

**ST HILARY SCHOOL**  
**(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT AND AUDITED ACCOUNTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

Company Registration No. 07655662 England and Wales

# ST HILARY SCHOOL

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# ST HILARY SCHOOL

## REFERENCE AND ADMINISTRATIVE DETAILS

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### Members

P H Scrase  
D A Sharp  
G Mitchell  
W Mann

### Trustees

LS Beckerleg (Vice Chair)  
MD Brant  
K Butcher (Accounting Officer)  
DA Sharp (Chair)  
LA Greygoose  
E Hewett  
YE Oates  
E Ferrell (Resigned 26 September 2017)  
R Hamshar  
NJ Kelly (Resigned 5 February 2018)  
P Scrase (Resigned 31 August 2018)  
A Larter  
K Tunncliffe  
A Cock (Appointed 26 September 2017)  
J Atkinson (Appointed 26 September 2017)  
J Anjari (Appointed 26 September 2017)

### Senior management team

- Headteacher	K Butcher
- Deputy headteacher	R Hamshar
- Teacher	M Brant
- Teaching Assistant	L Greygoose
- Teacher	A Larter

### Company registration number

07655662 (England and Wales)

### Registered office

St Hilary School  
Chynoweth Lane  
St Hilary  
PENZANCE  
Cornwall  
TR20 9DR

### Independent auditor

Robinson Reed Layton LLP  
Peat House  
Newham Road  
TRURO  
Cornwall  
TR1 2DP

# ST HILARY SCHOOL

## REFERENCE AND ADMINISTRATIVE DETAILS

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### **Bankers**

Barclays Bank Plc (Penzance)  
PO Box 2  
8 - 9 Market Jew Street  
PENZANCE  
Cornwall  
TR18 2TW

### **Solicitors**

Nalders LLP  
6 Chapel Street  
CAMBORNE  
Cornwall  
TR14 8EG

# ST HILARY SCHOOL

## TRUSTEES' REPORT

**FOR THE YEAR ENDED 31 AUGUST 2018**

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The trustees present their annual report together with the accounts and auditor's report of the charitable company for the year 1 September 2017 to 31 August 2018. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The academy operates an academy for pupils aged 5 to 11 serving a catchment area in St Hilary, Cornwall. It has a pupil capacity of 245 and had a roll of 247 in the school census in May 2018.

### **Structure, governance and management**

#### Constitution

The academy 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.

The trustees of St Hilary School are also the directors of the charitable company for the purposes of company law. Details of the trustees who served during the year, and to the date these accounts are approved, 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.

#### Trustees' indemnities

In accordance with normal commercial practice the charitable company has purchased insurance to protect trustees from claims arising from negligent acts, errors or omissions occurring whilst on the charitable company's business. The insurance provides cover up to £5 million on any one claim.

#### Method of recruitment and appointment or election of trustees

The number of trustees shall be not less than three but shall not be subject to any maximum. The members may appoint up to 8 trustees. The staff trustees may be appointed through such processes that the members determine, provided that the total number of trustees (including the headteacher) who are employees of the academy does not exceed one third of the total number of trustees.

A minimum of two parent trustees are elected by parents of pupils registered at the academy at the time when they are elected. Any election of parent trustees which is contested is held by secret ballot.

Trustees may appoint up to three co-opted trustees. A 'co-opted trustee' means a person who is appointed to be a trustee by being co-opted by trustees who have not themselves been so appointed.

Election of the Chair and Vice-Chair of trustees is held annually. Trustees nominate at the election meeting and the election is conducted by a show of hands where there is one candidate or secret ballot where there is more than one candidate.

#### Policies and procedures adopted for the induction and training of trustees

All new trustees are assigned an experienced trustee mentor to assist them in taking on new responsibilities, and will be required to undertake induction training or other relevant training as and when provided.

# ST HILARY SCHOOL

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2018

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#### Organisational structure

The organisational structure consists of three levels: The members, the trustees and the senior management team.

The members of the academy comprise the signatories of the Memorandum, including the Chair of the trustees. The members have defined the roles of the trustees and the committee structure.

Trustees, are assigned specific areas of focus aligned to the management and administration of the academy or areas within teaching and learning:

- Quality & Standard of Teaching & Learning
- Personnel, Leadership & Management
- Finance & Resources
- Premises/Site Management, Health & Safety, Safeguarding
- First (Personnel) Committee
- Appeals (Personnel) Committee
- Pupil Discipline Committee
- Admissions Committee

The trustees operate in accordance with documented terms of reference as follows:

- Quality and Standard of Teaching & Learning - to monitor and evaluate the curriculum within the academy, monitor special educational needs (SEN) provision, and monitor and review any extended academy activities.
- Personnel, Leadership and Management - to support staff in their ongoing professional development, ensuring staff well being, empowering staff to become effective leaders, and review staff structure when vacancies occur.
- Finance and Resources - to review and monitor expenditure assuring best value is achieved, to consider and approve the academy's budget.
- Premises/Site Management, Health & Safety, Safeguarding - to annually audit safeguarding, health & safety and the premises and grounds and ensure that the academy complies with all safeguarding and health & safety regulations.
- First (Personnel) Committee - to review pay, staff grievances, redundancy and staff discipline.
- Appeals (Personnel) Committee - to hear staff appeals against the decision of the First (Personnel) Committee.
- Pupil Discipline Committee - to review pupil exclusions.
- Admissions Committee - to process all school admissions and liaise with parents when necessary.

The senior management team comprises the headteacher and the deputy headteacher. In accordance with the Academy Financial Handbook, the trustees appointed the headteacher as Accounting Officer and the School Business Manager as the Principal Finance Officer.

#### Arrangements for setting pay and remuneration of key management personnel

The arrangements for setting the pay and remuneration of the academy's key management personnel are set using the NAHT model pay policy, and in-line with the NASUWT Ranges for Headteachers, England and Wales. The first committee leads remuneration procedures in line with their terms of reference. Performance management of the Headteacher is led by an external advisor.

Non-teaching members (Business Manager) are reviewed/benchmarked by our external HR provider neo people management.

Headteacher Mrs Kelley Butcher

Deputy Headteacher Mr Robin Hamshar

Business Manager Miss Charlotte Fraser

# ST HILARY SCHOOL

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2018

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#### Related parties and other connected charities and organisations

No connected organisations as at 31 August 2018.

Related party relationships are detailed in Note 22 to the accounts.

#### **Objectives and activities**

##### Objects and aims

The academy's object is specifically restricted to the advancement of education for the public benefit of the United Kingdom, in particular, but without prejudice to the generality of the foregoing by establishing, maintaining and developing a school offering a broad and balanced curriculum.

The academy's main strategic goal is to maintain, manage and develop an academy offering a broad and balanced curriculum to mixed ability pupils aged 4-11, in a safe and exciting learning environment.

The academy aims to maintain its high standards over the forthcoming year and find ways to improve all aspects of the academy.

The academy objective is set out in accordance with the Articles of Association.

##### Objectives, strategies and activities

The main objectives of the academy during the period ended 31 August 2018 are summarised below:

##### Priority 1:

Mathematics - to raise attainment and progress in-line with the school's reading and writing % and to exceed national averages for all groups (% targets based on 2017 National KS2 data).

##### Priority 2:

Writing – close the attainment and progress gaps between:

- boys and girls
- SEN and disadvantaged pupils and the national averages (% targets based on 2017 National KS2 data).

##### Priority 3:

SEN - accelerate progress of SEN pupils to ensure their attainment and progress data is at least in line with the national picture (% targets based on 2017 National KS2 data).

Priority 4: ensure all appropriate MAT opportunities are thoroughly explored and evaluated in line with the schools long term ambitions and targets.

Progress towards the main objectives are reviewed and discussed at each full governing body meeting as well as having task groups to monitor the progress and impact on pupil learning.

##### Public benefit

The trustees have complied with their duty to have due regard to the guidance on public benefit issued by the Charity Commission in exercising their powers and duties.

# ST HILARY SCHOOL

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2018**

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### Strategic report

#### Achievements and performance

St Hilary School continues to thrive and is an important part of the local community. Every year group is either full or oversubscribed with the exception of the EYFS year group. In July 2018 we had 247 children on roll with a net capacity of 245.

St Hilary School provides a safe and nurturing environment where our children thrive, both socially and academically.

This year's results were as follows:

#### KS2 Test results:

% reaching expected standard:

- Reading 91.4% (34.3% Greater Depth)
- Writing 97.1% (35% Greater Depth)
- Spelling, Punctuation and Grammar 91.4% (28.6% Greater Depth)
- Maths 88.6% (17.7% Greater Depth)
- Reading, Writing and Maths 77.1% (9% more than expected standard)

#### KS1 Test results:

% reaching expected standard:

- Reading 81.6% (34.2% greater depth)
- Writing 79% (43.6% greater depth)
- Maths 68.4% (29% greater depth)

Year 1 Phonics Screening: 82.1%

Year 2 Phonics Screening: 75%

Our curriculum is wide and varied and provides a range of exciting opportunities for the children. The academy continues to deliver a 'Real Project Based Curriculum'. The children have enjoyed a range of whole school curriculum topics this year and both within and outside of this, have experienced an excellent range of activities.

The community, as always, is a key part of our school ethos and the children have taken part in many community events. One of the highlights was taking part in the St Piran's Day parade and concert. The pupils had many successes in music, sport and drama, as well as academically. The academy's Junior and Infant Choirs enjoyed singing throughout the year, both in school and in the wider community.

In November 2017 we received an Ofsted inspection and remained graded as 'good', although verbal feedback told us that we were "knocking on the door of outstanding".

Breaking down barriers to learning remains a key priority for us and four members of staff who were previously 'Thrive' trained have now retrained to convert the practitioner license to 'TIS' (Trauma Informed Schools). This work will continue to develop into 2018-2019. This system has had a huge impact on the well-being of many individuals.

The academy enjoys strong working relationships with parents and we are extremely grateful for the parents who have volunteered to support the academy, whether it be on the occasional trip or as weekly session in a classroom. Without them it would be difficult to sustain some of the exciting and adventurous activities which the academy does. This is particularly the case in the Early Years classrooms where 'Welly Walks' and outdoor learning opportunities are part of daily routines.

The school and the PTA have maintained an excellent working relationship this academic year and due to their hard work and commitment, significant funds were raised which was used during 2017-2018 to purchase playground equipment, an outdoor playhouse, to sustain the polytunnel and to employ a member of staff to work with the children to develop garden areas.



# ST HILARY SCHOOL

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2018

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During 2017-2018 we have continued to use our sports premium funding to provide all children with high quality gymnastics coaching at the Penzance gymnastics club. The funding also supports our sports after school activities, resources and training for staff. We have also introduced surfing sessions for children in years 5 and 6. A report relating to the use of our sports funding is publicly available on our school website. St Hilary continues to do very well locally in a variety of sports.

Our year 6 cricket team had a highly successful season and won the Cornwall County finals and then went on to win the South West Kwik Cricket Finals. We also entered teams in cross-country, hockey, high-5, tag rugby and athletics, with many successes.

The school achieved the 'Sainsbury's Sports mark- 'Gold' – a fantastic achievement!

The school continues to offer a wide range of after school activities for all children. During 2017-2018 children had access to: cross country, infant sports, rugby, junior football, netball, hockey, chess, drama, walking, mindfulness club and choir.

#### Going concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the academy has adequate resources to continue in operational existence for the foreseeable future. For this reason the board of trustees continues to adopt the going concern basis in preparing the accounts. Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies.

#### **Financial review**

The academy's accounting period is the year to 31 August 2018.

Most of the academy's income is derived from the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received during the year to 31 August 2018 and the associated expenditure, are shown as restricted funds in the statement of financial activities.

The academy also received grants for fixed assets from the ESFA. Such grants are shown in the statement of financial activities as restricted income in the fixed asset fund. The restricted fixed asset fund will be reduced by annual depreciation charges over the expected useful life of the assets concerned.

The financial performance and positions of the academy are monitored monthly during the year and reviewed by the full governing body termly.

The biggest factor likely to affect the academy going forward is the amount of GAG funding received relating to pupil numbers. Within 2017/18 the financial procedures and processes have been reviewed and updated. Investment has been made into staffing and the curriculum to support the key objectives of the academy.

#### Reserves policy

The trustees aim to control reserves to an agreed level to ensure excessive balances are not held at any one time. Trustees will ensure that delegated funds are spent appropriately on the pupils of St Hilary School and that government balances policies will always be adhered to.

However, trustees are also aware of their responsibilities to ensure sufficient reserves are kept to ensure good financial practice and to maintain a safe financial future for St Hilary School. Any future financial trends are identified early by good financial planning and regular monitoring by finance staff and the St Hilary School Finance & Resources committee.

The trustees consider the financial year end position of £997,731 (2017: £942,538) comprising £1,154,811 (2017: £1,104,842) of restricted fixed asset funds, £(172,000) (2017: £(206,000)) of restricted funds and £95,186 (2017: £98,889) of unrestricted funds to be satisfactory. The restricted funds consist of the pension reserve amounting to £(172,000) (2017: £(206,000)) and general restricted funds of £Nil (2017: £Nil).

The level of free reserves held by the charitable company are £95,186 (2017: £98,889).

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# ST HILARY SCHOOL

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2018

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The Local Government Pension Scheme (LGPS) fund is currently in deficit. The academy has entered into an agreement with the LGPS trustees to make additional annual contributions totalling £25,500 in addition to normal funding levels, over a period of 3 years, in order to bridge the scheme deficit.

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

#### Investment policy

The academy makes cash deposits into a high interest account on 12 weekly terms, ensuring that investment income is optimised without limiting the availability of cash for the operations of the academy.

The trustees are not allowed to make financial investments with any level of risk with third party organisations that may threaten the future of the organisation.

#### Principal risks and uncertainties

The trustees use the Risk Register as defined in the Academy Financial Handbook to evaluate strategic and reputational, operational, compliance, and financial risks to which the Academy Trust is exposed and have ensured that the management structure, systems and controls are in place to manage these risks, as well as insurance to cover financial loss and legal exposure.

The trustees ensure regular review of risks through the reports provided by the senior management team to the aforementioned Committees. Each Committee reports to the board of trustees at least once each term.

The key financial performance indicator for the academy is the adherence to the financial budget set at the beginning of the year. Excluding any generated funds, all income for the academy is government or local authority funded.

An expenditure budget is set at the beginning of the year, taking into consideration the level of government funding. The trustees have reviewed detailed capital and revenue expenditure reports compared to expenditure budgets, which confirms that the processes and procedures in place for controlling expenditure are acceptable. The carried forward credit balance from the General Annual Grant (GAG) is within acceptable parameters.

The principal risk facing the academy is the future level of government funding. This risk is managed by careful control over budgeted expenditure, which ensures that a deficit does not arise for the year, combined with a prudent reserves policy.

#### **Fundraising**

All school fundraising is organised and managed via the school PTA. St Hilary School PTA are a registered charity and do a fantastic job at raising funds for the school by organised events such as the Christmas Fayre, Summer Fayre, cake sales etc. The events are aimed at stakeholders of the school, such as children, parents, grandparents and the local community. The Head Teacher works with the PTA and is able to monitor any fundraising events. There is no intrusive or persistent fundraising. Fundraising events are advertised via the school newsletter and schools Facebook page.

# ST HILARY SCHOOL

## TRUSTEES' REPORT (CONTINUED)

*FOR THE YEAR ENDED 31 AUGUST 2018*

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### **Plans for future periods**

**Priority 1:** To effectively manage the transition into the 'Leading Edge Academy Partnership' MAT, ensuring a positive impact on the outcomes of pupils and staff, providing a world class education for global learners.

**Priority 2:** To establish a culture of research based CPD to facilitate the improving attainment and progress of identified key groups.

**Priority 3:** To ensure that our exciting and broad 'real project based curriculum' has a clearly defined structure at it's core which:

- is built on a consistently age appropriate progression of skills and knowledge
- withholds the LEAP values: Ethical an ethical and passionate desire to make the world a greater place, Equitable everyone can be the best they can be, Excellent continually getting better, Evolutionary embracing challenge as a normal part of life, Empathetic thinking and caring for others in all actions and Enduring working hard and not giving up when things get difficult.
- results in the highest quality of work demonstrated in all subjects
- remains balanced, engaging, global and adventurous
- is routinely monitored and challenged

### **Auditor**

In so far as the trustees are aware:

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

A resolution proposing that Robinson Reed Layton LLP be reappointed as auditor of the charitable company will be put to the members.

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 12 December 2018 and signed on its behalf by:

DA Sharp  
**Chair**

# ST HILARY SCHOOL

## GOVERNANCE STATEMENT

**FOR THE YEAR ENDED 31 AUGUST 2018**

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### Scope of responsibility

As trustees we acknowledge we have overall responsibility for ensuring that St Hilary 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 St Hilary 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 Trustees' Report and in the Statement of Trustees' Responsibilities. The board of trustees has formally met 6 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustees	Meetings attended	Out of possible
LS Beckerleg (Vice Chair)	5	6
MD Brant	6	6
K Butcher (Accounting Officer)	6	6
DA Sharp (Chair)	5	6
LA Greygoose	6	6
E Hewett	4	6
YE Oates	3	6
E Ferrell (Resigned 26 September 2017)	0	0
R Hamshar	6	6
NJ Kelly (Resigned 5 February 2018)	2	2
P Scrase (Resigned 31 August 2018)	5	6
A Larter	6	6
K Tunnicliffe	5	6
A Cock (Appointed 26 September 2017)	6	6
J Atkinson (Appointed 26 September 2017)	6	6
J Anjari (Appointed 26 September 2017)	6	6

The board of trustees carry out a review of governance on an annual basis, using the National Governor Association self-review format.

The self-evaluation tool consisted of 20 questions and they are marked on a traffic light system.

The key strengths were:

- Holding school leaders to account
- Strong effective leadership from the chair
- Clear vision
- Overall effectiveness
- Evaluation of skills on the board

Area for development:

- To gain awareness of being a local governing body when joining a MAT
- Review alterations to the structure of the governing body needed to fit the requirements of the MAT

# ST HILARY SCHOOL

## GOVERNANCE STATEMENT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2018**

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Actions taken:

- Trustees have attended meetings organised by the Leading Edge Academies trust to gain a wider knowledge of what joining the MAT would mean to the school.
- Advice has been given regarding the structure of the 'Local Governing Board' and the governors have begun working towards this structure when recruiting new governors.

The next self-evaluation of governance is due in January 2019.

### **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.

### **Improving educational results**

The governing body regularly reviews the functions of the school, challenging how and why services are provided and sets targets and performance indicators for improvement.

Staff review and deployment of staff is considered at each termly trustees meeting, and budget setting takes necessary changes into account. In the financial year September 2017- August 2018, the development of Maths in the new curriculum and assessment systems continued to be prioritised and training for staff was increased to reach the schools aims. Provision for children with special educational needs and in need of more focused provision was also prioritised and deployment of staff was used to target children in need of specialist provision.

The trust has enjoyed engaging with other educational providers and experts to share delivery and good practice. This has particularly been the case with our continued partnership with 'challenge partners': a collaborative school approach to school quality assurance and improvement.

During 2017-2018 St Hilary has continued to work within the Truro Teaching School Alliance and the Applied Minds Teaching School Alliance. This collaboration has continued to provide opportunities for joint staff continuing professional development- this has included curriculum development and planning, moderation and access to technology. Partnership with the Applied Minds Teaching School has continued to be instrumental to the developments in the project-based curriculum at St Hilary School.

The school has continued to establish close ties with a number of external agencies, including speech and language experts, occupational therapists, physiotherapists and educational psychologists. This is having a very important impact in developing internal expertise and knowledge and is ensuring that a range of pupil additional learning needs are met. We have invested in time for our SENDCO to attend County EHC review meetings which has upskilled her in this area.

As part of its aim to develop community cohesion many joint ventures are undertaken with the school PTA and the wider community. There are many fund raising and community events that occur as a result of these partnerships allowing the school to fund additional projects. The polytunnel was sustained this year using PTA money and playtime equipment was purchased for the children.

The trustees, use ASP to evidence and challenge the effectiveness of the trusts strategies on pupils' educational attainment. In 2017-2018 children made good progress across Key Stages 1 and 2 and left Year 6 with attainment above the national averages in all areas.

# ST HILARY SCHOOL

## GOVERNANCE STATEMENT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2018

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#### **Financial Governance and Oversight**

The trust's system of financial governance includes strong oversight by the accounting officer and governor finance committee. There is an active finance committee in place which reports back to the full governing body and is able to advise and support.

Termly Headteacher reports show detail of effective use of resources and day to day management. These are published on the school website for all parties to read.

There is a written scheme of delegation in place.

FMS (Financial management system) package is in place for all accounting on an on-going basis. All records are appropriately protected against unauthorised modifications, destruction, disclosure or loss whether by accident or intention. Only authorised staff are permitted access to the accounting records and are securely retained when not in use. Accounting records are properly maintained and held securely. All financial transactions are traceable from the original documentation to the accounting records and vice versa as evidenced by the school's responsible officer.

In accordance with the school's scheme of delegation, the finance committee are advised and included in decision making where spending proposals are above £15,000. This ensures value for money and challenge of decision makers.

#### **Better Purchasing**

Services and contracts have continued to be appraised during 2017-2018 to ensure that there is an appropriate mix of quality and effectiveness for the least cost. Good examples of this are: ICT equipment, staffing insurance.

Continuing communications with other Academy Trusts in our area allow us to benchmark and share procurement information.

During 2017-2018, refurbishment works of all toilet facilities throughout the school were completed. Quotes for work were undertaken and best value for money was considered.

The trust has taken opportunities to work collaboratively with other schools to achieve economies of scale. The school has both hosted and attended joint training opportunities with other schools and this will continue into 18/19.

The teaching school alliances formed in 2014 have continued to flourish and have continued to enhance our level of collaboration.

#### **Reviewing Controls and Managing Risk**

Budget reports are a fixed agenda item on termly governor meetings. All internal controls have been set out in accordance with the Academies Finance Handbook. Governor committee monitoring activities are carried out termly to ensure internal controls and procedures are being adhered to.

The trust continues to make low risk investments on a proportion of bank balance to maximise percentage interest return. This is reviewed by the finance governing committee and presented to the governing body.

#### **Lessons learned**

The trust constantly appraises its strategies and decisions and this informs future planning. The appointment of a finance administrator in September 2012 was as a result of such appraisal.

As a further example, the trust wished to eliminate cash income into the school as this creates additional administration time and risk. The school has become a cashless environment, introducing a new online payment system for parents.

During 2017-2018 the school has continued to work with teaching schools and this has provided better value for money and wider research into curriculum provision and related continuing professional development.

# ST HILARY SCHOOL

## GOVERNANCE STATEMENT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2018**

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### **The purpose of the system of internal control**

The system of internal control is designed to manage risk at 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 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 at St Hilary School for the period 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and accounts.

### **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 period 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the board of trustees.

### **The risk and control framework**

The academy's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties 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 board of trustees;
- regular reviews by the Finance and Resources Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The board of trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However the trustees have appointed Alex Cock, a trustee, as reviewer from February 2018 onwards.

The reviewer's role includes giving advice on financial matters and performing a range of checks on the academy's financial systems, including but not restricted to; purchasing processes, bank reconciliations, payroll processes, financial risk, income receivable, procurement processes and budget preparation/monitoring.

No material control issues were found.

### **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 who have responsibility for the development and maintenance of the internal control framework.

# **ST HILARY SCHOOL**

## **GOVERNANCE STATEMENT (CONTINUED)**

***FOR THE YEAR ENDED 31 AUGUST 2018***

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

Approved by order of the board of trustees on 12 December 2018 and signed on its behalf by:

K Butcher  
**Accounting Officer**

DA Sharp  
**Chair**



# ST HILARY SCHOOL

## STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE *FOR THE YEAR ENDED 31 AUGUST 2018*

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As accounting officer of St Hilary School I have considered my responsibility to notify the academy 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 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's board of trustees are able to identify any material irregular or improper use of funds by the academy, or material non-compliance with the terms and conditions of funding under the academy'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.

Approved on 12 December 2018 and signed by:

K Butcher  
**Accounting Officer**

# ST HILARY SCHOOL

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

### FOR THE YEAR ENDED 31 AUGUST 2018

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The trustees (who are also the directors of St Hilary School for the purposes of company law) are responsible for preparing the trustees' report and the accounts 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 trustees to prepare accounts for each financial year. Under company law the trustees must not approve the accounts 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 accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgements 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 accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring that grants received from ESFA/DfE have been applied for the purposes intended.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of accounts may differ from legislation in other jurisdictions.

Approved by order of the members of the board of trustees on 12 December 2018 and signed on its behalf by:

DA Sharp  
Chair

# ST HILARY SCHOOL

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ST HILARY SCHOOL FOR THE YEAR ENDED 31 AUGUST 2018

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### Opinion

We have audited the accounts of St Hilary School for the year ended 31 August 2018 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company'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;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018.

### 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 'Auditor's responsibilities for the audit of the accounts' section of our report. We are independent of the academy in accordance with the ethical requirements that are relevant to our audit of the accounts in the UK, including the FRC'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 trustees' use of the going concern basis of accounting in the preparation of the accounts is not appropriate; or
- the trustees have not disclosed in the accounts 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 accounts are authorised for issue.

### Other information

The other information comprises the information included in the annual report, other than the accounts and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the accounts 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 accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts 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 accounts 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.

# ST HILARY SCHOOL

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ST HILARY SCHOOL (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2018**

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### **Opinions 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 trustees' report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the Trustees' Report including the incorporated 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 the knowledge and understanding of the academy and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report, including the incorporated 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 accounts are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of trustees**

As explained more fully in the statement of trustees' responsibilities, the trustees are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, the trustees 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 trustees either intend to liquidate the charitable company, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the accounts**

Our objectives are to obtain reasonable assurance about whether the accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 accounts.

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

# ST HILARY SCHOOL

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ST HILARY SCHOOL (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2018**

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### **Use of our report**

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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Mark Williams (Senior Statutory Auditor)**  
for and on behalf of Robinson Reed Layton LLP

14 December 2018

**Chartered Accountants**  
**Statutory Auditor**

Peat House  
Newham Road  
TRURO  
Cornwall  
TR1 2DP

# ST HILARY SCHOOL

## INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ST HILARY SCHOOL AND THE EDUCATION & SKILLS FUNDING AGENCY

**FOR THE YEAR ENDED 31 AUGUST 2018**

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In accordance with the terms of our engagement letter dated 30 November 2018 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 St Hilary School during the period 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 St Hilary School and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the St Hilary School and 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 St Hilary School and ESFA, for our work, for this report, or for the conclusion we have formed.

### **Respective responsibilities of St Hilary School's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of St Hilary School's funding agreement with the Secretary of State for Education dated 23 June 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 period 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 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.

The work undertaken to draw to our conclusion includes:

- a review of minutes of all trustees' meetings;
- an evaluation of internal control procedures and reporting lines and a check on the implementation of such controls;
- a review of items purchased with credit cards to ensure they are not used for personal benefit;
- a review of financial transactions for any unusual transactions which may be improper;
- a review of all the activities of the academy to ensure that they are in keeping with the academy's framework and the charitable objectives;
- a review of pecuniary interest forms to ensure all key staff and trustees have declared their interest in related parties, as well as discussion and testing of these forms;
- a review of expenditure to ensure it does not contravene the funding agreement; and
- a review of procurement procedures to ensure activity is in accordance with Annex 4.4 of Managing Public Money.

# ST HILARY SCHOOL

## INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ST HILARY SCHOOL AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)

*FOR THE YEAR ENDED 31 AUGUST 2018*

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

### **Reporting Accountant**

Robinson Reed Layton LLP

Dated: 14 December 2018

# ST HILARY SCHOOL

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2018

	Notes	Unrestricted Funds £	Restricted funds: General Fixed asset £ £		Total 2018 £	Total 2017 £
<b>Income and endowments from:</b>						
Donations and capital grants	3	11,928	-	106,452	118,380	16,857
Charitable activities:						
- Funding for educational operations	4	72,287	972,132	-	1,044,419	1,087,461
Other trading activities	5	470	-	-	470	690
Investments	6	91	-	-	91	396
<b>Total</b>		<u>84,776</u>	<u>972,132</u>	<u>106,452</u>	<u>1,163,360</u>	<u>1,105,404</u>
<b>Expenditure on:</b>						
Charitable activities:						
- Educational operations	8	16,080	1,079,864	56,150	1,152,094	1,200,211
<b>Total</b>	7	<u>16,080</u>	<u>1,079,864</u>	<u>56,150</u>	<u>1,152,094</u>	<u>1,200,211</u>
<b>Net income/(expenditure)</b>		68,696	(107,732)	50,302	11,266	(94,807)
Transfers between funds	17	(72,399)	72,732	(333)	-	-
<b>Other recognised gains/(losses)</b>						
Actuarial gains on defined benefit pension schemes	19	-	69,000	-	69,000	150,000
<b>Net movement in funds</b>		<u>(3,703)</u>	<u>34,000</u>	<u>49,969</u>	<u>80,266</u>	<u>55,193</u>
<b>Reconciliation of funds</b>						
Total funds brought forward		98,889	(206,000)	1,104,842	997,731	942,538
Total funds carried forward		<u>95,186</u>	<u>(172,000)</u>	<u>1,154,811</u>	<u>1,077,997</u>	<u>997,731</u>



# ST HILARY SCHOOL

## STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2018

Comparative year information Year ended 31 August 2017	Notes	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total 2017 £
<b>Income and endowments from:</b>					
Donations and capital grants	3	8,887	1,000	6,970	16,857
Charitable activities:					
- Funding for educational operations	4	65,410	1,022,051	-	1,087,461
Other trading activities	5	690	-	-	690
Investments	6	396	-	-	396
<b>Total</b>		<u>75,383</u>	<u>1,023,051</u>	<u>6,970</u>	<u>1,105,404</u>
<b>Expenditure on:</b>					
Charitable activities:					
- Educational operations	8	209	1,154,454	45,548	1,200,211
<b>Total</b>	7	<u>209</u>	<u>1,154,454</u>	<u>45,548</u>	<u>1,200,211</u>
<b>Net income/(expenditure)</b>		75,174	(131,403)	(38,578)	(94,807)
Transfers between funds	17	(124,298)	97,403	26,895	-
<b>Other recognised gains/(losses)</b>					
Actuarial gains on defined benefit pension schemes	19	-	150,000	-	150,000
<b>Net movement in funds</b>		(49,124)	116,000	(11,683)	55,193
<b>Reconciliation of funds</b>					
Total funds brought forward		148,013	(322,000)	1,116,525	942,538
Total funds carried forward		<u>98,889</u>	<u>(206,000)</u>	<u>1,104,842</u>	<u>997,731</u>

# ST HILARY SCHOOL

## BALANCE SHEET

AS AT 31 AUGUST 2018

	Notes	2018		2017	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	12		1,154,424		1,104,842
<b>Current assets</b>					
Debtors	13	79,537		53,451	
Cash at bank and in hand		150,924		109,950	
		<u>230,461</u>		<u>163,401</u>	
<b>Current liabilities</b>					
Creditors: amounts falling due within one year	14	(121,034)		(48,140)	
<b>Net current assets</b>			<u>109,427</u>		<u>115,261</u>
<b>Total assets less current liabilities</b>			1,263,851		1,220,103
Creditors: amounts falling due after more than one year	15		(13,854)		(16,372)
<b>Net assets excluding pension liability</b>			<u>1,249,997</u>		<u>1,203,731</u>
Defined benefit pension scheme liability	19		(172,000)		(206,000)
<b>Net assets</b>			<u><u>1,077,997</u></u>		<u><u>997,731</u></u>
<b>Funds of the academy:</b>					
<b>Restricted funds</b>	17				
- Fixed asset funds			1,154,811		1,104,842
- Pension reserve			(172,000)		(206,000)
<b>Total restricted funds</b>			<u>982,811</u>		<u>898,842</u>
<b>Unrestricted income funds</b>	17		<u>95,186</u>		<u>98,889</u>
<b>Total funds</b>			<u><u>1,077,997</u></u>		<u><u>997,731</u></u>

The accounts on pages 22 to 44 were approved by the trustees and authorised for issue on 12 December 2018 and are signed on their behalf by:

DA Sharp  
Chair

Company Number 07655662

# ST HILARY SCHOOL

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2018

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	Notes	2018 £	£	2017 £	£
<b>Cash flows from operating activities</b>					
Net cash provided by/(used in) operating activities	20		41,422		(38,160)
<b>Cash flows from investing activities</b>					
Dividends, interest and rents from investments		91		396	
Capital grants from DfE Group		106,452		6,970	
Purchase of tangible fixed assets		(105,732)		(35,140)	
<b>Net cash provided by/(used in) investing activities</b>			811		(27,774)
<b>Cash flows from financing activities</b>					
New other loan		-		17,632	
Repayment of other loan		(1,259)		-	
<b>Net cash (used in)/provided by financing activities</b>			(1,259)		17,632
<b>Net increase/(decrease) in cash and cash equivalents in the reporting period</b>			40,974		(48,302)
Cash and cash equivalents at beginning of the year			109,950		158,252
<b>Cash and cash equivalents at end of the year</b>			150,924		109,950

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# ST HILARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 AUGUST 2018

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#### 1 Accounting policies

St Hilary School is a charitable company. The address of its principal place of business is given on page 1 and the nature of its operations are set out in the trustees' report.

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

##### 1.1 Basis of preparation

The accounts of the academy, 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.

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

##### 1.2 Going concern

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

##### 1.3 Income

All incoming resources are recognised when the academy has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

###### Grants

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

General Annual Grant is recognised in full in the statement of financial activities in the period 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 in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grants are reflected in the balance sheet in the restricted fixed asset fund. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

###### Sponsorship income

Sponsorship income provided to the academy which amounts to a donation is recognised in the statement of financial activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

# ST HILARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

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### 1 Accounting policies

(Continued)

#### Donations

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

#### Other income

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

#### Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

#### Donated fixed assets

Donated fixed assets are measured at fair value unless it is impractical to measure this reliably, in which case the cost of the item to the donor is used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy's accounting policies.

### 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 are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

#### Expenditure on raising funds

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

#### Charitable activities

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

# ST HILARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

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### 1 Accounting policies

(Continued)

#### 1.5 Tangible fixed assets and depreciation

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding that require the continued use of the asset, 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 the relevant assets is charged directly to the restricted fixed asset fund in the statement of financial activities. 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 each asset on a straight-line basis over its expected useful life, as follows:

Leasehold property	2 - 5% per annum on cost
Computer equipment	33.3% per annum on cost
Furniture & equipment	10% per annum on cost
Motor vehicles	20% per annum on cost

No depreciation is provided in respect of freehold land.

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.

#### 1.6 Liabilities

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

#### 1.7 Leased assets

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

#### 1.8 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. Prepayments are not financial instruments.

Cash at bank is classified as a basic financial instrument and is measured at face value.

# ST HILARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

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### 1 Accounting policies

(Continued)

#### Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. 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 another financial instrument.

#### 1.9 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.

#### 1.10 Pensions benefits

Retirement benefits to employees of the academy are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes and the assets are held separately from those of the academy.

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 projected unit method. The TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

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

#### 1.11 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 trustees.

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 Education Funding Agency/Department for Education.

# ST HILARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2018

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#### 2 Critical accounting estimates

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

##### Critical accounting estimates and assumptions

The academy 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 or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 19, 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.

#### 3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
Capital grants	-	106,452	106,452	6,970
Other donations	11,928	-	11,928	9,887
	<u>11,928</u>	<u>106,452</u>	<u>118,380</u>	<u>16,857</u>



# ST HILARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

### 4 Funding for the academy's educational operations

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
<b>DfE / ESFA grants</b>				
General annual grant (GAG)	-	863,397	863,397	923,873
Other DfE group grants	-	96,892	96,892	84,400
	-	960,289	960,289	1,008,273
<b>Other government grants</b>				
Local authority grants	-	11,843	11,843	13,778
<b>Other funding</b>				
Other incoming resources	72,287	-	72,287	65,410
<b>Total funding</b>	72,287	972,132	1,044,419	1,087,461

### 5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
Hire of facilities	470	-	470	690

### 6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
Short term deposits	91	-	91	396

### 7 Expenditure

	Staff costs £	Non Pay Expenditure		Total 2018 £	Total 2017 £
		Premises £	Other £		
Academy's educational operations					
- Direct costs	729,794	-	66,343	796,137	843,994
- Allocated support costs	142,511	118,738	94,708	355,957	356,217
	872,305	118,738	161,051	1,152,094	1,200,211

# ST HILARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

### 7 Expenditure (Continued)

Net income/(expenditure) for the year includes:	2018 £	2017 £
Fees payable to auditor for:		
- Audit	2,915	3,000
- Other services	2,288	2,500
Operating lease rentals	3,144	3,144
Depreciation of tangible fixed assets	56,150	45,548
Net interest on defined benefit pension liability	5,000	7,000
	<u>          </u>	<u>          </u>

### 8 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
<b>Direct costs</b>				
Educational operations	13,741	782,396	796,137	843,994
<b>Support costs</b>				
Educational operations	2,339	353,618	355,957	356,217
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
	16,080	1,136,014	1,152,094	1,200,211
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

	2018 £	2017 £
<b>Analysis of support costs</b>		
Support staff costs	142,511	144,262
Depreciation	56,150	45,548
Technology costs	9,576	12,157
Premises costs	62,588	66,227
Other support costs	79,929	82,925
Governance costs	5,203	5,098
	<u>          </u>	<u>          </u>
	355,957	356,217
	<u>          </u>	<u>          </u>

# ST HILARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

### 9 Staff

#### Staff costs

Staff costs during the year were:

	2018 £	2017 £
Wages and salaries	672,121	691,722
Social security costs	50,677	52,635
Pension costs	133,816	131,165
Staff costs	856,614	875,522
Agency staff costs	8,129	28,559
Staff restructuring costs	1,077	-
Staff development and other staff costs	6,485	7,809
Total staff expenditure	872,305	911,890

Staff restructuring costs comprise:

Redundancy payments	1,077	-
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#### Staff numbers

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

	2018 Number	2017 Number
Teachers	11	11
Administration and support	28	31
Management	2	2
	41	44

#### Higher paid staff

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

	2018 Number	2017 Number
£60,001 - £70,000	1	1

#### Key management personnel

The key management personnel of the academy comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy was £285,079 (2017 : £283,449).

# ST HILARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2018

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#### 10 Trustees' remuneration and expenses

The headteacher and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of headteacher and staff, and not in respect of their services as trustees. Other trustees did not receive any payments, other than expenses, from the academy trust in respect of their role as trustees. During the year, travel and subsistence payments totalling £335 (2017: £426) were reimbursed to 3 trustees (2017: 2 trustees)

The value of trustees' remuneration was as follows:

K Butcher (headteacher and trustee)

- Remuneration £60,000 - £65,000 (2017: £60,000 - £65,000)
- Employer's pension contributions £10,000 - £15,000 (2017: £10,000 - £15,000)

M D Brant (staff trustee)

- Remuneration £40,000 - £45,000 (2017: £40,000 - £45,000)
- Employer's pension contributions £5,000 - £10,000 (2017: £5,000 - £10,000)

L A Greygoose (staff trustee)

- Remuneration £10,000 - £15,000 (2017: £10,000 - £15,000)
- Employer's pension contributions £Nil - £5,000 (2017: £Nil - £5,000)

R Hamshar (staff trustee)

- Remuneration £50,000 - £55,000 (2017: £50,000 - £55,000)
- Employer's pension contributions £5,000 - £10,000 (2017: £5,000 - £10,000)

A L Larter (staff trustee)

- Remuneration £35,000 - £40,000 (2017: £35,000 - £40,000)
- Employer's pension contributions £5,000 - £10,000 (2017: £5,000 - £10,000)

Other related party transactions involving the trustees are set out within the related parties note.

#### 11 Trustees 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 £5,000,000 (2017 : £5,000,000) on any one claim and the cost for the year ended 31 August 2018 was £109 (2017: £111).

# ST HILARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

### 12 Tangible fixed assets

	Leasehold property £	Computer equipment £	Furniture & equipment £	Motor vehicles £	Total £
<b>Cost</b>					
At 1 September 2017	1,155,289	71,257	120,250	14,995	1,361,791
Additions	-	2,027	103,705	-	105,732
At 31 August 2018	1,155,289	73,284	223,955	14,995	1,467,523
<b>Depreciation</b>					
At 1 September 2017	143,048	60,760	44,144	8,997	256,949
Charge for the year	24,143	6,474	22,534	2,999	56,150
At 31 August 2018	167,191	67,234	66,678	11,996	313,099
<b>Net book value</b>					
At 31 August 2018	988,098	6,050	157,277	2,999	1,154,424
At 31 August 2017	1,012,241	10,497	76,106	5,998	1,104,842

### 13 Debtors

	2018 £	2017 £
Trade debtors	2,329	3,076
VAT recoverable	24,723	18,407
Prepayments and accrued income	52,485	31,968
	79,537	53,451

### 14 Creditors: amounts falling due within one year

	2018 £	2017 £
Other loans	2,519	1,260
Trade creditors	51,428	10,182
Other taxation and social security	13,285	13,728
Other creditors	13,531	-
Accruals and deferred income	40,271	22,970
	121,034	48,140

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

	2018 £	2017 £
Other loans	13,854	16,372

# ST HILARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

	(Continued)	
15 Creditors: amounts falling due after more than one year	2018	2017
<b>Analysis of loans</b>		
Not wholly repayable within five years by instalments	3,777	-
Wholly repayable within five years	12,596	17,632
	<u>16,373</u>	<u>17,632</u>
Less: included in current liabilities	(2,519)	(1,260)
	<u>13,854</u>	<u>16,372</u>
Amounts included above	<u><u>13,854</u></u>	<u><u>16,372</u></u>
<b>Loan maturity</b>		
Debt due in one year or less	2,519	1,260
Due in more than one year but not more than two years	2,519	1,260
Due in more than two years but not more than five years	7,557	15,112
Due in more than five years	3,778	-
	<u>16,373</u>	<u>17,632</u>
	<u><u>16,373</u></u>	<u><u>17,632</u></u>

Included within other loans are the remaining balances of a loan of £17,632 from Salix Finance Ltd which are provided on the following terms:

- Repayable over 7 years by bi-annual payments; and
- Interest free

16 Deferred income	2018	2017
	£	£
Deferred income is included within:		
Creditors due within one year	18,864	17,845
	<u>18,864</u>	<u>17,845</u>
Deferred income at 1 September 2017	17,845	20,139
Released from previous years	(17,845)	(20,139)
Resources deferred in the year	18,864	17,845
	<u>18,864</u>	<u>17,845</u>
<b>Deferred income at 31 August 2018</b>	<u><u>18,864</u></u>	<u><u>17,845</u></u>

Deferred income of £18,864 (2017: £17,845) consists of universal infant free school meals funding received in advance.

# ST HILARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

### 17 Funds

	Balance at 1 September 2017 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2018 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	-	863,397	(936,129)	72,732	-
Other DfE / ESFA grants	-	96,892	(96,892)	-	-
Other government grants	-	11,843	(11,843)	-	-
Pension reserve	(206,000)	-	(35,000)	69,000	(172,000)
	<u>(206,000)</u>	<u>972,132</u>	<u>(1,079,864)</u>	<u>141,732</u>	<u>(172,000)</u>
<b>Restricted fixed asset funds</b>					
Transfer on conversion	802,542	-	(19,491)	-	783,051
DfE group capital grants	205,115	106,452	(15,540)	(333)	295,694
Capital expenditure from GAG	68,138	-	(16,953)	-	51,185
Private sector capital sponsorship	29,047	-	(4,166)	-	24,881
	<u>1,104,842</u>	<u>106,452</u>	<u>(56,150)</u>	<u>(333)</u>	<u>1,154,811</u>
<b>Total restricted funds</b>	<u>898,842</u>	<u>1,078,584</u>	<u>(1,136,014)</u>	<u>141,399</u>	<u>982,811</u>
<b>Unrestricted funds</b>					
General funds	<u>98,889</u>	<u>84,776</u>	<u>(16,080)</u>	<u>(72,399)</u>	<u>95,186</u>
<b>Total funds</b>	<u>997,731</u>	<u>1,163,360</u>	<u>(1,152,094)</u>	<u>69,000</u>	<u>1,077,997</u>

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

*Restricted general funds* - The restricted general fund includes grants receivable from the Education Funding Agency and the Department for Education towards the principal activity of the academy, being the provision of education.

*Restricted fixed asset funds* - The restricted fixed asset fund includes the leasehold property and furniture and equipment transferred to St Hilary School on 1 July 2011 and Education Funding Agency grants which have been received. The fund is being reduced by the depreciation in the period.

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2018.

# ST HILARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

### 17 Funds

(Continued)

Comparative information in respect of the preceding period is as follows:

	Balance at 1 September 2016 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2017 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	-	923,873	(1,021,276)	97,403	-
Other DfE / ESFA grants	-	84,400	(84,400)	-	-
Other government grants	-	13,778	(13,778)	-	-
Other restricted funds	-	1,000	(1,000)	-	-
Pension reserve	(322,000)	-	(34,000)	150,000	(206,000)
	<u>(322,000)</u>	<u>1,023,051</u>	<u>(1,154,454)</u>	<u>247,403</u>	<u>(206,000)</u>
<b>Restricted fixed asset funds</b>					
Transfer on conversion	822,034	-	(19,492)	-	802,542
DfE group capital grants	209,616	6,970	(4,501)	(6,970)	205,115
Capital expenditure from GAG	50,387	-	(17,389)	35,140	68,138
Private sector capital sponsorship	34,488	-	(4,166)	(1,275)	29,047
	<u>1,116,525</u>	<u>6,970</u>	<u>(45,548)</u>	<u>26,895</u>	<u>1,104,842</u>
<b>Total restricted funds</b>	<u>794,525</u>	<u>1,030,021</u>	<u>(1,200,002)</u>	<u>274,298</u>	<u>898,842</u>
<b>Unrestricted funds</b>					
General funds	<u>148,013</u>	<u>75,383</u>	<u>(209)</u>	<u>(124,298)</u>	<u>98,889</u>
<b>Total funds</b>	<u>942,538</u>	<u>1,105,404</u>	<u>(1,200,211)</u>	<u>150,000</u>	<u>997,731</u>



# ST HILARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

### 17 Funds

(Continued)

A current year 12 months and prior year 12 months combined position is as follows:

	Balance at 1 September 2016 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2018 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	-	1,787,270	(1,957,405)	170,135	-
Other DfE / ESFA grants	-	181,292	(181,292)	-	-
Other government grants	-	25,621	(25,621)	-	-
Other restricted funds	-	1,000	(1,000)	-	-
Pension reserve	(322,000)	-	(69,000)	219,000	(172,000)
	<u>(322,000)</u>	<u>1,995,183</u>	<u>(2,234,318)</u>	<u>389,135</u>	<u>(172,000)</u>
<b>Restricted fixed asset funds</b>					
Transfer on conversion	822,034	-	(38,983)	-	783,051
DfE group capital grants	209,616	113,422	(20,041)	(7,303)	295,694
Capital expenditure from GAG	50,387	-	(34,342)	35,140	51,185
Private sector capital sponsorship	34,488	-	(8,332)	(1,275)	24,881
	<u>1,116,525</u>	<u>113,422</u>	<u>(101,698)</u>	<u>26,562</u>	<u>1,154,811</u>
<b>Total restricted funds</b>	<u>794,525</u>	<u>2,108,605</u>	<u>(2,336,016)</u>	<u>415,697</u>	<u>982,811</u>
<b>Unrestricted funds</b>					
General funds	<u>148,013</u>	<u>160,159</u>	<u>(16,289)</u>	<u>(196,697)</u>	<u>95,186</u>
<b>Total funds</b>	<u>942,538</u>	<u>2,268,764</u>	<u>(2,352,305)</u>	<u>219,000</u>	<u>1,077,997</u>

### 18 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
<b>Fund balances at 31 August 2018 are represented by:</b>				
Tangible fixed assets	-	-	1,154,424	1,154,424
Current assets	230,074	-	387	230,461
Creditors falling due within one year	(121,034)	-	-	(121,034)
Creditors falling due after one year	(13,854)	-	-	(13,854)
Defined benefit pension liability	-	(172,000)	-	(172,000)
<b>Total net assets</b>	<u>95,186</u>	<u>(172,000)</u>	<u>1,154,811</u>	<u>1,077,997</u>

# ST HILARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

### 18 Analysis of net assets between funds

(Continued)

	Unrestricted Funds £	Restricted funds: General      Fixed asset £              £		Total Funds £
<b>Fund balances at 31 August 2017 are represented by:</b>				
Tangible fixed assets	-	-	1,104,842	1,104,842
Current assets	163,401	-	-	163,401
Creditors falling due within one year	(48,140)	-	-	(48,140)
Creditors falling due after one year	(16,372)	-	-	(16,372)
Defined benefit pension liability	-	(206,000)	-	(206,000)
<b>Total net assets</b>	<b>98,889</b>	<b>(206,000)</b>	<b>1,104,842</b>	<b>997,731</b>

### 19 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 Cornwall Council. Both are multi-employer 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 that of the LGPS related to the period ended 31 March 2016.

Contributions amounting to £12,733 (2017: £Nil) were payable to the schemes at 31 August 2018 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' 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.

# ST HILARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

### 19 Pension and similar obligations

(Continued)

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

During the previous year the employer contribution rate was 16.48%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the 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 pension costs paid to the TPS in the period amounted to £73,007 (2017: £75,384).

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

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

#### Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 17% for employers and 5.5% - 12.5% for employees.

The academy has entered into an agreement with the LGPS trustees to make additional annual contributions totalling £18,000 in addition to normal funding levels, over a period of 2 years, in order to bridge the scheme deficit.

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.

Total contributions made	2018 £	2017 £
Employer's contributions	33,000	34,000
Employees' contributions	9,000	9,000
Total contributions	42,000	43,000

# ST HILARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

### 19 Pension and similar obligations

(Continued)

Principal actuarial assumptions	2018 %	2017 %
Rate of increase in salaries	2.5	2.5
Rate of increase for pensions in payment/inflation	2.4	2.4
Discount rate for scheme liabilities	2.8	2.5
Commutation of pensions to lump sums relating to pre-April 2008 services	40	40
Commutation of pensions to lump sums relating to post-April 2008 services	70	70

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

	2018 Years	2017 Years
Retiring today		
- Males	22.1	22.1
- Females	24.5	24.5
Retiring in 20 years		
- Males	24	24
- Females	26.4	26.4

#### Sensitivity analysis

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

Change in assumptions as at 31 August 2018:

0.5% decrease in Real Discount Rate - 13% approximate increase to Employer Liability equating to approximately £94,000.

0.5% increase in the Salary Increase Rate - 2% approximate increase to Employer Liability equating to approximately £14,000.

0.5% increase in the Pension Increase Rate - 11% approximate increase to Employer Liability equating to approximately £79,000.

#### The academy's share of the assets in the scheme

	2018 Fair value £	2017 Fair value £
Equities	270,000	228,000
Bonds	237,000	209,000
Property	38,000	34,000
Other assets	6,000	15,000
Total market value of assets	551,000	486,000

The actual return on scheme assets was £27,000 (2017: £1,000).

# ST HILARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

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<b>19 Pension and similar obligations</b>	<b>(Continued)</b>	
<b>Amount recognised in the Statement of Financial Activities</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Current service cost	63,000	61,000
Interest income	(13,000)	(10,000)
Interest cost	18,000	17,000
	<hr/>	<hr/>
Total operating charge	68,000	68,000
	<hr/> <hr/>	<hr/> <hr/>
<b>Changes in the present value of defined benefit obligations</b>		<b>2018</b>
		<b>£</b>
At 1 September 2017		692,000
Current service cost		63,000
Interest cost		18,000
Employee contributions		9,000
Actuarial gain		(55,000)
Benefits paid		(4,000)
		<hr/>
At 31 August 2018		723,000
		<hr/> <hr/>
<b>Changes in the fair value of the academy's share of scheme assets</b>		<b>2018</b>
		<b>£</b>
At 1 September 2017		486,000
Interest income		13,000
Actuarial (gain)/loss		14,000
Employer contributions		33,000
Employee contributions		9,000
Benefits paid		(4,000)
		<hr/>
At 31 August 2018		551,000
		<hr/> <hr/>

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# ST HILARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

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20	<b>Reconciliation of net income/(expenditure) to net cash flow from operating activities</b>	<b>2018</b>	<b>2017</b>
		<b>£</b>	<b>£</b>
	Net income/(expenditure) for the reporting period (as per the Statement of Financial Activities)	11,266	(94,807)
	Adjusted for:		
	Capital grants from DfE/ESFA and other capital income	(106,452)	(6,970)
	Investment income receivable	(91)	(396)
	Defined benefit pension costs less contributions payable	30,000	27,000
	Defined benefit pension net finance cost	5,000	7,000
	Depreciation of tangible fixed assets	56,150	45,548
	(Increase) in debtors	(26,086)	(15,240)
	Increase/(decrease) in creditors	71,635	(295)
	<b>Net cash provided by/(used in) operating activities</b>	<u>41,422</u>	<u>(38,160)</u>

### 21 Commitments under operating leases

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

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Amounts due within one year	2,543	2,543
Amounts due in two and five years	6,569	9,112
	<u>9,112</u>	<u>11,655</u>

### 22 Related party transactions

There were no related party transactions during the year.

### 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 or she is a member, or within one year after he or she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he or she ceases to be a member.