

**Hampton St Mary
Academy Trust**

**Annual Report and Financial
Statements**

31 August 2014

Company Limited by Guarantee
Registration Number
07956455 (England and Wales)

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Reference and administrative information

Members	Rev Derek Winterburn Inigo Woolf Marshall Lees (resigned 31 December 2013) London Diocesan Board for Schools
Governors	Rev Derek Winterburn (Chair) Lucia Apicella (appointed 27 November 2013) Norma Beresford Mary Collins Catherine Davis Alan Jackson Mark Jaloszynski Marshall Lees (resigned 31 December 2013) Yvonne Lincoln Vera Macrae Andrew Parish Emma Reynolds (appointed 11 November 2013) Jennifer Walker (appointed 11 November 2013) Inigo Woolf (resigned 31 March 2014)
Company Secretary	Robert Bullett (resigned 27 November 2013) Frances Nwanodi (appointed 27 November 2013 & resigned 31 October 2014) Amy Norton (appointed 1 November 2014)
Senior Management Team Headteacher	Catherine Davis
Registered address	Diocesan House Causton Street London SW1P 4AU
Operating address	St Mary's Hampton CE Primary School Oldfield Road Hampton TW12 2HP
Company registration number	07956455 (England and Wales)
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL

Reference and administrative information

Bankers Lloyds Bank
17 Heath Road
Strawberry Hill
Twickenham
TW1 4AW

Solicitors Winckworth Sherwood LLP
Minerva House
5 Montague Close
London
SE1 9BB

Governors' report Year to 31 August 2014

The governors of Hampton St Mary Academy Trust ('the School') present their annual report together with the financial statements and the auditor's reports of the charitable company for the year to 31 August 2014. The annual report serves the purposes of both a governors' report and a directors' report under company law.

The financial statements have been prepared in accordance with the accounting policies set out on pages 24 to 27 of the attached financial statements and comply with the Trust's memorandum and articles of association, applicable laws and the requirements of the Statement of Recommended Practice "Accounting and Reporting by Charities" issued in March 2005 ('SORP 2005').

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The School is a company limited by guarantee with no share capital (07956455 (England and Wales)) and was incorporated on 20 February 2012. The charitable company is trading as St Mary's Hampton Church of England Primary School. The charitable company's articles of association is the primary governing document of the School.

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 cease to be a member.

Governors' indemnities

In accordance with normal commercial practice, the School has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on School business. The insurance provided cover up to £5,000,000 for fraud and dishonesty and £5,000,000 for employment practices on any one claim and the cost for the year ended 31 August 2014 was £636 (2013 – £636).

Principal activities

In the year 1 September 2013 - 31 August 2014:

- ♦ The School welcomed the first intake of children into the Reception Class in September 2013. It has been open every day of the academic year.
- ♦ The Headteacher has formed a staff team (teaching and non-teaching) that works well together. Together they have borne a great deal of extra responsibility in the opening year with grace and stamina.
- ♦ The Governing Body has organised itself in sub-committees to provide good governance. There has been a high level of attendance at meetings, and at other events.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Principal activities (continued)

- ◆ The School has developed a wider life to support the curriculum and engage with the community / wider world.

Governors

The governors are directors of the charitable company for the purposes of the Companies Act 2006. The following trustees were in office at 31 August 2014 and served throughout the year except where shown.

Trustee	Appointed/Resigned	Appointing body
Rev Derek Winterburn (Vicar) (Chair)		PCC St Mary's Church
Alan Jackson (Vice Chair)		PCC St Mary's Church
Lucia Apicella	Appointed 27 November 2013	Elected by Staff
Norma Beresford		PCC St Mary's Church
Mary Collins		PCC St Mary's Church
Catherine Davis		Headteacher
Mark Jalszynski	Resigned 31 March 2014	Co-opted
	Appointed 1 April 2014	PCC St Mary's Church
Marshall Lees	Resigned 31 December 2013	PCC St Mary's Church
Yvonne Lincoln	Resigned 31 March 2014	PCC St Mary's Church
	Appointed 1 April 2014	LDBS
Vera Macrae		PCC St Mary's Church
Andrew Parish	Resigned 31 March 2014	Co-opted
	Appointed 1 April 2014	PCC St Mary's Church
Emma Reynolds	Appointed 11 November 2013	Elected by Parents
Jennifer Walker	Appointed 11 November 2013	Elected by Parents
Inigo Woolf	Resigned 31 March 2014	LDBS

Method of recruitment and appointment or election of governors

The articles of association provide for the appointment or election of governors as follows:

- ◆ 7 'community governors', nominated by The Parochial Church Council of the Parish of St Mary the Virgin, Hampton, including the Vicar;
- ◆ 1 London Diocesan Board for Schools (LDBS) representative;
- ◆ 2 elected parent governors;
- ◆ the Headteacher;
- ◆ 1 elected staff representative; and
- ◆ up to 3 co-opted governors.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Method of recruitment and appointment or election of governors (continued)

In the year, two parent governors were elected by secret ballot (November 2013). Nominations were verbally encouraged at the Harvest Sharing Assembly and by the Parents' newsletter. The Chair of Governors made himself available to talk about the role with people considering standing. There was a contested election.

Policies and procedures adopted for the induction and training of governors

Together the governors are a committed group that bring a wide range of skills including legal, financial, buildings and previous school governance and senior leadership experience.

Many governors were involved in developing the original vision for the School and helped in a range of practical ways before the governing body was constituted, and so have a very good understanding of the vision and aims for the School. The whole governing body received induction training about the role of a school governor from Ruth Richards, an experienced Governor Trainer. Governors have all taken on particular individual focus areas (e.g. safeguarding, inclusion, finance, Headteacher performance, data analysis) and further ongoing training is planned, dependent on the needs of the role and the skills and background of each individual.

The School is accessing governor training via SPARK (Richmond School Performance). Governors have also attended training courses run by the LDBS e.g. Pay Policy. Additionally some governors have completed DfE online training in safer recruitment.

Organisational structure

The full Governing Body met five times in the year to 31 August 2014. All governors are on at least one of the three committees which were established in the year. The Resources Committee which meets termly and leads on issues related to the buildings, finances and health and safety. The School Evaluation and Development Committee which meets termly and leads on issues related to teaching and learning, staff performance management and School ethos. The Steering Committee takes an overview of the governance of the school and has the lead on Safeguarding, the Calendar and statutory policies especially HR ones. Each committee works to an agreed Terms of Reference.

Risk management

The Governing Body maintains a risk register and the Steering Committee regularly monitors risks and mitigations.

Connected organisations, including related party relationships

In order to pursue its objects, the School has entered into a formal agreement with the Secretary of State for Education regarding the funding of the School and the management of affairs of the School.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Connected organisations, including related party relationships (continued)

The School and the London Borough of Richmond have signed a peppercorn lease of the school land and buildings for 125 years (dated 5 April 2012).

The School has purchased some Service Level Agreement (SLA) support from LDBS where that represents best value: payroll, HR, legal support, finance officer, governor support, and school improvement.

The School has purchased some SLA support from the London Borough of Richmond where that represents best value: for example staff training, SENCO support, FSM entitlement, H&S advice and broadband.

The School has purchased some SLA support from South-West London YMCA where that represents best value: for example catering, caretaking and building management.

The School has purchased some SLA support from SAS where that represents best value: for example staff absence insurance.

The School retains a close relationship with St Mary's Church, Hampton.

OBJECTIVES AND ACTIVITIES

Objects and aims

The School's object is to advance for the public benefit education in the United Kingdom, by establishing, maintaining, carrying on, managing and developing a school with a designated Church of England religious character. This includes offering a broad and balanced curriculum conducted in accordance with the principles, practices and tenets of the Church of England, having regard to the advice of the LDBS.

Objectives, strategies and activities (2013-2014)

1. To operate a financially sound strategy for the running of the School 2013-2014;
2. To offer a school experience to our first year group that would be safe, challenging and enriching – despite having ongoing works on the site;
3. To build a school ethos that will serve well for the school's future – and establish that within the growing staff team;
4. To develop an effective and responsible Governing Body; and
5. To communicate the good news of the school to future parents, so that registrations for 2014-2015 are strong.

OBJECTIVES AND ACTIVITIES (continued)

Public Benefit

The governors have considered the advice published by the Charity Commission in relation to Public Benefit and are satisfied that the School meets the requirements through the provision of state-funded education for local children.

STRATEGIC REPORT

Achievements and performance

- ◆ the School opened to the first intake of children into the Reception Class.
- ◆ the School's birth was marked on 24 September 2013 with the Bishop of London, and the building was opened on 16 December 2013 by the Bishop of Kensington.
- ◆ the kitchen provided school meals cooked on site from the autumn half-term.
- ◆ progress and attainment was externally moderated (SIP LBRuT and LDBS). There were two visits from our DfE Education Advisor with very positive reports.
- ◆ by July 79.3% children had attained a Good Level of Development. Achievement is judged to be good with outstanding features.
- ◆ a Parent, Teacher and Friends Association was formed. It organised a quiz night and a summer fete.
- ◆ recruited a class teacher for Y2, 2 TA's and a Schools' Meal Assistant.
- ◆ attracted families so that we welcomed a further 30 children into Reception in September 2014.
- ◆ received the whole School building from the building contractors in July 2014.
- ◆ began to operate as a school-in-the-community with old people's lunches, visits to a residential care home, and developed a letting policy suitable for local organisations

Going concern

The 7-year revenue budget is set on the basis of income that is anticipated under the funding agreement and using the 'income calculator' provided by the DfE for this purpose. The assumption that the School is a going concern is therefore a reasonable one.

Financial review

Financial report for the year

A summary of the results for the year are included on page 21.

STRATEGIC REPORT (continued)

Financial review (continued)

Financial report for the year (continued)

The majority of the School's income in the year ended 31 August 2014 was obtained from the DfE in the form of capital and revenue grants. The grants received during the period and the associated expenditure are shown as restricted funds in the statement of financial activities.

Total income for the year was £1,127,732 (period ended 31 August 2013 - £990,918), which included £748,464 in capital grant funding and £366,233 in implementation grant funding from the DfE (see note 4).

Total expenditure for the year was £389,109 (period ended 31 August 2013 - £145,799), of which £368,099 related to educational operations, £6,000 related to lead-in costs and £15,010 to governance costs.

The net movement in funds was an increase of £738,623 (period ended 31 August 2013 - £845,119).

Reserves policy

As a School, a sensible approach to contingencies has enabled the capital project to be kept within budget. In 2012/13, a 7-year revenue budget was drawn up, to take the School from its opening in September 2013, with just one year group, to 2019 when the School reaches its full capacity. This budget includes a modest annual reserve.

The School opened in September 2013 and the Governing Body set up a Resources Committee in July 2013. This Committee will now consider a more formal reserves policy as a priority, to be factored into annual budgets going forward.

As at 31 August 2014 the School held total funds of £1,579,742 (2013 - £845,119) which includes £1,485,369 (2013 - £770,333) in the restricted fixed asset fund, £80,753 (2013 - £74,201) within restricted general reserves, and £13,620 (2013 - £585) in unrestricted funds.

Investment policy

The governors' investment powers are governed by the articles of association, which permit the School's funds, not immediately required, to be invested in furtherance of its objects after obtaining expert financial advice. The School did not engage in any investment of surplus funds during the year under review.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks and uncertainties that governors will monitor in 2014-2015 include:

- ♦ staffing;
- ♦ budget;
- ♦ pupil applications; and
- ♦ pupil progress.

PLANS FOR FUTURE PERIODS (2014-2015)

Staff and governors have high expectations of the quality of education. Together they will work hard to keep standards as high as they have been in the opening year. The school anticipates a visit from Ofsted in 2015.

The School's vibrant and dynamic curriculum will be detailed to the end of KS1 and outlined to the end of KS2, based on the National Curriculum (2014).

New achievement procedures are being introduced during 2014-2015 and will be operating throughout the school in 2015.

As the School grows and our children are older there will be increasing potential for our enrichment afternoons, and the school's specialism in art and music.

The School will continue to appoint staff – as the budget allows. The Governors' are able to fund an administrative assistant from February 2015 to increase the capacity on the business side of school life. Another teacher will be appointed for September 2015, and there are funds for a further TA who will be appointed as / when necessary.

There are funds available for the development of the outdoor learning environment. This is the first phase in the long-term development of the landscape environment.

We look forward to an increase in lettings of the buildings and developing further community links. The school will increasingly play its part in the local community and the Richmond family of schools.

AUDITOR

In so far as the governors are aware:

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

Governors' report Year to 31 August 2014

Governors' report, incorporating a strategic report, approved by order of the members of the board of governors on 4 December 2014 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'D. Winterburn', with a stylized, flowing script.

Rev Derek Winterburn
Chair of the Governing Body

Scope of responsibility

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

The governing body have 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 the School and the Secretary of State for Education. The Headteacher is also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the governors' report and in the statement of governors' responsibilities. The governing body has formally met five times during the year. Attendance during the year at meetings of the governing body was as follows:

Governor	Meetings attended	Out of a possible
Lucia Apicella	4	4
Norma Beresford	4	5
Mary Collins	5	5
Catherine Davis	5	5
Alan Jackson	5	5
Mark Jalszynski	5	5
Marshall Lees	1	3
Yvonne Lincoln	4	5
Vera Macrae	4	5
Andrew Parish	4	5
Emma Reynolds	4	4
Jennifer Walker	4	4
Rev Derek Winterburn	5	5
Inigo Woolf	—	5

Governance reviews:

As part of ongoing review the Steering Committee was created in January 2014 to co-ordinate the work of the Governing Body. In April 2014 a Skills Audit of the Governing Body was conducted. This enabled Governors to reflect on their strengths and weaknesses. As a result the Governors enlisted a qualified accountant as an extra support to the Resource Committee. The Full Governing Body met at the end of the summer term to review how it had added to the success of the school. Governors considered the contributions of the committees, FGB and individual governors. All governors met with the Chair in September to consider their role and discuss their training needs.

We will follow a similar practice in 2014-2015.

Governance (continued)

The Resources Committee is a sub-committee of the main governing body. Its purpose is to support the full Governing Body in setting the School's strategic direction within a financially viable framework, secure accountability and best value for the School in matters of finance; to ensure all health and safety matters relating to the physical premises are compliant.

Particular issues dealt with in 2013-2014 were:

- ◆ Finances: approving budgets and monitoring expenditure; and
- ◆ Premises: working towards the practical completion of the building work, developing the lettings policy, attention to further works (security and landscaping).

Attendance during the year at the meetings of the Resources Committee was as follows:

Member	Meetings attended	Out of a possible
Catherine Davis	5	6
Yvonne Lincoln	5	6
Marshall Lees	2	2
Mark Jalszynski	5	6
Andrew Parish	6	6
Emma Reynolds	3	4
Rev Derek Winterburn	5	6

The School Evaluation and Development Committee is a sub-committee of the main governing body. Its purpose is to support the full Governing Body in monitoring the quality of teaching and learning in the School.

Member	Meetings attended	Out of a possible
Lucia Apicella	4	4
Norma Beresford	6	6
Mary Collins	6	6
Catherine Davis (Rachel Barton in her absence)	6	6
Yvonne Lincoln	6	6
Vera McRae	6	6
Alan Jackson	6	6
Emma Reynolds	1	4
Jennifer Walker	4	4
Derek Winterburn	6	6

The Steering Committee is a sub-committee of the main Governing Body. Its purpose is to support the full Governing Body in co-ordinating the work of the governors. It takes the lead in drafting the school calendar, Safeguarding and HR.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the School's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control for the School has been implemented during the year ended 31 August 2014 as the School became operational, and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Governing Body has reviewed the key risks to which the School is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Governing Body is of the view that there is a formal ongoing process for identifying, evaluating and managing the School's significant risks that has been in place for the year ended 31 August 2014 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Body.

The risk and control framework

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

- ◆ comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Governing Body;
- ◆ regular reviews by the 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 Governing Body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor as the governors have close day to day involvement and as this was the first year of operations. The governors have appointed Michael Spraggs as responsible officer (RO) and RO visits are scheduled to begin in 2014-2015.

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 external auditor;
- ♦ the financial management and governance self assessment process; and
- ♦ her own work as Headteacher, being responsible for the development and maintenance of the internal control framework.

The Accounting Officer has advised the Resources Committee of the implications of her review of the system of internal control and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the Governing Body and signed on their behalf by:



Rev Derek Winterburn
(Chair of Governing Body)



Catherine Davis
(Accounting Officer)

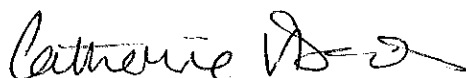
Approved on: 4 December 2014

Statement on regularity, propriety and compliance 31 August 2014

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

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

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the board of governors and EFA.

A handwritten signature in black ink, appearing to read 'Catherine Davis', with a stylized flourish at the end.

Catherine Davis
Accounting Officer

Date: 4 December 2014

Statement of governors' responsibilities 31 August 2014

The governors (who act as trustees of the School and are also the directors of the Academy for the purposes of company law) are responsible for preparing the governors' report and the financial statements in accordance with the Annual Accounts Requirements issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- ♦ select suitable accounting policies and then apply them consistently;
- ♦ observe the methods and principles in the Charities' Statement of Recommended Practice (the Charities' SORP);
- ♦ make judgements and estimates that are reasonable and prudent;
- ♦ state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- ♦ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the School will continue in operation.

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

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

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

Approved by order of the members of the Board of governors on 4 December 2014 and signed on its behalf by:



Rev Derek Winterburn
Chair of the Governing Body

Independent auditor's report 31 August 2014

Independent auditor's report on the financial statements to the members of Hampton St Mary Academy Trust

We have audited the financial statements of Hampton St Mary Academy Trust for the year ended 31 August 2014 which comprise the statement of financial activities, the balance sheet, the cash flow statement, the principal accounting policies and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an 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.

Respective responsibilities of governors and auditor

The governors act as trustees for the charitable activities of Hampton St Mary Academy Trust and are also the directors of the charitable company for the purpose of company law.

As explained more fully in the statement of governors' responsibilities set out in the Governors' report, the governors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the governors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Governors' report, including the strategic report to identify material misstatements or inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Independent auditor's report 31 August 2014

Opinion

In our opinion:

- ◆ the financial statements give a true and fair view of the state of the charitable company's affairs as at 31 August 2014 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- ◆ the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- ◆ the financial statements have been prepared in accordance with the Companies Act 2006; and
- ◆ the financial statements have been prepared in accordance with the Annual Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Governors' report, including the strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

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

Buzzacott LLP

Catherine Biscoe, Senior Statutory Auditor
for and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

19 December 2014

Independent reporting accountant's assurance report on regularity to Hampton St Mary Academy Trust and the Education Funding Agency

In accordance with the terms of our engagement letter dated 2 May 2013 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013 to 2014, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Hampton St Mary Academy Trust during the period from 1 September 2013 to 31 August 2014 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Hampton St Mary Academy Trust and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Hampton St Mary Academy Trust and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Hampton St Mary Academy Trust and the EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Hampton St Mary Academy Trust's accounting officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of Hampton St Mary Academy Trust's funding agreement with the Secretary of State for Education dated 28 March 2013 and the Academies Financial Handbook, extant from 1 September 2013, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2013 to 2014. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period from 1 September 2013 to 31 August 2014 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2013 to 2014 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

Independent reporting accountant's report 31 August 2014

Approach (continued)

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

The work undertaken to draw to our conclusion includes:

- ♦ An assessment of the risk of material irregularity and impropriety across all of the academy trust's activities;
- ♦ Further testing and review of the areas identified through the risk assessment including enquiry, identification of control processes and examination of supporting evidence across all areas identified as well as additional verification work where considered necessary; and
- ♦ Consideration of evidence obtained through the work detailed above and the work completed as part of our financial statements audit in order to support the regularity conclusion.

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 from 1 September 2013 to 31 August 2014 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Buzzacott LLP

Buzzacott LLP
Chartered Accountants
130 Wood Street
London
EC2V 6DL

19 December 2014

Statement of financial activities (including income and expenditure account and statement of total recognised gains and losses) Year to 31 August 2014

			Restricted funds			
	Notes	Un- restricted general fund £	General £	Fixed asset £	2014 Total funds £	2013 Total funds £
Incoming resources						
Incoming resources from generated funds						
. Investment income	1	161	—	—	161	85
. Activities for generating funds	2	9,996	—	—	9,996	—
Incoming resources from charitable activities						
. Funding for the School's development	3	—	—	748,464	748,464	990,333
. Funding for the School's educational operations	4	—	366,233	—	366,233	—
Other income		2,878	—	—	2,878	500
Total incoming resources		13,035	366,233	748,464	1,127,732	990,918
Resources expended						
Charitable activities						
. School's development	6	—	6,000	—	6,000	131,327
. School's educational operations	7	—	321,739	46,360	368,099	—
Governance costs	8	—	15,010	—	15,010	14,472
Total resources expended	5	—	342,749	46,360	389,109	145,799
Net incoming resources before transfers		13,035	23,484	702,104	738,623	845,119
Transfers between funds		—	(12,932)	12,932	—	—
Net income for the period		13,035	10,552	715,036	738,623	845,119
Other recognised gains and losses						
. Actuarial losses on defined benefit pension scheme	23	—	(4,000)	—	(4,000)	—
Net movement in funds		13,035	6,552	715,036	734,623	845,119
Reconciliation of funds						
Total fund balances brought forward at 1 September 2013	14	585	74,201	770,333	845,119	—
Total fund balances carried forward at 31 August 2014		13,620	80,753	1,485,369	1,579,742	845,119

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

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

Balance sheet 31 August 2014

	Notes	2014 £	2014 £	2013 £	2013 £
Fixed assets					
Tangible fixed assets	11		1,485,369		770,333
Current assets					
Debtors	12	68,754		209,053	
Cash at bank and in hand		150,844		97,301	
		<u>219,598</u>		<u>306,354</u>	
Liabilities					
Creditors: amounts falling due within one year	13	(119,225)		(231,568)	
Net current assets			100,373		74,786
Net assets excluding pension liability			1,585,742		845,119
Pension scheme liability	23	(6,000)			—
Net assets			<u>1,579,742</u>		<u>845,119</u>
Funds					
Restricted income funds					
· Fixed assets fund	14		1,485,369		770,333
· General fund	14		86,753		74,201
· Pension reserve	14		(6,000)		—
			<u>1,566,122</u>		<u>844,534</u>
Unrestricted funds					
· General fund	14		13,620		585
Total funds			<u>1,579,742</u>		<u>845,119</u>

The financial statements on page 21 to 39 were approved by the governors, and authorised for issue on 4 December 2014 and are signed on their behalf by:



Rev Derek Winterburn
Chair

Hampton St Mary Academy Trust
Company Limited by Guarantee
Registration Number: 07956455 (England and Wales)

Cash flow statement Year to 31 August 2014

	Notes	2014 £	2013 £
Net cash inflow from operating activities	17	66,314	101,286
Returns on investment and servicing of finance	18	161	85
Capital expenditure	19	(12,932)	(4,070)
Increase in cash in the year		53,543	97,301
Reconciliation of net cash flow to movement in net funds:			
Net funds at 1 September 2013		97,301	—
Net funds at 31 August 2014	20	150,844	97,301

Basis of preparation

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice: Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction issued by the EFA and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

Going concern

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

Incoming resources

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

♦ ***Grants receivable***

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

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

♦ ***Donations***

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

♦ ***Other income***

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

Resources expended

All expenditure is recognised in the year in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

♦ **Costs of generating funds**

These are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

♦ **Charitable activities**

These are costs incurred on the academy trust's educational operations.

♦ **Governance costs**

These include the costs attributable to the academy trust's compliance with constitutional and statutory requirements, including audit, strategic management and Governor's meetings and reimbursed expenses.

Tangible fixed assets

Assets costing £2,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

- | | |
|------------------------------------|---------------|
| ♦ Leasehold buildings | 2% per annum |
| ♦ Fixtures, fittings and equipment | 20% per annum |
| ♦ Computers | 20% per annum |

Depreciation is charged from the month of acquisition.

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

Tangible fixed assets (continued)

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.

No value has been given to the land as the lease would cease on termination of the funding agreement and therefore has no open market value. No value has been assigned to the original buildings leased from the London Borough of Richmond Upon Thames as they were over 50 years old and required significant work to bring them in to a usable state. The work carried out to bring them into use since they were leased has been capitalised.

Taxation

The academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Pensions benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the School in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 23, the TPS is a multi employer scheme and the School is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

Pensions benefits (continued)

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

Fund accounting

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

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

Restricted general funds comprise all other grants received from the Education Funding Agency.

Notes to the Financial Statements Year to 31 August 2014

1 Investment Income

	Unrestricted funds £	Restricted funds £	Total funds 2014 £	Total funds 2013 £
Interest receivable	161	—	161	85

2 Activities for generating funds

	Unrestricted funds £	Restricted funds £	Total funds 2014 £	Total funds 2013 £
School trips income	618	—	618	—
Catering income	9,378	—	9,378	—
	9,996	—	9,996	—

3 Funding for School's development

	Unrestricted funds £	Restricted funds £	Total funds 2014 £	Total funds 2013 £
DfE / EFA revenue grant				
. Project development grant	—	—	—	220,000
	—	—	—	220,000
DfE/EFA Capital grant				
. Capital grants	—	748,464	748,464	770,333
	—	748,464	748,464	770,333
	—	748,464	748,464	990,333

4 Funding for the School's educational operations

	Unrestricted funds £	Restricted funds £	Total funds 2014 £	Total funds 2013 £
DfE/EFA revenue grants				
. General Annual Grant (GAG)	—	277,352	277,352	—
. Start Up A	—	80,500	80,500	—
. Start Up B	—	7,500	7,500	—
. Pupil premium	—	881	881	—
	—	366,233	366,233	—

5 Resources expended

	Staff costs £	Non pay expenditure		2014 £	2013 £
		Premises £	Other costs £		
Charitable activities					
. School's development					
.. Direct costs	—	—	6,000	6,000	84,977
.. Allocated support costs	—	—	—	—	46,350
. School's educational operations					
.. Direct costs	141,945	—	28,243	170,188	—
.. Allocated support costs	41,611	109,592	46,708	197,911	—
	<u>183,556</u>	<u>109,592</u>	<u>80,951</u>	<u>374,099</u>	<u>131,327</u>
Governance costs	—	—	15,010	15,010	14,472
	<u>183,556</u>	<u>109,592</u>	<u>95,961</u>	<u>389,109</u>	<u>145,799</u>
Incoming resources for the year include:				2014 £	2013 £
Fees payable to auditor					
. Statutory audit				6,000	2,750
. Non statutory audit				2,000	1,500
. Other services				1,000	1,000

6 Charitable activities - School's development costs

	2014 £	2013 £
Direct costs		
Teaching and educational support staff costs	—	27,610
Educational supplies	—	4,787
Staff development	—	540
Project management costs	6,000	52,040
	<u>6,000</u>	<u>84,977</u>
Allocated support costs		
Support staff costs	—	6,991
Legal and professional costs	—	4,386
Recruitment and support	—	3,779
Maintenance of premises and equipment	—	790
Cleaning	—	75
Premises costs	—	16,677
Heat and light	—	128
Security and transport	—	1,196
Catering	—	742
Equipment costs	—	9,717
Insurance	—	1,715
Other support costs	—	154
	<u>—</u>	<u>46,350</u>
	<u>6,000</u>	<u>131,327</u>

7 Charitable activities – school's education operations

	2014 £	2013 £
Direct costs		
Teaching and educational support staff costs	141,945	—
Educational supplies	25,898	—
Staff development	2,345	—
	170,188	—
Allocated support costs		
Support staff costs	41,611	—
Depreciation	46,359	—
Legal and professional costs	16,912	—
Recruitment and support	3,671	—
Maintenance of premises and equipment	18,151	—
Cleaning	22,695	—
Premises costs	6,543	—
Heat and light	11,752	—
Security and transport	928	—
Catering	11,669	—
Equipment costs	7,279	—
Insurance	4,093	—
Bank interest and charges	60	—
Other support costs	6,188	—
	197,911	—
	368,099	—

8 Governance costs

	2014 £	2013 £
Legal and professional fees	6,010	9,222
Auditor's remuneration:		
. Audit of financial statements	6,000	2,750
. Non – statutory audit	2,000	1,500
. Other services	1,000	1,000
	15,010	14,472

9 Staff costs

(a) Staff costs

Staff costs during the year were:

	2014 £	2013 £
Wages and salaries	140,528	26,384
Social security costs	9,598	2,469
Pension costs	22,662	5,209
	172,788	34,062
Supply teacher costs	1,820	—
Agency costs	8,948	540
	183,556	34,602

(b) Staff numbers

The average numbers of persons (including senior management team) employed by the school during the year expressed as a full time equivalents was as follows:

Charitable activities	2014 £	2013 £
Teachers	3.0	0.5
Administration and support	0.8	0.5
	3.8	1.0

There are no employees who were paid in excess of £60,000 in the year (2013 – none).

9 Governors' remuneration and expenses

Headteacher and staff governors only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff and not in respect of their services as governors. Other governors did not receive any payments, other than expenses, from the academy trust in respect of their role as governors. The value of governors' remuneration on a pro rata basis since they became a governor was as follows:

	2014 £	2013 £
Catherine Davis, Headteacher and governor	£55-60k	£20-25k
Lucia Apicella, staff member and governor	£25-30k	n/a

During the year ended 31 August 2014, there were no expenses reimbursed to governors (2013 - £nil).

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

10 Governors' and Officers' insurance

In accordance with normal commercial practice the School has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on School business. The insurance provides cover up to £10,000,000 on any one claim and the cost for the year ended 31 August 2014 was £636 (2013 – £636).

11 Tangible fixed assets

	Assets under construction £	Leasehold land and buildings £	Furniture and equipment £	Computers £	Total funds £
Cost/valuation					
At 1 September 2013	462,937	250,000	17,708	39,688	770,333
Additions	—	693,490	5,681	62,224	761,395
Transfers	(462,937)	462,937	—	—	—
At 31 August 2014	—	1,406,427	23,389	101,912	1,531,728
Depreciation					
At 1 September 2013	—	—	—	—	—
Charged in year	—	27,499	4,678	14,182	46,359
31 August 2014	—	27,499	4,678	14,182	46,359
Net book value					
At 31 August 2014	—	1,378,928	18,711	87,730	1,485,369
At 31 August 2013	462,937	250,000	17,708	39,688	770,333

For the purposes of these financial statements, the land is deemed to have no commercial value.

12 Debtors

	2014 £	2013 £
Due from DfE	62,450	64,070
Recoverable VAT	6,304	144,983
	68,754	209,053

13 Creditors: amounts falling due within one year

	2014 £	2013 £
Trade creditors	1,716	23,668
Accruals	101,972	65,250
Taxation and social security	3,395	2,077
Amounts due to the DfE	12,142	140,573
	119,225	231,568

14 Funds

	Balance at 1 September 2013 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2014 £
EFA revenue grant fund					
. GAG	—	277,352	(177,667)	(12,932)	86,753
. Start Up grants	74,201	88,000	(162,201)	—	—
. Pupil Premium grant	—	881	(881)	—	—
. Pension reserve	—	—	(2,000)	(4,000)	(6,000)
	74,201	366,233	(342,749)	(16,932)	80,753
Fixed assets fund					
. EFA capital grants	770,333	748,464	(46,360)	12,932	1,485,369
Total restricted funds	844,534	1,114,697	(389,109)	(4,000)	1,566,122
Unrestricted funds					
. Unrestricted funds	585	13,035	—	—	13,620
Total unrestricted funds	585	13,035	—	—	13,620
Total funds	845,119	1,127,732	(389,109)	(4,000)	1,579,742

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

EFA revenue grant fund and other restricted funds

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2014.

Other funds relate to monies received for specific purposes such as pupil premium funding.

Fixed asset fund

Restricted fixed assets funds were funded by government grants or donations. When capital expenditure is incurred a transfer is made from the fund which funded the acquisition to the restricted fixed asset fund. That asset is then depreciated through the restricted fixed asset fund over the lifetime of that asset.

Pension reserve

The pension reserve relates to the local government pension scheme liability.

15 Analysis of net assets between funds

	Unrestricted funds £	Restricted General Funds £	Restricted Fixed Asset Fund £	Total 2014 £
Fund balances at 31 August 2014 are represented by:				
Tangible fixed assets	—	—	1,485,369	1,485,369
Current assets	13,620	205,978	—	219,598
Current liabilities	—	(119,225)	—	(119,225)
Pension scheme liability	—	(6,000)	—	(6,000)
Total net assets	13,620	80,753	1,485,369	1,579,742

16 Capital commitments

	2014 £	2013 £
Contracted for, but not provided in the financial statements	86,992	766,124

17 Reconciliation of net income to net cash inflow from operating activities

	2014 £	2013 £
Net income	738,623	845,119
Depreciation (note 11)	46,360	—
Capital grants from DfE and other capital income	(748,464)	(770,333)
FRS 17 pension cost less contribution payable	2,000	—
Interest receivable (note 1)	(161)	(85)
Increase (decrease) in debtors	140,299	(144,983)
(Decrease) increase in creditors	(112,343)	171,568
Net cash inflow from operating activities	66,314	101,286

18 Returns on investment and servicing of finance

	2014 £	2013 £
Interest received	161	85
Net cash inflow from returns on investment and servicing of finance	161	85

19 Capital expenditure and financial investment

	2014 £	2013 £
Capital grants from DfE / EFA	748,464	706,263
Purchase tangible fixed assets	(761,396)	(710,333)
Net cash outflow from capital expenditure and financial investments	(12,932)	(4,070)

20 Analysis of changes in net funds

	At 1 September 2013 £	Cashflows £	At 31 August 2014 £
Cash in hand and at bank	97,301	53,543	150,844

21 Members' liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he/she ceases to be a member

22 Pension and similar obligations

The School'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 the London Borough of Richmond. Both are defined-benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS was 31 March 2012 and of the LGPS 31 March 2013.

Contributions amounting to £18,290 (2013 – £5,209) were payable to the schemes at 31 August 2014.

Teachers' Pension Scheme

Introduction

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

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

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

23 Pension and similar obligations (continued)

Teachers' Pension Scheme (continued)

Valuation of the Teachers' Pension Scheme

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

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

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

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

Teachers' Pension Scheme Changes

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

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

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

In his interim report of October 2010, Lord Hutton recommended that short-term savings were also required, and that the only realistic way of achieving these was to increase member contributions. At the Spending Review 2010 the Government announced an average increase of 3.2 percentage points on the contribution rates by 2014-2015. The increases have been phased in since April 2012 on a 40:80:100% basis.

23 Pension and similar obligations (continued)

Teachers' Pension Scheme (continued)

Teachers' Pension Scheme Changes(continued)

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

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

Local Government Pension Scheme (LGPS)

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2014 was £10,000, of which employer's contributions totalled £7,000 and employees' contributions totalled £3,000. The agreed contribution rates for future years are 15.9% of employers and 6.5% of employees.

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

	At 31 August 2014
Principal Actuarial Assumptions	
Rate of increase in salaries	3.5%
Rate of increase for pensions in payment / inflation	2.7%
Discount rate for scheme liabilities	3.7%
Inflation assumption (CPI)	4.0%

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

	At 31 August 2014
<i>Retiring today</i>	
Males	22.2 years
Females	24.4 years
<i>Retiring in 20 years</i>	
Males	24.3 years
Females	26.9 years

23 Pension and similar obligations (continued)

Local Government Pension Scheme (LGPS) (continued)

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

	Expected return at 31 August 2014	Fair value at 31 August 2014 £
Equities	6.3%	6,000
Bonds	3.5%	4,000
Property	4.5%	1,000
Total market value of assets		11,000
Present value of scheme liabilities		(17,000)
(Deficit) in the scheme		(6,000)

The expected returns have been calculated by the actuary using 5,000 simulations of HRAM, calibrated using recent market data.

The actual loss on scheme assets was £4,000.

Amounts recognised in statement of financial activities	2014 £
Current service costs (net of employee contributions)	9,000
Contributions received by scheme	(7,000)
Total operating charge	2,000

The actuarial gains and losses for the current year are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS 17 is a loss of £4,000.

Movements in the overall deficit were as follows:	2014 £
Deficit at 1 September 2013	—
Current service cost	(9,000)
Employer contributions	7,000
Actuarial losses	(4,000)
At 31 August 2014	(6,000)

Movements in the present value of defined benefit obligations were as follows:	2014 £
Deficit at 1 September 2013	—
Current service costs	9,000
Employee contributions	3,000
Actuarial losses	5,000
At 31 August 2014	17,000

23 Pension and similar obligations (continued)

Local Government Pension Scheme (LGPS) (continued)

	2014 £
Movements in the fair value of Academy's share of scheme assets:	
At 1 September 2013	—
Actuarial gain	1,000
Employer contributions	7,000
Employee contributions	3,000
At 31 August 2014	11,000

The estimated value of the employer contributions for the year ended 31 August 2015 is £7,000.

The one year history of experience adjustments are as follows:

	2014 £
Present value of defined benefit obligations	(17,000)
Fair value of share scheme assets	11,000
Deficit on the scheme	(6,000)
 Experience adjustments on share of scheme assets	
Amount	1,600
 Experience adjustments on scheme liabilities	
Amount	—

24 Related party transactions

Owing to the nature of the School's operations and the composition of the board of governors being drawn from local public and private sector organisations, transactions may take place with organisations in which a member of the Governing Body has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the School's financial regulations and normal procurement procedures.

The following related party transactions took place in the period of account:

The London Diocesan Board of Schools (LDBS) is a member of the Academy Trust. The School paid LDBS £7,158 (2013 – £50,075) in the year for core support services.

At the 31 August 2014 £6,000 (2013 – £88) was due to LDBS.

Inigo Woolf, who is a member and was a governor of the School until 31 March 2014, is also a director of Grow Education Partners Ltd, with whom the school transacts. During the year the school paid fees of £2,952, (2013 – £1,286) to Grow Education Partners Ltd. There were no balances outstanding as at 31 August 2014.