

**Company Registration Number:
7751232 (England and Wales)**

**Cams Hill School
(A Company Limited by Guarantee)**

**Annual Report and Financial Statements
Year ended 31 August 2015**

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Reference and Administrative

Members	R Lee (Chairman) P Squire (until 23 September 2014) K Anderson (until 19 September 2014) S Freeman J Ure J Bullock J Fullarton (from 30 June 2014) R Cheatle
Governors (Trustees)	D Lowndes (until 31 August 2015) D Hurman (until 19 September 2014) R Ellis (until 20 April 2015) J Clark (until 12 October 2015) L Downer (until 19 September 2014) P Gough S Brooker A Potts (until 12 October 2015) A Goode (until 15 October 2015) L Wiltshire G Harrison- Jones (from 1 September 2015) N Krys (from 1 September 2015) D Sitch (from 23 March 2015) A Williams (from 23 March 2015)

Senior leadership team

Headteacher	D Lowndes (until 31 August 2015) G Harrison- Jones (from 1 September 2015)
Deputy Headteacher	A Govan
Deputy Headteacher	R Matthews
Assistant Headteacher	C Martinelli
Assistant Headteacher	A Potts
Assistant Headteacher	J Wharton
School Business Manager	J Browning

Principal and Registered Office	Shearwater Avenue FAREHAM, Hampshire PO16 8AH
Company Registration Number	7751232 (England and Wales)
Independent Auditor	Moore Stephens LLP Prospect House 58 Queens Road Reading RG1 4RP.
Bankers	National Westminster Bank PLC 52 West Street FAREHAM, PO16 0JX
Solicitors	Veale Wasbrough Vizards Orchard Court Orchard Lane BRISTOL BS1 5WS

Governors' Report

The governors present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2015. The annual report serves 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 with an emphasis on Science.

Method of Recruitment and Appointment or Election of governors

The Academy Board of Governors will consist of not less than 3 and up to 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) 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) Up to 2 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 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 4 main committees, Curriculum, Finance, Audit and Premises. 3 Sub Committees, Executive and Personnel, Admissions and Headteacher Performance Management Review. 6 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 3 core Committees plus Full Board of Governors. Finance, Audit and Premises now within Resources, Curriculum 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 and Senior Leadership team.

The Senior Leadership Team manages 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.

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

Connected Organisations, including Related Party Relationships

The Academy Trust has no connected organisations.

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

Governors' Report (continued)

Objectives and Activities

Objectives and Aims

The Academy Trust objective is set out in the Articles of Association and referred to on page 2. 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 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 planned capacity of the Academy is 1,200 (currently 1,141) 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 3 years. This will continue until the school has 8 rather than 7 form entry throughout.

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 31st August 2015 which focussed on:

- Raising all pupil attainment and progress
- Developing more outstanding teaching
- Promoting high standards of pupil behaviour
- Nurturing pupils' spiritual, moral, spiritual and social development

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, 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 continue to attain highly and make good progress at Carns Hill School. In 2015, 71% of pupils achieved 5A*-C GCSE grades (including English and mathematics), an increase of 8%. This is 16% higher than the national figure of 55%. English results also improved, with 75% of pupils making expected progress and 39% of pupils making more than expected progress. Overall, 78% of pupils achieved A*-C in English. All of these figures are above national levels. In mathematics, 80% of pupils made expected progress and 38% made more than expected progress. Again, all of these figures are above national levels. Overall, 73% of pupils achieved A*-C in both English and mathematics (in 2014, the national figure was 58%).

Pupils achieved well in many subject areas. In Art and Design BTEC, 100% of pupils achieved an A*-C grade and 21% achieved A*/A grades; pupils also achieved 100% A*-C grades in Biology (50% A*/A), Chemistry (50% A*/A) and Physics (70% A*/A). In Religious Studies, 89% of pupils achieved A*-C grades (A*/A- 45%). In mathematics, 84% of pupils achieved A*-C grades (A*/A- 25%). Attainment overall remains high in relation to national attainment.

Going Concern

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

Key Financial Performance Indicators

See Achievement and Performance.

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 period ended 31 August 2015 and the associated expenditure are shown as restricted funds in the statement of financial activities.

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 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.

Governors' Report (continued)

Risk of fraud/mis-management

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

Cashflow risk

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

Reserves Policy

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

Investment Policy

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

Plans for Future Periods

The primary aim for Cams Hill School in 2015-2016 is to raise progress and attainment of all pupils. Progress is becoming an increasing focus with clear statistical evidence of progress over time being crucial. Outward facing whole school performance measures direct from Government are changing with the schools being measured by its GCSE 5A*-C performance and also by Progress8 and Attainment8 measures. Mindful of this, the school has developed a clear 'raising attainment and progress' (RAP) strategy for the current year 11 cohort that involves increased tracking and monitoring, including monitoring the impact of identified interventions. Ensuring that all identified focus 'groups' of pupils achievement is in line with or above national expectation remains a strategic priority.

Following the appointment of the new Headteacher (1 September 2015) the school is about to embark on the re-shaping of mission, vision and values with Governors and staff. This will ensure that the strategic direction of the school continues to evolve in line with its mission, vision and values and that its operational and strategic priorities are reflective of this with clear, smart and measurable key performance indicators.

Governors' Report (continued)

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.

Chantrey Vellacott DFK LLP has merged its practice with Moore Stephens LLP and now practices under the name of Moore Stephens LLP. A resolution to appoint Moore Stephens LLP as auditor will be proposed at the forthcoming annual general meeting.

Approved by order of the members of the governing body on 7 December 2015 and signed on its behalf by:



Mr R Lee
Chair of Governors

7 December 2015

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. S/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 year. Attendance during the year at meetings of the Full Governing Body was as follows:

Governor	Meetings attended	Out of a possible
R Lee (Chairman)	3	4
J Ure (joint V Chair)	3	4
S Freeman (joint V Chair)	2	4
J Bullock	3	4
S Brooker	4	4
R Cheatle	4	4
J Clark	3	4
R Ellis	3	3
J Fullarton	3	4
A Goode	3	4
P Gough	4	4
A Potts	3	3
D Sitch	2	2
A Williams	1	2
L Wiltshire	3	4
DJ Lowndes (Headteacher and Accounting Officer)	4	4

The Governing Body has made the following changes:

A Williams and D Sitch were appointed Governors in March 2015. Sadly R Ellis passed away in April 2015. A Potts stepped down as Staff Governor after her appointment as Assistant Headteacher and N Kryss was appointed Staff Governor from 1 September 2015.

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

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 variations 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:

Governor	Meetings attended	Out of a possible
R Ellis	2	3
J Clark	2	4
J Fullerton	4	4
S Feeman	4	4
P Gough	1	1
D J Lowndes	4	4
D Sitch	1	1
L Wiltshire	2	3

Review of Value for Money

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

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

- Conducting a full tender exercise to appoint the contractors for the conversion of an existing gymnasium to a new Humanities block;
- Close monitoring of existing contracts to ensure they are meeting their obligations and ensuring the costs are controlled appropriately;
- Minimising waste, inefficiency and ineffectiveness.

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 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 during the reported year.

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 ended 31 August 2015 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Body.

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 programme
- 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. However, the governors have appointed Moore Stephens LLP, the external auditor, to perform additional checks.

The reviewer's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. In particular the checks carried out in the current period included:

- review of operation of systems and controls
- testing of payroll systems
- testing of purchases systems
- review of fixed asset registers.

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:

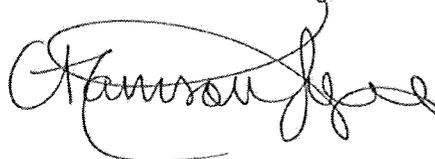
- the work of the reviewer;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

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 7 December 2015 and signed on its behalf by:



Mr R Lee
Chair of Governors



Mrs G Harrison-Jones
Accounting officer (appointed 1 September 2015)

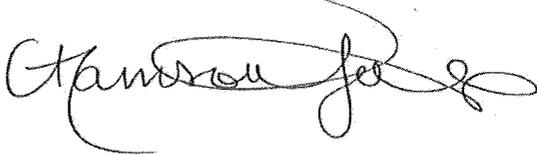
Statement on Regularity, Propriety and Compliance

As accounting officer of Cams Hill School Academy I have considered my responsibility to notify the academy trust governing body and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

I confirm that I and the academy trust governing body are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook.

I confirm that the following instances of material irregularity, impropriety or funding non-compliance discovered to date have been notified to the board of trustees and EFA. If any instances are identified after the date of this statement, these will be notified to the board of trustees and EFA.

In November 2014, the school fell victim to a "phishing" fraud. Attempts to recover the £11,000 lost have so far proved unsuccessful. The Trust is working to ensure that any recommendations from the investigation into this fraud are acted upon and has subsequently strengthened procedures to prevent any recurrence.



Mrs G Harrison-Jones
Accounting officer

7 December 2015

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 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 in the Charities SORP 2005;
- 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 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 the EFADfE 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 7 December 2015 and signed on its behalf by:



Mr R Lee
Chair of Governors

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

We have audited the financial statements of Cams Hill School for the year ended 31 August 2015 set out on pages 16 to 34. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

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 auditors

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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2015 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 the Academies Accounts Direction 2014 to 2015 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, incorporating Strategic Report, for the financial period for which the financial statements are prepared is consistent with the financial statements.

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.

Ann Mathias

ANN MATHIAS FCA (Senior Statutory Auditor)
for and on behalf of MOORE STEPHENS LLP
Chartered Accountants and Statutory Auditor
58 Queens Road, Reading, RG1 4RP

18 December 2015

Date

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 25 September 2015 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies: Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Cams Hill School during the period 1 September 2014 to 31 August 2015 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 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 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 2014, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2014 to 2015. 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 period 1 September 2014 to 31 August 2015 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 2014 to 2015 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.

Our procedures included, but were not limited to the following:

- Reviewing minutes of meetings, management accounts and making enquiries of management;
- Performing sample testing of expenditure ensuring items are for the School's purposes and are appropriately authorised;
- Sample testing on credit card expenditure, reviewing for any indication of purchase for personal use by staff, Head or Governors;
- Reviewing the procedures for identifying and declaring related parties and other business interests;
- Obtaining formal representation from the governing body and accounting officer acknowledging their responsibilities;
- Scrutinising journals, and other adjustments posted during the year for evidence of unusual entries and making further enquiries into any such items where relevant;

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

- Taking a selection of nominal ledger accounts for evidence of unusual entries and making further enquiries into any such items where relevant;
- Performing an evaluation of the general control environment of the School;
- Reviewing nominal ledger accounts for any large or unusual entries and obtaining supporting documentation.

Conclusion

In the course of our work, except matters listed below, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2014 to 31 August 2015 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Matter

As noted on page 11, in November 2014, the school fell victim to a "phishing" fraud. Attempts to recover the £11,000 lost have so far proved unsuccessful. The Trust is working to ensure that any recommendations from the investigation into this fraud are acted upon and has subsequently strengthened procedures to prevent any recurrence.

Moore Stephens LLP

**Moore Stephens LLP
Reporting Accountant
58 Queens Road, Reading, RG1 4RP**

18 December 2015

Date

Statement of Financial Activities for the year ended 31 August 2015

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

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2015 £	Total 2014 £
Incoming resources						
<i>Incoming resources from generated funds:</i>						
Activities for generating funds	2	405,128	9,000	-	414,128	501,121
Investment income	3	1,950	-	-	1,950	2,627
<i>Incoming resources from charitable activities</i>						
Funding for the Academy's educational operations	4	-	5,114,655	1,462,456	6,577,111	5,022,273
Total incoming resources	16	407,078	5,123,655	1,462,456	6,993,189	5,526,021
Resources expended						
<i>Charitable activities:</i>						
Academy's educational operations	6	270,060	5,170,105	465,389	5,905,554	5,992,191
Governance costs	7	-	43,176	-	43,176	66,695
Total resources expended	5,16	270,060	5,213,281	465,389	5,948,730	6,058,886
Net incoming/(outgoing) Resources before transfers		137,018	(89,626)	997,067	1,044,459	(532,865)
Gross transfers between funds	16	(145,944)	(98,211)	244,155	-	-
Net income/ (expenditure) for the year		(8,926)	(187,837)	1,241,222	1,044,459	(532,865)
Other recognised gains and losses						
Actuarial gains/(losses) on defined benefit pension schemes	16,24	-	56,000	-	56,000	(48,000)
Net movement in funds		(8,926)	(131,837)	1,241,222	1,100,459	(580,865)
Reconciliation of funds						
Total funds brought forward	16	706,534	(516,163)	21,933,611	22,123,982	22,704,847
Total funds carried forward	16	697,608	(648,000)	23,174,833	23,224,441	22,123,982

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 2015

	Notes	2015 £	2015 £	2014 £	2014 £
Fixed assets					
Tangible assets	11		21,919,269		21,933,611
Current assets					
Stock	12	4,098		4,098	
Debtors	13	1,115,974		135,088	
Cash at bank and in hand		1,201,743		1,046,407	
		2,321,815		1,185,593	
Liabilities					
Creditors: Amounts falling due within one year	14	(357,231)		(290,457)	
Net current assets			1,964,584		895,136
Total assets less current liabilities			23,883,853		22,828,747
Liabilities					
Creditors: Amounts falling due after more than one year	15		(11,412)		(34,293)
Net assets excluding pension liability			23,872,441		22,794,454
Pension scheme liability	24		(648,000)		(670,472)
Net assets including pension liability			23,224,441		22,123,982
Funds of the Academy:					
Restricted income funds					
Fixed asset fund(s)	16		23,174,833		21,933,611
General fund(s)	16		-		154,309
Pension reserve	16		(648,000)		(670,472)
Total restricted funds			22,526,833		21,417,448
Unrestricted income funds					
General fund(s)	16		697,608		706,534
Total unrestricted funds			697,608		706,534
Total funds			23,224,441		22,123,982

The financial statements on pages 16 to 34 were approved by the Governors, and authorised for issue on 7 December 2015 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 2015

	Notes	2015 £	2014 £
Net cash (outflow)/ inflow from operating activities	19	(895,114)	38,020
Capital expenditure and capital grants inflow/(outflow)	20	1,071,381	(115,017)
Returns on investments and servicing of finance	21	(20,931)	(22,861)
Increase/ (decrease) in cash in the year	22	155,336	(99,858)
Reconciliation of net cash flow to movement in net funds			
Net funds at 1 September 2014		1,046,407	1,146,265
Net funds at 31 August 2015		1,201,743	1,046,407

Notes to the Financial Statements for the year ended 31 August 2015

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.

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.

Capital grants are 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.

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.

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.

Notes to the Financial Statements for the year ended 31 August 2015 (continued)

1. Statement of Accounting Policies (continued)

Incoming Resources (continued)

- **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.

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.

- **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.

Notes to the Financial Statements for the year ended 31 August 2015 (continued)

1. Statement of Accounting Policies (continued)

Tangible Fixed Assets

Assets costing £1,500 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

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 is 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 2015 (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 2015 £	Total 2014 £
Hire of Facilities	55,005	-	55,005	17,086
Catering Income	176,333	-	176,333	170,249
Other Income	91,284	9,000	100,284	134,881
Clubs and Trips	82,506	-	82,506	178,905
	405,128	9,000	414,128	501,121

Notes to the Financial Statements for the year ended 31 August 2015 (continued)

3. Investment Income

	Unrestricted Funds £	Restricted Funds £	Total 2015 £	Total 2014 £
Deposit account	1,950	-	1,950	2,627

4. Funding for Academy's educational operations

	Unrestricted Funds £	Restricted Funds £	Total 2015 £	Total 2014 £
DfE / EFA revenue grants				
General annual grant (GAG)	-	4,906,224	4,906,224	4,807,548
Other DfE / EFA grants	-	176,514	176,514	125,655
Capital grants	-	1,462,456	1,462,456	21,702
	-	6,545,194	6,545,194	4,954,905
Other Government grants				
Local authority grants	-	31,917	31,917	43,247
Capital grants	-	-	-	24,121
	-	6,577,111	6,577,111	5,022,273

5. Resources Expended

	Staff Costs £	Non Pay Expenditure		Total 2015 £	Total 2014 £
		Premises £	Other Costs £		
Academy's educational operations					
Direct costs	3,528,399	-	297,165	3,825,564	3,750,826
Allocated support costs	665,165	697,495	320,464	1,764,985	1,990,308
Activities for generating funds	81,861	-	315,005	315,005	251,057
	4,275,425	697,495	932,634	5,905,554	5,992,191
Governance costs including allocated support	-	-	43,176	43,176	66,695
	4,275,425	697,495	975,810	5,948,730	6,058,886

Incoming/outgoing resources for the year include:

	2015 £	2014 £
Operating leases		
- other leases	72,055	51,893
Fees payable to auditor for:		
- audit	11,000	10,533
- other services	3,610	12,965

Notes to the Financial Statements for the year ended 31 August 2015 (continued)

6. Charitable Activities – Academy's educational operations

	Unrestricted Funds £	Restricted Funds £	Total 2015 £	Total 2014 £
Direct costs				
Teaching and educational support staff costs	3,136	3,525,263	3,528,399	3,450,121
Technology costs	-	148	148	603
Educational supplies	5,449	128,541	133,990	132,373
Examination fees	-	69,776	69,776	72,767
Staff development	-	28,810	28,810	33,836
Educational consultancy	-	8,673	8,673	8,803
Other direct costs	-	55,768	55,768	52,323
	8,585	3,816,979	3,825,564	3,750,826
Allocated support costs				
Support staff costs	25,161	640,004	665,165	715,125
Depreciation	-	465,389	465,389	468,416
Technology costs	-	34,211	34,211	78,095
Recruitment and support	-	34,432	34,432	17,241
Maintenance of premises and equipment	-	224,583	224,583	349,827
Cleaning	-	7,523	7,523	7,720
Rent & rates	-	55,053	55,053	48,559
Energy costs	-	62,254	62,254	54,884
Insurance	-	16,439	16,439	52,452
Security and transport	-	2,736	2,736	8,032
Catering	3,653	11,939	15,592	12,487
Retirement benefit cost including finance cost	-	160,000	160,000	135,000
Bank interest and charges	384	4,259	4,643	4,582
Other support costs	-	16,965	16,965	37,888
	29,198	1,735,787	1,764,985	1,990,308
Activities for generating funds				
Catering	76,159	81,861	158,020	84,436
Clubs, school trips and other costs	156,118	867	156,985	166,621
	232,277	82,728	315,005	251,057
	270,060	5,635,494	5,905,554	5,992,191

7. Governance costs

	Unrestricted Funds £	Restricted Funds £	Total 2015 £	Total 2014 £
Legal and professional fees	-	28,566	28,566	42,937
Auditor's remuneration	-	-	-	-
• Audit of financial statements	-	11,000	11,000	10,533
• Responsible officer audit	-	1,300	1,300	975
• Accountancy, taxation and other services	-	2,050	2,050	11,990
Governors' reimbursed expenses	-	260	260	260
	-	43,176	43,176	66,695

Notes to the Financial Statements for the year ended 31 August 2015 (continued)

8. Staff costs

Staff costs during the year were:

	2015	2014
	£	£
Wages and salaries	3,499,651	3,512,312
Social security costs	256,386	253,980
Pension costs	466,390	451,789
	<u>4,222,427</u>	<u>4,218,081</u>
Supply staff cost	52,998	6,773
	<u>4,275,425</u>	<u>4,224,854</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:

	2015	2014
	No.	No.
Charitable Activities		
Teachers	64	67
Administration and support	56	53
Management	6	6
	<u>126</u>	<u>126</u>

The number of employees whose emoluments exceeded £60,000 was:

	2015	2014
	No.	No.
£70,001 - £80,000	-	1
£80,001 - £90,000	1	1

The teacher noted above participated in the Teachers' Pension Scheme. During the year ended 31 August 2015, pension contributions for this member of staff amounted to £12,422 (2014: £23,038 for 2 employees).

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:

S Brooker (Other staff Governor):
Remuneration £20,000- £25,000 (2014: £20,000 to £25,000)
Employers pension contributions £0 - £5,000 (2014 £0 - £5,000)

A Potts (Other staff Governor):
Remuneration £50,000- £55,000 (2014: £40,000 to £45,000 from February 2014)
Employers pension contributions £5,000 - £10,000 (2014: £5,000 - £10,000)

D J Lowndes (Acting Headteacher):
Remuneration £85,000- £90,000 (2014: £5,000- £10,000 from July 2014)
Employer pension contributions £10,000 - £15,000 (2014: £0 - £5,000 from July 2014)

Notes to the Financial Statements for the year ended 31 August 2015 (continued)

During the year ended 31 August 2015, travel and subsistence expenses totalling £260 (2014: £260) were reimbursed to Governors.

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

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 2015 was £1,380 (2014: £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	Assets in the course of construction	Total
	£	£	£	£	£	£
Cost						
At 1 September 2014	22,962,676	32,992	159,514	19,000	134,841	23,309,023
Additions	-	18,879	-	-	432,168	451,047
Transfers	427,073	-	-	-	(427,073)	-
At 31 August 2015	23,389,749	51,871	159,514	19,000	139,936	23,760,070
Depreciation						
At 1 September 2014	1,274,557	19,389	73,321	8,145	-	1,375,412
Charged in period	431,224	8,723	22,727	2,715	-	465,389
At 31 August 2015	1,705,781	28,112	96,048	10,860	-	1,840,801
Net book values						
At 31 August 2015	21,683,968	23,759	63,466	8,140	139,936	21,919,269
At 31 August 2014	21,688,119	13,603	86,193	10,855	134,841	21,933,611

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 2015.

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.

Assets in the course of construction relate to new building work not yet complete at the balance sheet date.

At the balance sheet date, capital expenditure of £1,255,564 relating to freehold land and buildings was contracted.

Notes to the Financial Statements for the year ended 31 August 2015 (continued)

12. Stock

	2015 £	2014 £
Catering	4,098	4,098

13. Debtors

	2015 £	2014 £
Trade debtors	22,520	15,756
Other debtors	2,681	-
VAT debtor	40,076	73,075
Prepayments and accrued income	1,050,697	46,257
	<u>1,115,974</u>	<u>135,088</u>

14. Creditors: amounts falling due within one year

	2015 £	2014 £
Trade creditors	65,883	81,256
Taxation and social security	73,204	75,985
Other creditors	61,138	63,807
Accruals and deferred income	134,144	46,547
Loan	22,862	22,862
	<u>357,231</u>	<u>290,457</u>

At 31 August 2015 the Academy held the following in respect of deferred income:

Deferred Income

	2015 £	2014 £
Deferred Income at 1 September 2014	30,857	70,934
Resources deferred in the year	48,861	30,857
Amounts released from previous year	(30,857)	(70,934)
	<u>48,861</u>	<u>30,857</u>

Deferred income includes funds received in advance for extracurricular activities and trips.

Notes to the Financial Statements for the year ended 31 August 2015 (continued)

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

	2015 £	2014 £
Loans	11,412	34,293

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

16. Funds

	Balance at 1 September 2014 £	Incoming Resources £	Resources Expended £	Gains, Losses and Transfers £	Balance at 31 August 2015 £
Restricted general funds					
General Annual Grant (GAG)	132,563	4,906,224	(4,940,576)	(98,211)	-
Other DfE/EFA grants	-	176,514	(176,514)	-	-
William Price Charitable Trust	21,746	9,000	(30,746)	-	-
Pension reserve	(670,472)	-	(33,528)	56,000	(648,000)
Local Authority Grants	-	31,917	(31,917)	-	-
	(516,163)	5,123,655	(5,213,281)	(42,211)	(648,000)
Restricted fixed asset funds					
Fixed assets upon transfer	21,565,714	-	(458,031)	-	21,107,683
DfE/ EFA capital grants	242,257	1,462,456	(4,845)	-	1,699,868
Local Authority Grants	22,478	-	(450)	-	22,028
Capital expenditure from GAG	103,162	-	(2,063)	244,155	345,254
	21,933,611	1,462,456	(465,389)	244,155	23,174,833
Total restricted funds	21,417,448	6,586,111	(5,678,670)	201,944	22,526,833
Unrestricted funds					
Unrestricted funds	706,534	407,078	(270,060)	(145,944)	697,608
Total unrestricted funds	706,534	407,078	(270,060)	(145,944)	697,608
Total funds	22,123,982	6,993,189	(5,948,730)	56,000	23,224,441

Notes to the Financial Statements for the year ended 31 August 2015 (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 2015.

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 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 2015 are represented by:

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds 2015 £	Total Funds 2014 £
Tangible fixed assets	-	-	21,919,269	21,919,269	21,933,611
Current assets	697,608	368,643	1,255,564	2,321,815	1,185,593
Current liabilities	-	(357,231)	-	(357,231)	(290,457)
Non current liabilities	-	(11,412)	-	(11,412)	(34,293)
Pension scheme liability	-	(648,000)	-	(648,000)	(670,472)
Total net assets	697,608	(648,000)	23,174,833	23,224,441	22,123,982

Notes to the Financial Statements for the year ended 31 August 2015 (continued)

18. Financial commitments

Operating leases

At 31 August 2015 the Academy had annual commitments under non-cancellable operating leases as follows:

	2015 £	2014 £
<u>Other</u>	813	-
Expiring within one year	71,242	51,867
Expiring within two and five years inclusive	-	-
Expiring in over five years	-	-
	72,055	51,867

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

	2015 £	2014 £
Net income / (deficit)	1,044,459	(532,865)
Depreciation (note 11)	465,389	468,416
Interest receivable	(1,950)	-
FRS 17 pension cost less contributions payable	32,528	21,603
FRS 17 pension finance cost (note 24)	1,000	8,000
(Increase)/ decrease in debtors	(980,886)	103,233
Increase/(decrease) in creditors	6,802	15,456
Capital grants from DFE/YPLA/EFA	(1,462,456)	(45,823)
Net cash inflow from operating activities	(895,114)	38,020

20. Capital expenditure and financial investment

	2015 £	2014 £
Purchase of tangible fixed assets funded by capital grants	(391,075)	(160,840)
Receipt of capital grants	1,462,456	45,823
Net cash (outflow)/ inflow from capital expenditure and financial investment	1,071,381	(115,017)

21. Financing

	2015 £	2014 £
Repayments in year	(22,881)	(22,861)
Interest receivable	1,950	-
Net cash (outflow) / inflow from financing	(20,931)	(22,861)

22. Analysis of changes in net funds

	At 1 September 2014 £	Cash flows £	At 31 August 2015 £
Cash in hand and at bank	1,046,407	155,336	1,201,743
	1,046,407	155,336	1,201,743

Notes to the Financial Statements for the year ended 31 August 2015 (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 2012 and of the LGPS 31 March 2013.

Contributions amounting to £60,376 were payable to the schemes at 31 August 2015 (2014: £63,003) 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

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

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%);
- total scheme liabilities 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.

Notes to the Financial Statements for the year ended 31 August 2015 (continued)

24. Pension and similar obligations (continued)

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

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

The pension costs paid to TPS in the period amounted to £337,606 (2014: £346,392).

A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#).

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2015 was £170,000 (2014: £139,544) of which employers' contributions totalled £127,000 (2014: £105,397) and employees' contributions totalled £43,000 (2014: £34,146). The agreed contribution rates for future years are 13.5 per cent for employers (2014: 13.1 per cent) and between 5.5 and 12.5 per cent for employees (2014: 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.

Principal Actuarial Assumptions	At 31 August	At 31 August
	2015	2014
Rate of increase in salaries	3.5%	3.6%
Rate of increase for pensions in payment / inflation	2.0%	2.1%
Discount rate for scheme liabilities	3.8%	3.7%
Inflation assumption (CPI)	2.0%	2.1%

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	At 31 August
	2015	2014
<i>Retiring today</i>		
Males	24.5	24.4
Females	26.3	26.2
<i>Retiring in 20 years</i>		
Males	26.6	26.5
Females	28.6	28.5

Notes to the Financial Statements for the year ended 31 August 2015 (continued)

24. Pension and similar obligations (continued)

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

	Expected return at 31 August 2015	Fair value at 31 August 2015 £	Expected return at 31 August 2014	Fair value at 31 August 2014 £
Equities	7.5%	735,000	7.5%	653,000
Property	6.8%	105,000	6.8%	84,000
Government bonds	2.9%	330,000	2.9%	261,000
Corporate bonds	3.3%	22,000	3.3%	15,000
Cash	1.1%	42,000	1.1%	40,000
Other	7.5%	44,000	7.5%	34,000
Total market value of assets		1,278,000		1,087,000
Present value of scheme liabilities - funded		(1,926,000)		(1,758,000)
(Deficit) in the scheme		(648,000)		(671,000)

The return on the Fund (on a bid value to bid value basis) for the year ended 31 August 2015 is not provided by the actuary due to the application of FRS102. 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 2015 was £45,000 (2014: £2,000).

Amounts recognised in the statement of financial activities

	2015 £	2014 £
Current service cost (net of employee contributions)	(159,000)	(127,000)
Past service cost	-	-
Total operating charge	(159,000)	(127,000)

Analysis of pension finance income / (costs)

Expected return on pension scheme assets	68,000	66,000
Interest on pension liabilities	(69,000)	(74,000)
Pension finance costs	(1,000)	(8,000)

The actuarial gains and losses for the current period are recognised in the Statement of Financial Activities. The cumulative amount of actuarial gains and losses recognised in the Statement of Financial Activities since the adoption of FRS 17 is a £90,000 (2014: £146,000) loss.

Notes to the Financial Statements for the year ended 31 August 2015 (continued)

24. Pension and similar obligations (continued)

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

	2015 £	2014 £
At 1 September 2014	1,758,000	1,587,000
Current service cost	159,000	127,000
Interest cost	69,000	74,000
Employee contributions	43,000	34,000
Actuarial (gain)/loss	(81,000)	(16,000)
Benefits paid net of transfers in	(22,000)	(48,000)
At 31 August 2015	1,926,000	1,758,000

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

	2015 £	2014 £
At 1 September 2014	1,087,528	994,131
Expected return on assets	68,000	66,000
Actuarial (loss) / gain	(25,000)	(64,000)
Employer contributions	126,472	105,397
Employee contributions	43,000	34,000
Benefits paid net of transfers in	(22,000)	(48,000)
At 31 August 2015	1,278,000	1,087,528

The estimated value of employer contributions for the year ended 31 August 2016 is £133,000 (2015: £111,000).

The four year history of experience adjustments is as follows:

	2015 £	2014 £	2013 £	2013 £
Present value of defined benefit obligations	(1,926,000)	(1,758,000)	(1,587,000)	(1,376,000)
Fair value of share of scheme assets	1,278,000	1,087,528	994,131	801,225
Surplus/(Deficit) in the scheme	(648,000)	(670,472)	(592,869)	(574,775)
Experience adjustments on share of scheme assets				
Amount	(25,000)	(64,000)	59,000	41,000
Experience adjustments on scheme liabilities:				
Amount	Nil	(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. No related party transactions were noted in the period of account.