governors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Governors are responsible for assessing the Academy's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Governors either intend to liquidate the Academy or to cease operations, or have no realistic alternative but to do so.

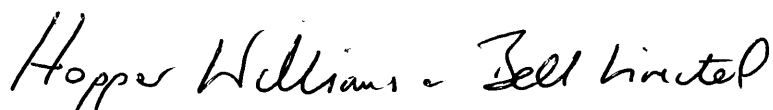
AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.

USE OF OUR REPORT

This report is made solely to the Academy'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 Academy'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 Academy and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



David Brookes FCA (Senior statutory auditor)
for and on behalf of

Hopper Williams & Bell Limited

Statutory Auditor

Highland House

Mayflower Close

Chandlers Ford

Eastleigh

Hampshire

SO53 4AR

Date:

15 December 2018

CAMS HILL SCHOOL
(A company limited by guarantee)

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO CAMS HILL SCHOOL AND THE EDUCATION & SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 21 June 2017 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, 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 1 September 2017 to 31 August 2018 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 ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Cams Hill School and the ESFA 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 ESFA, for our work, for this report, or for the conclusion we have formed.

RESPECTIVE RESPONSIBILITIES OF CAMS HILL SCHOOL'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The Accounting Officer is responsible, under the requirements of Cams Hill School's funding agreement with the Secretary of State for Education dated 1 October 2011, and the Academies Financial Handbook extant from 1 September 2017, 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 2017 to 2018. 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 1 September 2017 to 31 August 2018 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 2017 to 2018 issued by the ESFA. 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's income and expenditure.

CAMS HILL SCHOOL
(A company limited by guarantee)

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO CAMS HILL SCHOOL AND THE EDUCATION & SKILLS FUNDING AGENCY (continued)

SUMMARY OF WORK UNDERTAKEN

We carried out the following:

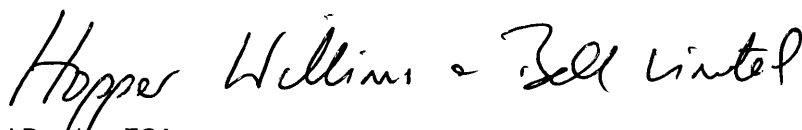
- planning of assurance procedures including identifying key risks;
- substantive testing including analytical review;
- concluding on procedures carried out.

Substantive testing included the following procedures:

- confirming that activities conform to the Academy's framework of authorities;
- considering the evidence supporting the Accounting Officer's statement on regularity, propriety and compliance;
- evaluating the general control environment of the Academy;
- testing a sample of transactions to consider whether the transaction is permissible within the Academy's framework of authorities;
- confirming whether any extra-contractual payments have been made and whether appropriate authority was obtained;
- reviewing documentation for evidence of borrowing and confirming if approval was obtained from the ESFA;
- confirming whether ESFA approval was obtained for any disposals of assets;
- reviewing the internal control procedures relating to credit cards;
- reviewing for any indication of purchases for personal use by staff or officers;
- reviewing the list of suppliers to consider whether supplies are from related parties;
- considering whether income generating activities are permissible within the Academy's charitable objects;
- reviewing whether lettings to related parties are made at favourable rates.

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 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



David Brookes FCA

Hopper Williams & Bell Limited

Statutory Auditor
Highland House
Mayflower Close
Chandlers Ford
Eastleigh
Hampshire
SO53 4AR

Date: 19 December 2018

CAMS HILL SCHOOL
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2018**

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
INCOME FROM:						
Donations and capital grants	2	-	-	35,491	35,491	45,185
Charitable activities	3	-	5,420,879	-	5,420,879	5,351,161
Other trading activities	4	23,641	692,122	-	715,763	736,417
Investments	5	3,165	-	-	3,165	3,940
TOTAL INCOME		26,806	6,113,001	35,491	6,175,298	6,136,703
EXPENDITURE ON:						
Charitable activities		-	6,365,422	540,723	6,906,145	6,696,743
TOTAL EXPENDITURE	6	-	6,365,422	540,723	6,906,145	6,696,743
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS						
Transfers between Funds	16	26,806 (152,462)	(252,421) 122,421	(505,232) 30,041	(730,847) -	(560,040) -
NET EXPENDITURE BEFORE OTHER RECOGNISED GAINS AND LOSSES		(125,656)	(130,000)	(475,191)	(730,847)	(560,040)
Actuarial gains on defined benefit pension schemes	20	-	312,000	-	312,000	351,000
NET MOVEMENT IN FUNDS		(125,656)	182,000	(475,191)	(418,847)	(209,040)
RECONCILIATION OF FUNDS:						
Total funds brought forward		758,439	(1,247,000)	22,557,951	22,069,390	22,278,430
TOTAL FUNDS CARRIED FORWARD		632,783	(1,065,000)	22,082,760	21,650,543	22,069,390

The notes on pages 22 to 44 form part of these financial statements.

CAMS HILL SCHOOL
(A company limited by guarantee)
REGISTERED NUMBER: 07751232

BALANCE SHEET
AS AT 31 AUGUST 2018

	Note	£	2018 £	£	2017 £
FIXED ASSETS					
Tangible assets	12		22,082,760		22,535,951
CURRENT ASSETS					
Stocks	13	2,842		2,389	
Debtors	14	241,111		201,609	
Cash at bank and in hand		938,150		983,859	
		<u>1,182,103</u>		<u>1,187,857</u>	
CREDITORS: amounts falling due within one year	15	(549,320)		(407,418)	
NET CURRENT ASSETS			<u>632,783</u>		<u>780,439</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>22,715,543</u>		<u>23,316,390</u>
Defined benefit pension scheme liability	20		(1,065,000)		(1,247,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u><u>21,650,543</u></u>		<u><u>22,069,390</u></u>
FUNDS OF THE ACADEMY					
Restricted income funds:					
Restricted income funds excluding pension liability			22,082,760	22,557,951	
Pension reserve			<u>(1,065,000)</u>	<u>(1,247,000)</u>	
Total restricted income funds			21,017,760		21,310,951
Unrestricted income funds	16		<u>632,783</u>		<u>758,439</u>
TOTAL FUNDS			<u><u>21,650,543</u></u>		<u><u>22,069,390</u></u>

The financial statements on pages 19 to 44 were approved by the Governors, and authorised for issue, on 10 December 2018 and are signed on their behalf, by:



A Williams
Chair of Trustees

The notes on pages 22 to 44 form part of these financial statements.

CAMS HILL SCHOOL
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2018

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash provided by operating activities	18	<u>3,167</u>	<u>203,763</u>
Cash flows from investing activities:			
Interest receivable		3,165	3,940
Purchase of tangible fixed assets		(87,532)	(764,616)
Capital grants		<u>35,491</u>	<u>32,435</u>
Net cash used in investing activities		<u>(48,876)</u>	<u>(728,241)</u>
Cash flows from financing activities:			
Salix loan repayments		-	(11,431)
Net cash used in financing activities		<u>-</u>	<u>(11,431)</u>
Change in cash and cash equivalents in the year		(45,709)	(535,909)
Cash and cash equivalents brought forward		<u>983,859</u>	<u>1,519,768</u>
Cash and cash equivalents carried forward	19	<u><u>938,150</u></u>	<u><u>983,859</u></u>

CAMS HILL SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES

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

1.1 Basis of preparation of financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Cams Hill School constitutes a public benefit entity as defined by FRS 102.

1.2 Going concern

The Governors assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy to continue as a going concern. The Governors make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

CAMS HILL SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.3 Income

All income is recognised once the Academy has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

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

General Annual Grant is recognised in full in the Statement of financial activities incorporating income and expenditure account in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

Sponsorship income provided to the Academy which amounts to a donation is recognised in the Statement of financial activities incorporating income and expenditure account in the period in which it is receivable, where receipt is probable and it is measurable.

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

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

1.4 Expenditure

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

Expenditure on charitable activities are costs incurred on the Academy's educational operations, including support costs and those costs relating to the governance of the Academy appointed to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

CAMS HILL SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.5 Tangible fixed assets and depreciation

All assets costing more than £3,500 are capitalised 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. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of financial activities incorporating income and expenditure account and carried forward in the Balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of financial activities incorporating income and expenditure account. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of these assets, less their estimated residual value, on a straight line basis over their expected useful lives on the following bases:

Freehold property	-	the shorter of 50 years or over the expected life of the asset
Furniture and fixtures	-	10 years
Motor vehicles	-	7 years
Computer equipment	-	3 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 incorporating income and expenditure account.

Long leasehold land has not been depreciated as it is similar to freehold land, which does not require depreciation.

1.6 Operating leases

Rentals under operating leases are charged to the Statement of financial activities incorporating income and expenditure account on a straight line basis over the lease term.

1.7 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.8 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

CAMS HILL SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.9 Cash at Bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.10 Liabilities and provisions

Liabilities and provisions are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.11 Financial instruments

The Academy only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Academy and their measurement basis are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments. Amounts due to the Academy's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in note 15. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or other financial instruments. Amounts due to the Academy's wholly owned subsidiary are held at face value less any impairment.

1.12 Taxation

The Academy 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 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.

CAMS HILL SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.13 Pensions

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Governments Pension Scheme ("LGPS"). These are defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 20, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

1.14 Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Department for Education Group.

CAMS HILL SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.15 Critical accounting estimates and areas of judgment

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 20, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

CAMS HILL SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Capital grants	-	35,491	35,491	45,185
<i>Total 2017</i>	-	45,185	45,185	

3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	5,207,517	5,207,517	5,164,335
DfE/ESFA other grants	-	180,424	180,424	156,355
	-	5,387,941	5,387,941	5,320,690
Other government grants				
Local authority grants	-	32,938	32,938	30,471
	-	32,938	32,938	30,471
	-	5,420,879	5,420,879	5,351,161
<i>Total 2017</i>	-	5,351,161	5,351,161	

CAMS HILL SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	<i>Total funds 2017 £</i>
Hire of facilities	23,641	-	23,641	25,685
Catering income	-	190,714	190,714	192,711
Clubs and trips	-	396,661	396,661	405,132
Other income	-	104,747	104,747	112,889
	<u>23,641</u>	<u>692,122</u>	<u>715,763</u>	<u>736,417</u>
<i>Total 2017</i>	<u>25,685</u>	<u>710,732</u>	<u>736,417</u>	

5. INVESTMENT INCOME

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	<i>Total funds 2017 £</i>
Short term deposits	3,165	-	3,165	3,940
<i>Total 2017</i>	<u>3,940</u>	<u>-</u>	<u>3,940</u>	

CAMS HILL SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

6. EXPENDITURE

	Staff costs 2018 £	Premises 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Academy's educational operations:					
Direct costs	3,688,467	-	814,104	4,502,571	4,603,104
Support costs	1,023,230	340,919	1,039,425	2,403,574	2,093,639
	<u>4,711,697</u>	<u>340,919</u>	<u>1,853,529</u>	<u>6,906,145</u>	<u>6,696,743</u>
<i>Total 2017</i>	<u>4,835,104</u>	<u>281,111</u>	<u>1,580,528</u>	<u>6,696,743</u>	

7. ANALYSIS OF SUPPORT COSTS

	Educational operations £	Total 2018 £	Total 2017 £
Technology costs	106,381	106,381	101,758
Premises costs	340,919	340,919	281,111
Governance costs	9,445	9,445	13,371
Other costs	382,876	382,876	151,294
Wages and salaries	765,122	765,122	734,861
National insurance	42,404	42,404	43,218
Pension cost	215,704	215,704	257,177
Depreciation	540,723	540,723	510,849
	<u>2,403,574</u>	<u>2,403,574</u>	<u>2,093,639</u>
<i>Total 2017</i>	<u>2,093,639</u>	<u>2,093,639</u>	

8. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets:		
- owned by the charity	540,723	510,849
Auditors' remuneration - audit	7,500	7,500
Auditors' remuneration - other services	1,945	1,200
Operating lease rentals	<u>47,835</u>	<u>98,777</u>

CAMS HILL SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

9. STAFF COSTS

a. Staff costs

Staff costs were as follows:

	2018 £	2017 £
Wages and salaries	3,679,640	3,757,617
Social security costs	325,539	334,903
Operating costs of defined benefit pension schemes	659,176	714,041
	<u>4,664,355</u>	<u>4,806,561</u>
Agency staff costs	47,342	28,543
	<u><u>4,711,697</u></u>	<u><u>4,835,104</u></u>

b. Non-statutory/non-contractual staff severance payments

Included in staff costs are non-statutory/non-contractual severance payments totalling £nil (2017: £16,000. Individually, the payments were £15,000 and £1,000).

c. Staff numbers

The average number of persons employed by the Academy during the year was as follows:

	2018 No.	2017 No.
Teachers	79	74
Administration and support	75	78
Management	6	6
	<u>160</u>	<u>158</u>

Average headcount expressed as a full time equivalent:

	2018 No.	2017 No.
Teachers	65	65
Administration and support	59	55
Management	6	6
	<u>130</u>	<u>126</u>

d. Higher paid staff

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2018 No.	2017 No.
In the band £60,001 - £70,000	2	2
In the band £80,001 - £90,000	1	1

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

9. STAFF COSTS (continued)

e. Key management personnel

The key management personnel of the academy trust comprises the senior management team as listed on page 2, for which the total amount of staff costs was £632,878 (2017: £588,325).

10. GOVERNORS' REMUNERATION AND EXPENSES

One or more Governors has been paid remuneration or has received other benefits from an employment with the Academy. The Principal and other staff Governors only receive remuneration in respect of services they provide undertaking the roles of principal and other staff members under their contracts of employment, and not in respect of their role as Governors. The value of Governors' remuneration and other benefits was as follows:

		2018 £	2017 £
S Brooker	Remuneration	25,000-30,000	25,000-30,000
	Pension contributions paid	0-5,000	0-5,000
P Gough	Remuneration	0-5,000	0-5,000
	Pension contributions paid	-	-
G Harrison-Jones	Remuneration	85,000-90,000	80,000-85,000
	Pension contributions paid	10,000-15,000	10,000-15,000
C Hiron	Remuneration	15,000-20,000	0-5,000
	Pension contributions paid	0-5,000	0-5,000
N Krys	Remuneration	-	5,000-10,000
	Pension contributions paid	-	0-5,000

During the year, travel and subsistence payments totalling £657 (2017: £50) were reimbursed to six (2017: two) trustees.

11. GOVERNORS' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5m on any one claim and the cost for the year ended 31 August 2018 was £289 (2017 - £639).

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

12. TANGIBLE FIXED ASSETS

	Freehold property £	Furniture and fixtures £	Motor vehicles £	Computer equipment £	Total £
Cost					
At 1 September 2017	24,927,160	105,505	27,500	293,223	25,353,388
Additions	(7,149)	16,936	19,400	58,345	87,532
At 31 August 2018	<u>24,920,011</u>	<u>122,441</u>	<u>46,900</u>	<u>351,568</u>	<u>25,440,920</u>
Depreciation					
At 1 September 2017	2,601,979	36,518	18,313	160,627	2,817,437
Charge for the year	463,806	8,727	4,159	64,031	540,723
At 31 August 2018	<u>3,065,785</u>	<u>45,245</u>	<u>22,472</u>	<u>224,658</u>	<u>3,358,160</u>
Net book value					
At 31 August 2018	<u>21,854,226</u>	<u>77,196</u>	<u>24,428</u>	<u>126,910</u>	<u>22,082,760</u>
At 31 August 2017	<u>22,325,181</u>	<u>68,987</u>	<u>9,187</u>	<u>132,596</u>	<u>22,535,951</u>

13. STOCKS

	2018 £	2017 £
Goods for resale	<u>2,842</u>	<u>2,389</u>

14. DEBTORS

	2018 £	2017 £
Trade debtors	8,722	7,992
Other debtors	-	750
Prepayments and accrued income	163,975	130,995
Tax recoverable	68,414	61,872
	<u>241,111</u>	<u>201,609</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

15. CREDITORS: Amounts falling due within one year

	2018	2017
	£	£
Trade creditors	225,678	100,284
Other taxation and social security	78,810	81,831
Other creditors	67,721	69,319
Accruals and deferred income	177,111	155,984
	<u>549,320</u>	<u>407,418</u>
	2018	2017
	£	£
Deferred income		
Deferred income at 1 September 2017	83,787	127,264
Resources deferred during the year	98,701	83,787
Amounts released from previous years	(83,787)	(127,264)
Deferred income at 31 August 2018	<u>98,701</u>	<u>83,787</u>

At the balance sheet date the academy trust was holding funds received in advance for trips and other income in relation to the forthcoming academic year.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

16. STATEMENT OF FUNDS

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Unrestricted funds						
Reserves	758,439	26,806	-	(152,462)	-	632,783
Restricted funds						
General Annual Grant (GAG)	-	5,207,517	(5,207,517)	-	-	-
Other DfE/ESFA grants	-	180,424	(180,424)	-	-	-
Local authority grants	-	32,938	(32,938)	-	-	-
Other educational activities	-	692,122	(814,543)	122,421	-	-
Pension reserve	(1,247,000)	-	(130,000)	-	312,000	(1,065,000)
	<u>(1,247,000)</u>	<u>6,113,001</u>	<u>(6,365,422)</u>	<u>122,421</u>	<u>312,000</u>	<u>(1,065,000)</u>
Restricted fixed asset funds						
Restricted fixed asset fund	22,535,951	-	(540,723)	87,532	-	22,082,760
DfE/ESFA capital grants - DFC	-	23,491	-	(23,491)	-	-
William Price Trust	22,000	12,000	-	(34,000)	-	-
	<u>22,557,951</u>	<u>35,491</u>	<u>(540,723)</u>	<u>30,041</u>	<u>-</u>	<u>22,082,760</u>
Total restricted funds	<u>21,310,951</u>	<u>6,148,492</u>	<u>(6,906,145)</u>	<u>152,462</u>	<u>312,000</u>	<u>21,017,760</u>
Total of funds	<u>22,069,390</u>	<u>6,175,298</u>	<u>(6,906,145)</u>	<u>-</u>	<u>312,000</u>	<u>21,650,543</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

16. STATEMENT OF FUNDS (continued)

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

General annual grant

This includes all funding received from the ESFA to carry out the objectives of the academy. It includes the following funding streams:

- school budget share;
- minimum funding guarantee;
- education services grant;
- insurance;
- rates;
- pre-16 high need funding.

Pupil premium and other DfE/ESFA grants

This is funding received from the ESFA for specific purposes.

Local authority grants

This is funding received from the local authority for specific purposes, for example Special Educational Needs funding.

Other educational activities

This includes all other educational income/expenditure.

Pension reserve

This represents the negative reserve in respect of the liability on the LGPS pension scheme which was transferred to the academy on conversion.

Fixed asset fund

The fund includes the value of the tangible fixed assets of the academy on conversion, and amounts transferred from GAG or other restricted funds specifically for expenditure on tangible fixed assets, and the annual charges for depreciation of these assets.

DfE/ESFA capital grants

This is money received from the DfE/ESFA specifically for expenditure on tangible fixed assets.

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**NOTES TO THE FINANCIAL STATEMENTS
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16. STATEMENT OF FUNDS (continued)

STATEMENT OF FUNDS - PRIOR YEAR

	<i>Balance at 1 September 2016 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2017 £</i>
General funds						
Reserves	879,787	29,625	-	(150,973)	-	758,439
	<u>879,787</u>	<u>29,625</u>	<u>-</u>	<u>(150,973)</u>	<u>-</u>	<u>758,439</u>
Restricted funds						
General Annual Grant (GAG)	32,346	5,154,418	(5,100,419)	(86,345)	-	-
Pupil premium	-	156,355	(156,355)	-	-	-
Other DfE/ESFA grants	-	9,917	(9,917)	-	-	-
Local authority grants	-	30,471	(30,471)	-	-	-
Other educational activities	-	710,732	(710,732)	-	-	-
Pension reserve	(1,420,000)	-	(178,000)	-	351,000	(1,247,000)
	<u>(1,387,654)</u>	<u>6,061,893</u>	<u>(6,185,894)</u>	<u>(86,345)</u>	<u>351,000</u>	<u>(1,247,000)</u>
Restricted fixed asset funds						
Restricted fixed asset fund	22,282,184	-	(510,849)	764,616	-	22,535,951
DfE/ESFA capital grants - DFC	-	23,069	-	(23,069)	-	-
DfE/ESFA capital grants - CIF	472,526	-	-	(472,526)	-	-
Local authority capital grants	21,587	9,366	-	(30,953)	-	-
William Price Trust	10,000	12,750	-	(750)	-	22,000
	<u>22,786,297</u>	<u>45,185</u>	<u>(510,849)</u>	<u>237,318</u>	<u>-</u>	<u>22,557,951</u>
Total restricted funds	<u>21,398,643</u>	<u>6,107,078</u>	<u>(6,696,743)</u>	<u>150,973</u>	<u>351,000</u>	<u>21,310,951</u>
Total of funds	<u>22,278,430</u>	<u>6,136,703</u>	<u>(6,696,743)</u>	<u>-</u>	<u>351,000</u>	<u>22,069,390</u>

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FOR THE YEAR ENDED 31 AUGUST 2018

A CURRENT YEAR 12 MONTHS AND PRIOR YEAR 12 MONTHS COMBINED POSITION IS AS FOLLOWS:

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Unrestricted funds						
Reserves	879,787	56,431	-	(303,435)	-	632,783
	<u>879,787</u>	<u>56,431</u>	<u>-</u>	<u>(303,435)</u>	<u>-</u>	<u>632,783</u>
Restricted funds						
General Annual Grant (GAG)	32,346	10,361,935	(10,307,936)	(86,345)	-	-
Pupil premium	-	156,355	(156,355)	-	-	-
Other DfE/ESFA grants	-	190,341	(190,341)	-	-	-
Local authority grants	-	63,409	(63,409)	-	-	-
Other educational activities	-	1,402,854	(1,525,275)	122,421	-	-
Pension reserve	(1,420,000)	-	(308,000)	-	663,000	(1,065,000)
	<u>(1,387,654)</u>	<u>12,174,894</u>	<u>(12,551,316)</u>	<u>36,076</u>	<u>663,000</u>	<u>(1,065,000)</u>
Restricted fixed asset funds						
Restricted fixed asset fund	22,282,184	-	(1,051,572)	852,148	-	22,082,760
DfE/ESFA capital grants - DFC	-	46,560	-	(46,560)	-	-
DfE/ESFA capital grants - CIF	472,526	-	-	(472,526)	-	-
Local authority capital grants	21,587	9,366	-	(30,953)	-	-
William Price Trust	10,000	24,750	-	(34,750)	-	-
	<u>22,786,297</u>	<u>80,676</u>	<u>(1,051,572)</u>	<u>267,359</u>	<u>-</u>	<u>22,082,760</u>
	<u>21,398,643</u>	<u>12,255,570</u>	<u>(13,602,888)</u>	<u>303,435</u>	<u>663,000</u>	<u>21,017,760</u>
Total of funds	<u>22,278,430</u>	<u>12,312,001</u>	<u>(13,602,888)</u>	<u>-</u>	<u>663,000</u>	<u>21,650,543</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	22,082,760	22,082,760
Current assets	632,783	549,320	-	1,182,103
Creditors due within one year	-	(549,320)	-	(549,320)
Pension liability	-	(1,065,000)	-	(1,065,000)
	<u>632,783</u>	<u>(1,065,000)</u>	<u>22,082,760</u>	<u>21,650,543</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	<i>Unrestricted funds 2017 £</i>	<i>Restricted funds 2017 £</i>	<i>Restricted fixed asset funds 2017 £</i>	<i>Total funds 2017 £</i>
Tangible fixed assets	-	-	22,535,951	22,535,951
Current assets	758,439	407,418	22,000	1,187,857
Creditors due within one year	-	(407,418)	-	(407,418)
Pension liability	-	(1,247,000)	-	(1,247,000)
	<u>758,439</u>	<u>(1,247,000)</u>	<u>22,557,951</u>	<u>22,069,390</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

18. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2018 £	2017 £
Net expenditure for the year (as per Statement of Financial Activities)	(730,847)	(560,040)
Adjustment for:		
Depreciation charges	540,723	510,849
Interest receivable	(3,165)	(3,940)
Increase in stocks	(453)	(133)
(Increase)/decrease in debtors	(39,502)	117,126
Increase/(decrease) in creditors	141,902	(5,664)
Capital grants from DfE and other capital income	(35,491)	(32,435)
Defined benefit pension scheme cost less contributions payable	101,000	151,000
Defined benefit pension scheme finance cost	29,000	27,000
Net cash provided by operating activities	3,167	203,763

19. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2018 £	2017 £
Cash in hand and at bank	938,150	983,859
Total	938,150	983,859

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NOTES TO THE FINANCIAL STATEMENTS
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20. PENSION COMMITMENTS

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

Contributions amounting to £67,268 were payable to the schemes at 31 August 2018 (2017 - £69,025) and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay, including a 0.08% employer administration charge.
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £412,176 (2017 - £493,957).

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**NOTES TO THE FINANCIAL STATEMENTS
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20. PENSION COMMITMENTS (continued)

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £188,000 (2017 - £191,000), of which employer's contributions totalled £146,000 (2017 - £145,000) and employees' contributions totalled £42,000 (2017 - £46,000). The agreed contribution rates for future years are 15.1% for employers and between 5.5% and 12.5% for employees.

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

Principal actuarial assumptions:

	2018	2017
Discount rate for scheme liabilities	2.80 %	2.50 %
Rate of increase in salaries	3.60 %	3.60 %
Rate of increase for pensions in payment / inflation	2.10 %	2.10 %
Inflation assumption (CPI)	2.10 %	2.10 %

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

	2018	2017
Retiring today		
Males	24.1	24.0
Females	27.2	27.0
Retiring in 20 years		
Males	26.2	26.0
Females	29.4	29.3

	At 31 August 2018	At 31 August 2017
Sensitivity analysis	£	£
Discount rate +0.1%	3,338,000	3,291,000
Discount rate -0.1%	3,474,000	3,425,000
Mortality assumption - 1 year increase	3,502,000	3,457,000
Mortality assumption - 1 year decrease	3,308,000	3,257,000

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20. PENSION COMMITMENTS (continued)

The Academy's share of the assets in the scheme was:

	Fair value at 31 August 2018 £	<i>Fair value at 31 August 2017 £</i>
Equities	1,495,000	<i>1,291,000</i>
Property	161,000	<i>137,000</i>
Government bonds	536,000	<i>523,000</i>
Corporate bonds	28,000	<i>23,000</i>
Cash and other liquid assets	54,000	<i>63,000</i>
Other	66,000	<i>73,000</i>
Total market value of assets	<u>2,340,000</u>	<i><u>2,110,000</u></i>

The actual return on scheme assets was £156,000 (2017 - £271,000).

The amounts recognised in the Statement of financial activities incorporating income and expenditure account are as follows:

	2018 £	<i>2017 £</i>
Current service cost	246,000	<i>296,000</i>
Past service cost	1,000	<i>-</i>
Net interest cost	29,000	<i>27,000</i>
Total	<u>276,000</u>	<i><u>323,000</u></i>

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

	2018 £	<i>2017 £</i>
Opening defined benefit obligation	3,357,000	<i>3,100,000</i>
Current service cost	246,000	<i>296,000</i>
Past service cost	1,000	<i>-</i>
Interest cost	83,000	<i>62,000</i>
Employee contributions	42,000	<i>46,000</i>
Actuarial gains	(210,000)	<i>(115,000)</i>
Benefits paid	(114,000)	<i>(32,000)</i>
Closing defined benefit obligation	<u>3,405,000</u>	<i><u>3,357,000</u></i>

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**NOTES TO THE FINANCIAL STATEMENTS
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20. PENSION COMMITMENTS (continued)

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

	2018 £	2017 £
Opening fair value of scheme assets	2,110,000	1,680,000
Interest income	54,000	35,000
Actuarial losses	102,000	236,000
Employer contributions	146,000	145,000
Employee contributions	42,000	46,000
Benefits paid	(114,000)	(32,000)
	<u>2,340,000</u>	<u>2,110,000</u>
Closing fair value of scheme assets	<u>2,340,000</u>	<u>2,110,000</u>

21. OPERATING LEASE COMMITMENTS

At 31 August 2018 the total of the Academy trust's future minimum lease payments under non-cancellable operating leases was:

	2018 £	2017 £
Amounts payable:		
Within 1 year	62,049	63,969
Between 1 and 5 years	95,997	17,511
	<u>158,046</u>	<u>81,480</u>
Total	<u>158,046</u>	<u>81,480</u>

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. RELATED PARTY TRANSACTIONS

Owing to the nature of the academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which Governors have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH and with the trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

Read Electrical Services Limited - S Read (Trustee) is a director. During the year, the academy made purchases of £5,775.