

Company registration number: 07489127 (England and Wales)

**Nicholas Hawksmoor Primary School
(A company limited by guarantee)**

Annual report and financial statements

Year ended 31 August 2014

**Nicholas Hawksmoor Primary School
(A company limited by guarantee)**

Contents

	Page
Reference and Administrative Details	1
Report of the Governors	3
Governance Statement	13
Statement on Regularity, Propriety and Compliance	17
Statement of Governors' Responsibilities	18
Independent Auditor's Report on the Financial Statements	19
Independent Reporting Accountant's Report on Regularity	21
Statement of Financial Activities incorporating Income & Expenditure Account	23
Balance Sheet	24
Cash Flow Statement	25
Notes to the Financial Statements, incorporating:	
Statement of Accounting Policies	26
Other Notes to the Financial Statements	30

**Nicholas Hawksmoor Primary School
(A company limited by guarantee)**

Reference and administrative details of the Academy, its Governors and Advisors

Governors (Directors)

A Curtis (Head teacher and Chief Financial Officer,
appointed 1 September 2013)
K Falvey *FARX* (Chairman)
P Barker *FP* (Parent Governor)
J Chitty *FRX* (Parent Governor, resigned 24 September
2014)
B Cushing *F* (Staff Governor)
I Hendry *AP* (Parent Governor, resigned 12 November 2014)
L Tseronis *F* (Staff Governor)
L Kerrison *FPRX* (Staff Governor, resigned 16 October 2014)
M Blake *FPRX* (Staff Governor, appointed 16 October 2014)
D Linney *FP* (resigned 24 September 2013)
D Marchini *FP* (Towcester Learning Trust Governor)
R Michel *F*
C Nikel *F*
N Patterson *F*
D Reynolds *FAP* (Vice Chairman, Parent Governor)
N Rossini *FA*
J Whiteman *FRX* (Staff Governor)

F = Members of the Finance Committee
A = Members of the Audit Committee
P = Members of the Premises Committee
R = Members of the Remuneration Committee
X = Members of the Appointments Committee

Associate Governors

J Jeffrey

Company Secretary and Clerk to the Governors

N Woodhead

Senior management team:

- **Head Teacher**
- **Deputy Head Teacher**
- **Assistant Head Teacher**
- **Assistant Head Teacher**
- **Director of Finance**

A Curtis (appointed 1 September 2013)
J Whiteman
J Jeffrey
L Jeffrey
L Kerrison

Principal and Registered Office

Balmoral Close
Towcester
Northamptonshire
NN12 6JA

Company Registration Number

07489127

Independent Auditor

Magma Audit LLP
Magma House
16 Davy Court
Castle Mound Way
Rugby
CV23 0UZ

**Nicholas Hawksmoor Primary School
(A company limited by guarantee)**

**Reference and administrative details of the Academy, its Governors and Advisors
(continued)**

Bankers

Lloyds TSB Bank plc
2 George Row
Northampton
NN1 1DJ

Solicitors

Stone King LLP
12 Queen Square
Bath
BA1 2HJ

Nicholas Hawksmoor Primary School (A company limited by guarantee)

Report of the Governors for the year ended 31 August 2014

The Governors present their annual report together with the financial statements and auditors' report of the Charitable Company for the period 1st September 2013 to 31st August 2014.

Structure, Governance and Management

Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The Charitable Company's memorandum and articles of association are the primary governing documents of the Academy Trust.

The Governors act as trustees of Nicholas Hawksmoor Primary School and are also directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Nicholas Hawksmoor Primary School.

Details of the Governors who served throughout the year 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.

Principal Activities

The principal activity of the Charitable Company is to advance, for the public benefit, education in Towcester and the surrounding area by establishing, maintaining and offering a broad and balanced curriculum.

Method of Recruitment and Appointment of Governors

The Governors are appointed under the terms of Nicholas Hawksmoor Primary Schools Articles of Association as follows:

- Up to 6 Governors
- Up to 6 Parent Governors
- Up to 4 Staff Governors, comprising of up to 2 teachers and up to 2 support staff
- Up to 2 Governors from the Towcester Learning Trust
- The Principal (Headteacher)

The term of office for all Governors except the Headteacher is 4 years. The Headteacher's term of office runs parallel with their contract of employment. The Governors who were in office at 31st August 2014 who served throughout the year except where shown are listed on page 1. The Chair of Governors and Vice Chair of Governors term of office runs for two years, and is agreed by the Governing Body at the time of re-election.

The Governors may appoint up to 6 Governors and the total number of Governors who are employees (including the Principal) must not exceed one third of the total number of Governors. The Learning Trust may appoint up to 2 Governors, and the Parent Governors shall be elected by parents of registered pupils at the academy trust.

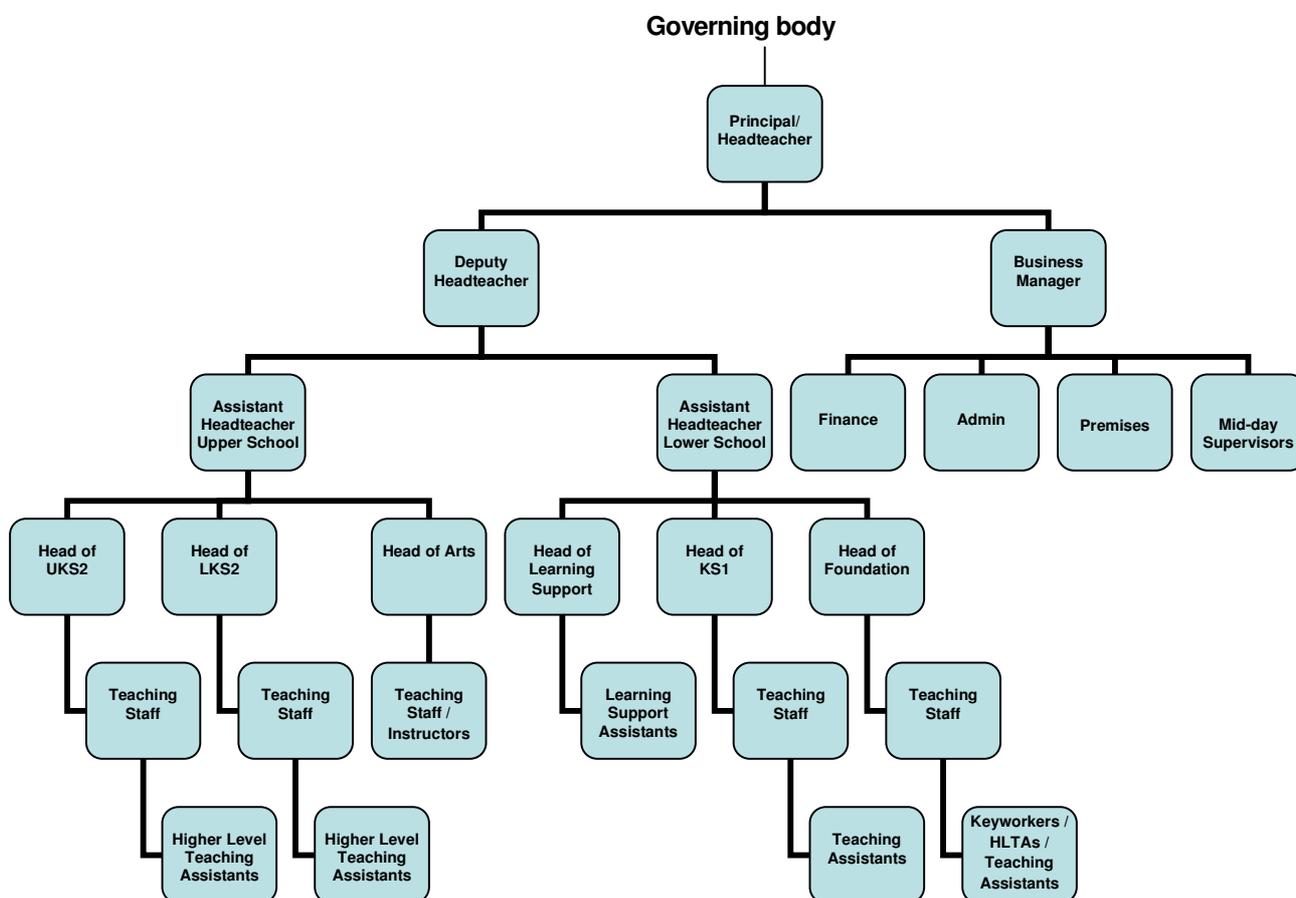
**Nicholas Hawksmoor Primary School
(A company limited by guarantee)**

**Report of the Governors (continued)
for the year ended 31 August 2014**

Policies and Procedures Adopted for the Induction and Training of Governors

During the period under review the Governors held five meetings. The training and induction provided for new Governors will depend on their existing experience. Where necessary, an induction will provide training on charity, educational, legal and financial matters. All new Governors are given a tour of the school and the chance to meet with staff and students. All Governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees and Directors of the Charitable Company. As there is normally expected to be only a small number of new Governors each year, induction tends to be done informally and is tailored specifically to the individual.

Organisational Structure



Nicholas Hawksmoor Primary School (A company limited by guarantee)

Report of the Governors (continued) for the year ended 31 August 2014

Organisational Structure (continued)

As specified in the Memorandum of Association, Nicholas Hawksmoor Primary School is responsible for running the Academy Trust. The Governors are responsible for setting general policy, adopting an annual plan and budget, monitoring the Academy Trust by the use of budgets and making major decisions about the direction of the school and senior staff appointments. The Governors are responsible for the monitoring and performance of the Headteacher and Senior Leadership Team on a regular basis.

The Senior Leadership Team members for the Academy Trust are the Headteacher (Accounting Officer), Deputy Headteacher, two Assistant Headteachers and the Business Manager (Finance Director). These managers control the Academy at an executive level implementing the policies laid down by the Governors and reporting back to them. As a group, the Senior Leadership Team are responsible for the authorisation of spending within agreed budgets and the appointment of staff in consultation of the Governing Body.

Risk Management

The Governors have assessed the major risks to which Nicholas Hawksmoor Primary School is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Academy Trust, and its finances. The Governors have implemented a number of systems to assess risks that the school faces, especially in the operational areas (e.g. in relation to teaching, health, safety, welfare and school trips) and in relation to the control of finance. They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds) and internal financial controls in order to minimise risk. Where financial risk still remains, the Academy Trust ensures adequate insurance cover. The school has an effective system of internal financial controls and this is explained in more detail in the governance statement

Objectives and Aims

The principal object and activity of the Charitable Company is the operation of the school to provide education for pupils of all abilities between the ages of 3 to 11.

In accordance with the Articles of Association the Charitable Company has adopted a "Scheme of Governance" approved by the Secretary of State for Education. The Scheme of Governance specifies, amongst other things, the basis for admitting students to the school and that the curriculum should comply with the substance of the national curriculum.

Objectives, Strategies and Activities

The main objectives of the school during the period ended 31st August 2014 are summarised below:

- We seek to ensure that all pupils in the school maximise their learning and are healthy, safe and are able to enjoy and achieve, so that they make a positive contribution throughout their lives and achieve economic wellbeing.
- We aim for a high academic, artistic and athletic experience in purposeful, lively, exciting and stimulating settings where we help and encourage our children and young people to reach the highest academic, technical and social standard according to their individual potential.

**Nicholas Hawksmoor Primary School
(A company limited by guarantee)**

**Report of the Governors (continued)
for the year ended 31 August 2014**

Objectives, Strategies and Activities (continued)

- We seek to support our pupils to achieve their own personal goals and full potential at whatever level by supporting their needs and providing relevant teaching and equipment and to develop in pupils' personal confidence and appropriate thinking skills.
- We seek to ensure that every parent or carer feels confident that their children are being encouraged to reach their potential in a calm, safe and disciplined environment.
- We value respect and consideration for others; we support equality of opportunity and seek hard work and self-discipline as we strive to prepare young people for excellent working lives. With high expectations, a broad and challenging curriculum, excellent facilities, a wide range of activities and a talented, dedicated and caring staff, we aim to ensure that every child has the skills, knowledge, understanding and attitude which will enhance their education and lifelong learning experiences in a pluralist society. We want all our pupils to have experiences of schools that are memorable because they learned and laughed a lot within caring, happy, safe and well-ordered environments in which every child matters. We want them to be empowered to make positive choices for their future lives.
- We seek to support staff in their career progression by relevant training and also to assist them pastorally where necessary.
- We continue to improve the effectiveness of the school by keeping the curriculum and organisational structure under continual review.
- We provide value for money for the funds expended.
- We comply with all appropriate statutory and curriculum requirements.
- We maintain close links with our local community and seek to share a wide range of services, facilities and expertise with them.
- We conduct the school's business in accordance with the highest standards of integrity, probity and openness.

The school's vision is to:

- Maintain the excellent academic, artistic and athletic standards at the school, as recognised by Ofsted and seek to improve and develop these wherever possible.
- Play a pivotal role in the future educational provision in Towcester in the context of the expansion of the town over the next few years. To secure the best possible facilities for our pupils and staff in this context.
- Retain, recruit and develop a high quality staff team to ensure sustainability of high standards/ outcomes for pupils and capacity for possible expansion of provision in line with the above.

Nicholas Hawksmoor Primary School (A company limited by guarantee)

Report of the Governors (continued) for the year ended 31 August 2014

Objectives, Strategies and Activities (continued)

- Explore and further develop strategic partnerships to strengthen provision within and transition between schools locally.

Public Benefit

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

The objective of the school is to advance, for the public benefit, education in Towcester and the surrounding area, in particular but without prejudice to the generality of the foregoing by estimating, maintaining, carrying on, managing and developing the school and offering a broad and balanced curriculum. The governors have reviewed the significant activities and believe public benefit has been achieved and this is shown below in the Achievements and Performance.

Achievements and Performance

Nicholas Hawksmoor Primary School is in its fourth year of operation as an Academy Trust and has had another successful academic year. We are an over-subscribed school achieving its maximum pupil numbers. The total number of pupils for the period up to 31st August 2014 was in the region of 508.

Our Key Stage One children once again achieved well above the national average in; reading, writing and mathematics and also at Level 3 (the higher level). This year in the national phonics test, 95% of the children passed compared to 74% of the children nationally (2014), resulting in a commendation from MP Nick Gibb for being in the top 5% of schools nationally for phonics results

At Key Stage Two, results at Level 4+ were, again, well above the national average in all subjects, Maths, Reading, Writing and particularly Grammar, Punctuation and Spelling. At Level 5 (the higher level) maths showed an increase and there was a slight dip in reading and writing but all subjects remained well above national performance levels. 13% of pupils additionally achieved the Level 6 standard in Grammar, Punctuation and Spelling and 12% in maths this year. Progress of pupils from Key Stage One to Key Stage Two showed very positively for reading (96%) and writing (91%), and maths showed an improvement on last year's picture with 93% making at least 2 levels progress.

% Level 2 and Above (Year 2)

	<u>School 2014</u>	<u>National Average 2014 (indicative)</u>
Reading	95%	90%
Writing	95%	86%
Maths	95%	92%

**Nicholas Hawksmoor Primary School
(A company limited by guarantee)**

**Report of the Governors (continued)
for the year ended 31 August 2014**

Achievements and Performance (continued)

% Level 3 (The Higher Level) (Year 2)

Reading	39%	31%
Writing	26%	16%
Maths	36%	24%

% Level 4 and Above (Year 6)

	<u>School 2014</u>	<u>National Average 2014 (indicative)</u>
Reading	94%	89%
Writing	93%	85%
Grammar, punctuation and spelling	93%	76%
Maths	93%	86%

% Level 5 (The Higher Level) (Year 6)

Reading	68%	49%
Writing	38%	33%
Grammar, punctuation and spelling	72%	52%
Maths	63%	42%

In addition to our academic achievements, we again achieved highly in our sports events and our work in the arts has continued to be recognised with us making major contributions to dance and music festivals. We have further expanded the opportunities available to pupils in a broad range of extra-curricular activities to stimulate their activity and interests.

Going Concern

After making appropriate enquiries, the Governing Body has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements.

Financial Review

The school's accounting period is from 1st September 2013 to 31st August 2014.

The majority of the academy trusts income is obtained from the Education Funding Agency (EFA) in the form of recurrent grants, the use of which is restricted to particular purposes based on our Funding Agreement. The grants received from the EFA during the period 1st September 2013 to 31st August 2014 and the associated expenditure are shown as restricted funds in the statement of financial activities.

**Nicholas Hawksmoor Primary School
(A company limited by guarantee)**

**Report of the Governors (continued)
for the year ended 31 August 2014**

Financial Review (continued)

Principal Income Sources	Year Ended 31/08/2014	Year Ended 31/08/2013	Increase/ (decrease)
GAG	£1,437,602	£1,477,481	(£39,879)
Local Authority Grants	£152,895	£167,464	(£14,569)

GAG funding received during period 1st September 2013 to 31st August 2014 has decreased by £39,879 compared to the previous period 1st September 2012 to 31st August 2013. This was due to a small decrease in pupil numbers at the census date, changes to the formula for LACSEG (Local Authority Central Spend Equivalent Grant) and Insurance reimbursement.

The Local Authority Grants funding for period 1st September 2013 to 31st August 2014 decreased by £14,569 compared to the previous period 1st September 2012 to 31st August 2013. The decrease was due to the way the Local Authority calculates funding for High Needs Students.

The total for Incoming Resources per Head is £3,700 for period 1st September 2013 to 31st August 2014 (based on total income £1,772,621 and 479 FTE pupils) compared to £3,912 for period 1st September 2012 to 31st August 2013 (based on £1,870,054 and 478 FTE pupils).

	Year Ended 31/08/2014	Year Ended 31/08/2013	Increase/ (decrease)
Resources expended	£1,809,136	£1,826,991	(£17,855)

With the decrease of Incoming Resources there has also been a decrease in Resource Expenditure of £17,855 for period 1st September 2013 to 31st August 2014.

The total for Resource Expenditure per Head is £3,776 for period 1st September 2013 to 31st August 2014 (based on total expenditure £1,809,136 and 479 FTE pupils) compared to £3,822 for period 1st September 2012 to 31st August 2013 (based on £1,826,991 and 478 FTE pupils).

The surplus generated for the Year End is £80,617 this excludes the Pension Deficit which is managed over a 20 year period.

The school also received grants for fixed assets from the EFA. In accordance with the Charities Statement of Recommended Practice, "Accounting and Reporting by Charities" (SORP 2005), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned, according to our depreciation policy.

There was an application submitted to the Education Funding Agency for a significant Capital Maintenance Grant to refurbish the Foundation area and the adjoining outside area. Unfortunately this bid was unsuccessful; we will be applying for further Condition Improvement Grant Funding to redevelop parts of this area in 2015.

Nicholas Hawksmoor Primary School (A company limited by guarantee)

Report of the Governors (continued) for the year ended 31 August 2014

Financial Review (continued)

Despite this being a difficult year for Devolved Capital funds, the school has made significant investment including:

including:

- Installed soft surface around the wooden play equipment
- Upgraded the staff room units and seating
- Installed kitchen equipment to provide for the Universal Infant Free School Meals provision
- Upgraded the fencing to the pocket park
- Upgraded the fencing around the top playground
- Improved planting around top playground
- Replaced a server to improve connectivity

Under Financial Reporting Standard 17, it is necessary to record expected deficits on the Local Government Pension Scheme (LGPS), which is provided to support staff, to a restricted fund. This results in reducing reserves shown in the total funds of the Academy. It should be noted that this does not present the Academy with any current liquidity problem. The employer contributions have been assessed by the Actuary and set at 22.5% to bring a reduction in this pension deficit in future. The actuarial report has been based on paying back the projected deficit of £372,000 over a 20 year span and will be reviewed in the financial year 2014/2015.

Principal Risks and Uncertainties

The Governors have assessed the Academy Trust risks and has outlined the principal risks below:

- Uncertainties with the future level of funding from the DFE/EFA.
- Changes to the Admissions Criteria may have an adverse effect on Nursery pupil numbers, which may in turn negatively affect funding.
- Proposals for 2 new schools in Towcester may have an adverse effect on our Academy Trust in the future.
- The Roll – Along extension built in 1996 is reaching the end of its life span and may have unknown structural issues.

The Governing body are made aware of these risks through Full Governing Body meetings and manage the risk through monitoring and evaluation. The academy trust hold a Risk Management Policy and a Risk Register which is reviewed termly by the Audit Committee and key issues will be reported back to the Governing Body.

Reserves Policy

The Governors review the reserve levels of the Academy Trust annually in line with the Reserves Policy. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Governors have determined that the appropriate level of free reserves should meet the long term aims and objectives of the Academy Trust.

Nicholas Hawksmoor Primary School (A company limited by guarantee)

Report of the Governors (continued) for the year ended 31 August 2014

Reserves Policy (continued)

Reserves at the end of the period are £1,233,091. This surplus includes a Restricted Fixed Asset Fund of £1,524,474, Unrestricted Funds £80,617 and a Restricted Fund Deficit of £372,000. This deficit is due to the accounting treatment of the LGPS pension scheme. The Governors recognise the LGPS deficit represents a significant potential liability. However as the Governors consider the Academy Trust is able to meet its known annual contribution over a 20 year period as a percentage of salary expenditure, it does not represent an immediate liability.

The Restricted General Fund holds a deficit of £372,000 that is made up of the following:

Pension Deficit	(£372,000)	as per the actuarial report
General Annual Grant	£0	
Restricted School Fund	£0	
Total Deficit	<u>(£372,000)</u>	

The restricted school fund reserve and restricted school trip reserve will be used against future commitments for swimming and school trip costs respectively.

Investment Policy

Due to the nature of funding, the Academy Trust may at times hold cash balances surplus to its short term requirements. Funds that are surplus to immediate requirement may be invested to achieve the best financial return. The Governors are committed to ensuring that all funds under their control are managed in such a way as to maximise return whilst minimising risk. Day to day management of surplus funds is delegated to the Headteacher and Business Manager and approved by the Governors within the Investment Policy guidelines.

Plans for Future Periods

With regard to our long term plans (5 year plan) we aim to:

- Maintain the excellent, academic, artistic and athletic standards of the school, as recognised by Ofsted and to seek to improve and develop these wherever possible.
- Play a lead in the future educational provision in Towcester in the current expansion of the town over the next few years. To keep the school high profile and academically successful and to be a key player ensuring that we achieve the best possible provision and facilities for our pupils and staff. We support the Towcester Learning Trust's views that local educational decisions should be made at a local level by the community we serve.
- Review of our Nursery provision in light of changes to our admission policy.

In the meantime, it is important that standards are maintained and developed both in curriculum terms, premises, facilities and resources. Therefore, we have identified the following areas we need to prioritise:

**Nicholas Hawksmoor Primary School
(A company limited by guarantee)**

**Report of the Governors (continued)
for the year ended 31 August 2014**

Plans for Future Periods (continued)

- ICT – continue to improve teaching, learning and resources in this area, adapting our curriculum to introduce more creative and problem solving elements in line with the new 'Computing' curriculum.
- Writing – to continue to increase the percentage of pupils achieving the higher level 5 grade in Year 6.
- Full curriculum and assessment review in light of the implementation of the New National Curriculum and the higher standard of outcomes it demands.
- Reading – to continue to embed our new phonics scheme Phonics International and upgrade reading resources in EYFS and KS1.
- Maths – continue to establish Numicom our number skills scheme, review our pedagogy to ensure effective progression in calculation and problem solving skills.
- Premises – further refurbishment of remaining toilet areas, to add additional teaching spaces and develop grounds and playgrounds. Refurbishment of Nursery and Foundation areas (subject to successful capital bids).
- Review of staff structure, responsibilities and performance management procedures for all staff, ensuring financial sustainability

Auditor

In so far as the Governors are aware:

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

Approved by order of the members of the Governing Body on 9th December 2014 and signed on its behalf by:

**Karen Falvey
Chair of Governors**

Nicholas Hawksmoor Primary School (A company limited by guarantee)

Governance Statement for the year ended 31 August 2014

Scope of Responsibility

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

The Governing Body has delegated the day-to-day responsibility to the Headteacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the Funding Agreement between Nicholas Hawksmoor Primary School and the Secretary of State for Education. They are 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 six times during the year. Attendance during the year at meetings of the Governing Body was as follows:

Governor	Meetings attended	Out of a possible
A Curtis (Accountable Officer)	6	6
P Barker	4	6
J Chitty	4	6
B Cushing	4	6
K Falvey (Chair of Governors)	6	6
I Hendry (Responsible Officer)	5	6
L Kerrison (Finance Director)	6	6
D Linney	1	1
C Lofts	3	3
D Marchini	5	6
R Michel	4	6
C Nickel (Deputy Responsible Officer)	3	6
N Patterson	5	6
D Reynolds (Vice Chair)	6	6
N Rossini	4	6
L Tseronis	2	6
J Whiteman	6	6

There have been 5 key changes to the composition of the Governing Body. The new Headteacher (Accounting Officer) was appointed by the Governors from 1st September 2013. A resignation was received from Mr David Linney on 24th September 2013. Mr Neil Patterson was appointed on 16th July 2013 as a Community Governor. Councillor Christopher Lofts was appointed on 13th February 2014 as Governor. A resignation was received from Mrs Joanne Chitty (Vice Chair of Governors) on 8th July 2014.

**Nicholas Hawksmoor Primary School
(A company limited by guarantee)**

**Governance Statement (continued)
for the year ended 31 August 2014**

Governance (continued)

The Finance Committee is a sub-committee of the main Governing Body. The Finance Committee has the power to make decisions, without reference to the main Governing Body. The Finance Committee will inform the Governing Body of any decisions made. The Finance Committee refers to the Academies Accounts Direction 2014.

Attendance during the year at Finance meetings was as follows:

Governor	Meetings attended	Out of a possible
A Curtis	3	3
P Barker	3	3
K Falvey	2	3
I Hendry	1	3
L Kerrison	3	3
D Marchini	1	3
R Michel	0	3
C Nikel	1	3
D Reynolds	3	3
N Rossini (Chair of Finance)	3	3

Attendance during the year at Audit Committee meetings was as follows:

Governor	Meetings attended	Out of a possible
A Curtis	1	1
K Falvey	1	1
I Hendry (Chair of Audit)	1	1
L Kerrison (by invitation)	1	1
D Reynolds	1	1
N Rossini	0	1

Attendance during the year at Premises Committee meetings was as follows:

Governor	Meetings attended	Out of a possible
A Curtis	3	3
P Barker	1	3
I Hendry	1	3
L Kerrison	3	3
D Marchini (Chair of Premises)	1	3
R Michel	0	3
C Nikel	3	3
Gerald Whitlock (by invitation)	2	2

**Nicholas Hawksmoor Primary School
(A company limited by guarantee)**

**Governance Statement (continued)
for the year ended 31 August 2014**

Governance (continued)

Attendance during the year at Curriculum Committee meetings was as follows:

Governor	Meetings attended	Out of a possible
A Curtis	1	1
J Chitty	1	1
B Cushing	1	1
K Falvey	1	1
D Marchini	1	1
N Patterson (Chair of Curriculum)	1	1
D Reynolds	1	1
L Tseronis	1	1
J Whiteman	1	1

Attendance during the year at Personnel Committee meetings was as follows:

Governor	Meetings attended	Out of a possible
A Curtis	1	1
J Chitty	1	1
K Falvey (Chair of Personnel)	1	1
C Lofts	1	1
N Patterson	1	1
D Reynolds	1	1

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Nicholas Hawksmoor Primary School 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 placed in Nicholas Hawksmoor Primary School for the period 1st September 2013 to 31st August 2014 and up to the approval of the annual report and financial statements.

Capacity to Handle Risk

The Governing Body has reviewed the key risks to which Nicholas Hawksmoor Primary School is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Governing Body uses the Risk Register and Financial Management and Governance Evaluation (FMGE) to formally identify, evaluate and manage the Academy Trust's significant risks that has been in place for the period 1st September 2013 to 31st August 2014 and up to the date of approval of the Annual Report and Financial Statements. This process is regularly reviewed by the Audit Committee, who report back to the Governing Body.

**Nicholas Hawksmoor Primary School
(A company limited by guarantee)**

**Governance Statement (continued)
for the year ended 31 August 2014**

The Risk and Control Framework

The Academy Trusts system of internal control is based on a framework of regular management information and administrative procedures including the segregation of duties, scheme of delegation, responsible officer reports and accountability, including the following:

- Comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Governing Body.
- Regular reviews by the Finance and Audit Committees 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. However, the Governors have appointed Iain Hendry, as Responsible Officer (R/O) and Chris Nikel as Deputy Responsible Officer (DR/O). The R/O and DR/O role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. On a quarterly basis, the R/O reports to the Finance Committee on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities.

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 Responsible Officer/Deputy Responsible Officer;
- the work of the external auditor;
- the risk register;
- the work of the senior leadership team within the Academy who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the Members of the Governing Body on 9th December 2014 and signed on its behalf by:

**K Falvey
Chair of Governors**

**A Curtis
Chief Financial Officer**

**Nicholas Hawksmoor Primary School
(A company limited by guarantee)**

**Statement on Regularity, Propriety and Compliance
for the year ended 31 August 2014**

As Accounting Officer of Nicholas Hawksmoor Primary School, I have considered my responsibility to notify the Academy Trust Governing Body and the Education Funding Agency of material irregularity, impropriety and non-compliance with the EFA terms and conditions of funding, under the Funding Agreement in place between the Academy Trust and the Secretary of State. As part of my consideration, I have had due regard to the requirements of the Academies Financial Handbook.

I confirm that I and the Academy Trust Governing Body are able to identify any material irregular or improper use of funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's Funding Agreement and the Academies Finance Handbook.

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date.

Andrea Curtis
Chief Financial Officer

9th December 2014

**Nicholas Hawksmoor Primary School
(A company limited by guarantee)**

**Statement on Governors' Responsibilities
for the year ended 31 August 2014**

The Governors (who act as Trustees for charitable activities of Nicholas Hawksmoor Primary School and are also the Directors of the Charitable Company for the purposes of company law) are responsible for preparing the Governor's Report and the Financial Statements in accordance with the Annual Accounts Requirements issued by the Education Funding Agency (EFA), 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 the Charitable Company and of its incoming resources and application of resources, including its income and expenditure for that year. In preparing these financial statements, the Governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in business.

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

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

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

Approved by order of the members of the Governing Body on 9th December 2014 and signed on its behalf by:

Karen Falvey
Chair of Governors

**Nicholas Hawksmoor Primary School
(A company limited by guarantee)**

**Independent Auditor's Report to the Members of Nicholas Hawksmoor Primary School
for the year ended 31 August 2014**

We have audited the financial statements of Nicholas Hawksmoor Primary School for the year ended 31 August 2014 on pages 23 to 44. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Annual Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

This report is made solely to the academy's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the academy's members those matters we are required to state to them in an 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 academy and the academy's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the Governors and auditors

As explained more fully in the Statement of Governors' Responsibilities set out on page 18, the academy's governors (who are also the directors of the academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the academy'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 to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the 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;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

**Nicholas Hawksmoor Primary School
(A company limited by guarantee)**

**Independent Auditor's Report to the Members of Nicholas Hawksmoor Primary
School (*continued*)
for the year ended 31 August 2014**

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Governors' Annual 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 trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Richard Lodder (Senior Statutory Auditor)
Magma Audit LLP
Statutory Auditor
Magma House
16 Davy Court
Castle Mound Way
Rugby
Warwickshire
CV23 0UZ

9th December 2014

**Nicholas Hawksmoor Primary School
(A company limited by guarantee)**

Independent Reporting Accountant's Assurance Report on Regularity to Nicholas Hawksmoor Primary School and the Education Funding Agency for the year ended 31 August 2014

In accordance with the terms of our letter of engagement dated 23 September 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 Nicholas Hawksmoor Primary School during the period 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 Nicholas Hawksmoor Primary School and the EFA in accordance with the terms of our letter of engagement. Our work has been undertaken so that we might state to Nicholas Hawksmoor Primary School and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Nicholas Hawksmoor Primary School and the EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Nicholas Hawksmoor Primary School's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Nicholas Hawksmoor Primary School's funding agreement with the Secretary of State for Education dated 28 January 2011 and the Academies Financial Handbook extant from 1 September 2013, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2013 to 2014. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 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 letter of engagement.

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

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

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

**Nicholas Hawksmoor Primary School
(A company limited by guarantee)**

**Independent Reporting Accountant's Assurance Report on Regularity to Nicholas Hawksmoor Primary School and the Education Funding Agency (*continued*)
for the year ended 31 August 2014**

Approach (*continued*)

Our work consisted of:

- understanding the basis on which the academy trust's Accounting Officer had made their Statement on Regularity, Propriety and Compliance on page 17;
- obtaining specific written representations from the academy trust's Accounting Officer and the EFA to confirm that to the best of their knowledge that there have been no irregular transactions;
- considering (based on our understanding of the academy's internal controls) the risk of irregular transactions occurring;
- considering the evidence obtained by us to support the audit opinion which we have provided on pages 19 to 20;
- and conducting further substantive procedures as we considered to be appropriate.

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 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.

Magma Audit LLP
Chartered Accountants
Magma House
16 Davy Court
Castle Mound Way
Rugby
Warwickshire
CV23 0UZ

9th December 2014

**Nicholas Hawksmoor Primary School
(A company limited by guarantee)**

**Statement of Financial Activities
for the year ended 31 August 2014**

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

	Notes	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Year ended 31.08.2014 £	Total Year ended 31.08.2013 £
Incoming resources						
<i>Incoming resources from generated funds:</i>						
Voluntary income	2	250	11,523	-	11,773	14,785
Activities for generating funds	3	49,619	60,140	-	109,759	115,409
Investment income		722	-	-	722	987
<i>Incoming resources from charitable activities:</i>						
Funding for the academy's educational operations	4	-	1,641,045	9,322	1,650,367	1,738,873
Total incoming resources		50,591	1,712,708	9,322	1,772,621	1,870,054
Resources expended						
<i>Charitable activities:</i>						
Academy's educational operations	6	13,722	1,693,267	93,303	1,800,292	1,804,039
Governance costs	7	-	8,844	-	8,844	22,952
Total resources expended	5	13,722	1,702,111	93,303	1,809,136	1,826,991
Net incoming / (outgoing) resources before transfers		36,869	10,597	(83,981)	(36,515)	43,063
Gross transfer between funds	14	(18,906)	(29,973)	48,879	-	-
Net income/(expenditure) for the year		17,963	(19,376)	(35,102)	(36,515)	43,063
Other recognised gains and losses						
Actuarial gains/(losses) on defined benefit pension schemes	14	-	(200,000)	-	(200,000)	13,000
Net movement in funds		17,963	(219,376)	(35,102)	(236,515)	56,063
Reconciliation of funds						
Total funds brought forward at 1 September 2013	14	62,654	(152,624)	1,559,576	1,469,606	1,413,543
Total funds carried forward at 31 August 2014	14	80,617	(372,000)	1,524,474	1,233,091	1,469,606

All of the academy's activities derive from continuing operations during the above two 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.

The notes form part of these financial statements

**Nicholas Hawksmoor Primary School
(A company limited by guarantee)**

**Balance Sheet
as at 31 August 2014**

	Notes	2014		2013	
		£	£	£	£
Fixed assets					
Tangible fixed assets	11		1,486,199		1,529,792
Current assets					
Debtors	12	42,580		77,267	
Cash at bank and in hand		<u>145,779</u>		<u>57,179</u>	
		188,359		134,446	
Liabilities					
Creditors: amounts falling due within one year	13	<u>(69,467)</u>		<u>(34,632)</u>	
Net current assets			<u>118,892</u>		<u>99,814</u>
Total assets less current liabilities			1,605,091		1,629,606
Net assets excluding pension liability			1,605,091		1,629,606
Pension scheme liability	19		(372,000)		(160,000)
Net assets including pension liability			<u>1,233,091</u>		<u>1,469,606</u>
Funds of the academy:					
Restricted funds					
Fixed asset fund	14		1,524,474		1,559,576
General fund	14		-		7,376
Pension fund	14		<u>(372,000)</u>		<u>(160,000)</u>
Total restricted funds			<u>1,152,474</u>		<u>1,406,952</u>
Unrestricted funds					
General fund	14		<u>80,617</u>		<u>62,654</u>
Total unrestricted funds			<u>80,617</u>		<u>62,654</u>
Total funds	14		<u>1,233,091</u>		<u>1,469,606</u>

The financial statements were approved by the Board of governors, and authorised for issue on 9th December 2014 and signed on their behalf by:

**Karen Falvey
Chair of Governors**

Company registration number: 07489127 (England and Wales)

The notes form part of these financial statements

**Nicholas Hawksmoor Primary School
(A company limited by guarantee)**

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

	Notes	Year ended 31.08.2014 £	Year ended 31.08.2013 £
Net cash inflow/(outflow) from operating activities	17	<u>128,266</u>	<u>52,226</u>
Returns on investments and servicing of finance			
Interest received		<u>722</u>	<u>987</u>
		<u>722</u>	<u>987</u>
Capital (expenditure)/income			
Capital grants from DfE/EFA		9,322	28,521
Other capital funding		-	12,202
Purchase of tangible fixed assets		<u>(49,710)</u>	<u>(150,583)</u>
		<u>(40,388)</u>	<u>(109,860)</u>
Increase/(decrease) in cash in the year	18	<u>88,600</u>	<u>(56,647)</u>
Reconciliation of net cash flow to movement in net funds			
Net funds at 1 September 2013		57,179	113,826
Net funds at 31 August 2014		<u>145,779</u>	<u>57,179</u>

The notes form part of these financial statements

**Nicholas Hawksmoor Primary School
(A company limited by guarantee)**

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

1 Accounting policies

1.1 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 principle accounting policies, which have been applied consistently, is set out below.

1.2 Going Concern

The governors assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the 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.

1.3 Incoming resources

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

- **Grants receivable**

Grants, including the General Annual Grant (GAG) and fixed asset 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 and included in debtors as accrued income.

GAG is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund. 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 included in the Statement of Financial Activities on a cash received basis or on an accruals basis where they are assured with reasonable certainty and are receivable at the balance sheet date.

- **Donated services and gifts in kind**

The value of donated services and gifts in kind provided to the academy are recognised at their estimated value to the academy in the year in which they are receivable as incoming resources, where the benefit to the academy can be reliably measured and is material. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy's policies.

**Nicholas Hawksmoor Primary School
(A company limited by guarantee)**

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

1 Accounting policies (continued)

1.3 Incoming resources (continued)

- **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.

- **Interest receivable**

Interest receivable is included within the Statement of Financial Activities on a receivable basis.

1.4 Resources expended

Resources expended are recognised in the year in which a liability is incurred. They have been classified under headings that aggregate all costs relating to that activity.

In accordance with the SORP 2005, expenditure has been analysed between the cost of generating funds, the academy's charitable activities and governance. Items of expenditure which involve more than one cost category have been apportioned on a reasonable, justifiable and consistent basis for the cost category concerned. Central staff costs are allocated on the basis of time spent on each activity and depreciation charges on the basis of proportion of the assets' use which is utilised by each activity.

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

Charitable activities costs are costs incurred on the academy's educational operations.

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

1.5 Fund accounting

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

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

Restricted general funds comprise grants from the Education Funding Agency, Department of Education and Local Authority, which have to be used in accordance with specific restrictions imposed by them.

**Nicholas Hawksmoor Primary School
(A company limited by guarantee)**

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

1 Accounting policies (continued)

1.5 Fund accounting (continued)

Where fixed asset acquisitions are funded from the General Annual Grant (GAG) or general fund, transfers are made from the restricted and unrestricted fund respectively, to the restricted fixed asset fund to offset the cost of the assets as they are incurred.

1.6 Tangible fixed assets

Tangible fixed assets, costing £500 or more, acquired since the academy was established are included in the financial statements at cost. Assets transferred from the predecessor school on establishment of the academy are included in the financial statements at their estimated value to the academy at the time of acquisition, apart from freehold buildings which are included at depreciated replacement cost.

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. The depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities over the expected useful economic life of the related asset on a basis consistent with the academy's depreciation policy.

Depreciation

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

Freehold buildings	2%-10% on cost
Fixtures, fittings and equipment	5%-20% on cost
Computer equipment	33% on cost

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.

1.7 Heritage assets

Heritage assets, comprising artwork held for its contribution to knowledge and culture, are included in the financial statements at open market value. Gains and losses on revaluation are recognised in the Statement of Financial Activities.

It's the academy's policy to maintain its artwork collection and maintenance costs are charged to the Statement of Financial Activities. The artworks are deemed to have indeterminate lives and high residual values and the governors do not therefore consider it appropriate to charge depreciation.

1.8 Leased assets

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the Statement of Financial Activities on a straight line basis over the lease term.

**Nicholas Hawksmoor Primary School
(A company limited by guarantee)**

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

1 Accounting policies (continued)

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 Pension 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 quinquennial valuations using a prospective benefit method. As stated in Note 19, the TPS is a multi employer scheme and the academy 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 payable each period.

The LGPS is a funded 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 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.

**Nicholas Hawksmoor Primary School
(A company limited by guarantee)**

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

2	Voluntary income		Total Year ended 31.08.2014 £	Total Year ended 31.08.2013 £
	Unrestricted Funds £	Restricted Funds £		
Donations	250	11,523	11,773	14,785
	<u>250</u>	<u>11,523</u>	<u>11,773</u>	<u>14,785</u>
3	Activities for generating funds		Total Year ended 31.08.2014 £	Total Year ended 31.08.2013 £
	Unrestricted Funds £	Restricted Funds £		
Music tuition income	-	7,882	7,882	13,315
Hire of facilities	21,942	-	21,942	24,263
School visits income	-	51,777	51,777	39,391
Nursery care income	17,160	481	17,641	13,502
Other income	10,517	-	10,517	24,938
	<u>49,619</u>	<u>60,140</u>	<u>109,759</u>	<u>115,409</u>
4	Funding for the academy's educational operations		Total Year ended 31.08.2014 £	Total Year ended 31.08.2013 £
	Unrestricted Funds £	Restricted Funds £		
DfE/EFA capital grants				
Academy capital grants	-	9,322	9,322	47,771
	<u>-</u>	<u>9,322</u>	<u>9,322</u>	<u>47,771</u>
DfE/EFA revenue grants				
General Annual Grant (GAG)	-	1,437,602	1,437,602	1,477,481
Other DfE/EFA grants	-	27,461	27,461	8,901
	<u>-</u>	<u>1,465,063</u>	<u>1,465,063</u>	<u>1,486,382</u>
Other revenue grants				
Local authority grants	-	152,895	152,895	167,464
Other local authority grants	-	9,746	9,746	33,320
Other grants	-	13,341	13,342	3,936
	<u>-</u>	<u>175,982</u>	<u>175,882</u>	<u>204,720</u>
	<u>-</u>	<u>1,650,367</u>	<u>1,650,367</u>	<u>1,738,873</u>

**Nicholas Hawksmoor Primary School
(A company limited by guarantee)**

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

5 Resources expended	Non Pay Expenditure			Total Year ended 31.08.2014 £	Total Year ended 31.08.2013 £
	Staff costs £	Premises £	Other costs £		
Academy's educational operations					
Direct costs	1,245,208	-	119,307	1,364,515	1,357,777
Allocated support costs	<u>189,150</u>	<u>78,400</u>	<u>168,227</u>	435,777	446,262
	<u>1,434,358</u>	<u>78,400</u>	<u>287,534</u>	1,800,292	<u>1,804,039</u>
Governance costs	-	-	8,844	8,844	22,952
	<u>1,434,358</u>	<u>78,400</u>	<u>296,378</u>	1,809,136	<u>1,826,991</u>

The method used for the apportionment of support costs is disclosed in the accounting policies on pages 26 to 29.

Incoming/outgoing resources for the year include:

	Year ended 31.08.2014 £	Year ended 31.08.2013 £
Operating leases	2,531	2,876
Depreciation	93,303	80,671
Auditor's remuneration:		
Audit services	5,000	5,000
Other services	<u>1,800</u>	<u>1,800</u>

**Nicholas Hawksmoor Primary School
(A company limited by guarantee)**

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

6 Charitable activities – Academy’s educational operations

	Unrestricted Funds £	Restricted Funds £	Total Year ended 31.08.2014 £	Total Year ended 31.08.2013 £
Direct costs				
Teaching and educational support staff costs	-	1,245,208	1,245,208	1,238,268
Educational supplies	-	26,100	26,100	35,980
Staff development	-	11,978	11,978	7,605
Educational consultancy	-	33,536	33,536	36,313
Educational visits	-	47,692	47,692	39,611
	<u>-</u>	<u>1,364,514</u>	<u>1,364,514</u>	<u>1,357,777</u>
Allocated support costs				
Support staff costs	-	189,150	189,150	188,517
Depreciation	-	93,303	93,303	80,671
Loss on disposal of fixed assets	-	-	-	-
Amounts written off fixed assets	-	-	-	-
Recruitment and support	-	2,173	2,173	9,348
Maintenance of premises and equipment	-	11,889	11,889	28,028
Cleaning	-	7,328	7,328	6,905
Printing, postage and stationery	-	15,792	15,792	18,541
Light and heat	-	18,315	18,315	19,636
Rates and water	-	7,327	7,327	7,157
Insurance	-	13,766	13,766	13,694
Music tuition	-	10,705	10,705	15,869
Telephone	-	3,983	3,983	3,646
Catering	-	6,457	6,457	6,280
Computer costs	-	18,082	18,082	13,925
Other support costs	13,722	23,786	37,508	34,045
	<u>13,722</u>	<u>422,056</u>	<u>435,778</u>	<u>446,262</u>
	<u>13,722</u>	<u>1,786,570</u>	<u>1,800,292</u>	<u>1,804,039</u>

7 Governance costs

	Unrestricted Funds £	Restricted Funds £	Total Year ended 31.08.2014 £	Total Year ended 31.08.2013 £
Legal and professional fees	-	3,844	3,844	17,952
Auditor’s remuneration	-	5,000	5,000	5,000
Audit of financial statements	-	8,844	8,844	22,952
	<u>-</u>	<u>8,844</u>	<u>8,844</u>	<u>22,952</u>

**Nicholas Hawksmoor Primary School
(A company limited by guarantee)**

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

8 Staff costs	Year ended 31.08.2014 £	Year ended 31.08.2013 £
Staff costs during the year were:		
Wages and salaries	1,184,666	1,182,973
Social security costs	72,738	71,433
Pension costs	176,954	172,379
	1,434,358	1,426,785
Supply teacher costs	-	-
	1,434,358	1,426,785

The average number of persons (including senior management team) employed by the academy during the year expressed on an actual and full-time equivalent basis was as follows:

Actual	2014 No.	2013 No.
Charitable activities		
Teachers	28	27
Administration and support	61	59
Management	5	5
	94	91
Full time equivalents		
Charitable activities		
Teachers	21	19
Administration and support	27	25
Management	5	5
	53	49

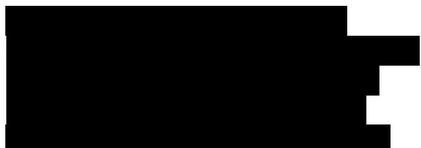
There was one staff member (Year ended 31 August 2013: nil) whose annual emoluments fall within the band £70,001 to £80,000. This employee participated in the Teachers' Pension Scheme. During the year pension contributions for this employee amounted to £10,361 (Year ended 31 August 2013: £nil).

**Nicholas Hawksmoor Primary School
(A company limited by guarantee)**

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

9 Governors' remuneration and expenses (continued)

The principal and staff governors only receive remuneration in respect of services they provide undertaking the roles of principal and staff and not in respect of their services as governors. Other governors did not receive any payments from the academy in respect of their role as governors. The value of governors' remuneration was as follows:

	Year ended 31.08.2014 £	Year ended 31.08.2013 £
		

During the year no governors received any benefits-in-kind or reimbursement of expenses (Year ended 31 August 2013: £nil)

10 Governors' and Officers' insurance

In accordance with normal commercial practice the academy has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year was £500 (Year ended 31 August 2013: £500).

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

**Nicholas Hawksmoor Primary School
(A company limited by guarantee)**

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

11 Tangible fixed assets

	Freehold buildings £	Furniture, fixtures and equipment £	Computer equipment £	Heritage assets £	Total £
Cost or valuation					
At 1 September 2013	1,334,383	253,329	84,080	17,615	1,689,407
Additions	-	29,531	20,179	-	49,710
At 31 August 2014	<u>1,334,383</u>	<u>282,860</u>	<u>104,259</u>	<u>17,615</u>	1,739,117
Depreciation					
At 1 September 2013	69,932	45,560	44,123	-	159,615
Charged in year	28,325	30,225	34,753	-	93,303
At 31 August 2014	<u>98,257</u>	<u>75,785</u>	<u>78,876</u>	<u>-</u>	252,918
Net book values					
At 31 August 2014	<u>1,236,126</u>	<u>207,075</u>	<u>25,383</u>	<u>17,615</u>	1,486,199
At 31 August 2013	<u>1,264,451</u>	<u>207,769</u>	<u>39,957</u>	<u>17,615</u>	1,529,792

Heritage assets

The academy holds a collection of artwork held for its contribution to knowledge and culture. The collection which contains 24 pieces is considered by the governors to have artistic importance.

12 Debtors

	2014 £	2013 £
Trade debtors	5,348	16,447
Other debtors	19,950	23,387
Prepayments and accrued income	17,282	37,433
	<u>42,580</u>	<u>77,267</u>

**Nicholas Hawksmoor Primary School
(A company limited by guarantee)**

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

13 Creditors: amounts falling due within one year	2014	2013
	£	£
Other creditors	-	-
Accruals and deferred income	69,467	34,632
	69,467	34,632
Deferred income	2014	2013
	£	£
Deferred income at 1 September 2013	16,154	27,003
Resources deferred in year	50,427	16,154
Amounts released from previous periods	(16,154)	(27,003)
Deferred income at 31 August 2014	50,427	16,154

Deferred income represents grant income received in advance of entitlement of receipt.

14 Funds

	Balance at 31 August 2013 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2014 £
Restricted general funds					
General Annual Grant (GAG)	-	1,437,601	(1,600,970)	(29,973)	(193,342)
Other DfE/EFA/Government grants	-	203,443	(35,705)	-	167,738
General fund	7,376	71,664	(53,436)	-	25,604
Pension fund	(160,000)	-	(12,000)	(200,000)	(372,000)
	(152,624)	1,712,708	(1,702,111)	(229,973)	(372,000)
Restricted fixed asset funds					
DfE/EFA capital grants	246,145	9,322	(15,785)	-	239,682
Other capital funding	97,638	-	(2,255)	48,879	144,262
Assets transferred from predecessor school	1,215,793	-	(75,263)	-	1,140,530
	1,559,576	9,322	(93,303)	48,879	1,524,474
Total restricted funds	1,406,952	1,722,030	(1,795,414)	(181,094)	1,152,474
Unrestricted funds					
Unrestricted funds	62,654	50,591	(13,722)	(18,906)	80,617
Total unrestricted funds	62,654	50,591	(13,722)	(18,906)	80,617
Total funds	1,469,606	1,772,621	(1,809,136)	(200,000)	1,233,091

**Nicholas Hawksmoor Primary School
(A company limited by guarantee)**

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

14 Funds (continued)

Restricted Funds

The restricted general fund includes the General Annual Grant (GAG) and other grants receivable from the EFA and Local Authority to fund expenditure incurred by the academy in its ordinary operational activities. Under the funding agreement with the Secretary of State, the academy trust was not subject to any limit on the amount of GAG that it could carry forward at 31 August 2014.

School funds held in respect of educational visits and events are also included in the restricted general fund.

The pension fund relates to the academy's share of the deficit of the Local Government Pension Scheme.

Restricted Fixed asset funds

The restricted fixed asset fund includes all transactions related to the purchase of fixed assets with capital grants and assets transferred from the predecessor school upon conversion to an academy trust.

Unrestricted funds

The unrestricted fund includes income and costs related to the hire of facilities, investment income and sundry income not specifically restricted for a particular purpose.

Transfer between funds

The transfer from the GAG fund and unrestricted funds to the restricted asset fund is money spent on the purchase of fixed assets.

15 Analysis of net assets between funds

Fund balances at 31 August 2014 are represented by:

	Unrestricted funds	Restricted general funds	Restricted fixed asset funds	Total funds
	£	£	£	£
Tangible fixed assets	-	-	1,486,199	1,486,199
Current assets	80,617	69,467	38,275	188,359
Current liabilities	-	(69,467)	-	(69,467)
Pension scheme liability	-	(372,000)	-	(372,000)
Total net assets/(liabilities)	80,617	(372,000)	1,524,474	1,233,091

**Nicholas Hawksmoor Primary School
(A company limited by guarantee)**

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

16 Financial commitments

Operating leases

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

Other	2014	2013
	£	£
Expiring within one year	-	1,380
Expiring within two and five years inclusive	1,496	1,496
	<u>1,496</u>	<u>2,876</u>

17 Reconciliation of net income to the net cash inflow/(outflow) from operating activities

	Year ended	Year ended
	31.08.2014	31.08.2013
	£	£
Net income	(36,515)	43,063
Depreciation	93,303	80,671
Loss on disposal of fixed assets	-	-
Amounts written off fixed assets	-	-
Capital grants from DfE and other capital income	(9,322)	(40,723)
Interest receivable	(722)	(987)
FRS 17 pension cost less contributions payable	12,000	19,000
Decrease in debtors	34,687	2,649
Increase/(decrease) in creditors	34,835	(51,447)
Net cash inflow/(outflow) from operating activities	<u>128,266</u>	<u>52,226</u>

18 Analysis of changes in net funds

	At 31 August	Cash flows	At 31
	2013		August 2014
	£	£	£
Cash at bank and in hand	<u>57,179</u>	<u>88,600</u>	<u>145,779</u>

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 the Northamptonshire County Council Pension Fund. 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 2004 and of the LGPS was 31 March 2010.

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

**Nicholas Hawksmoor Primary School
(A company limited by guarantee)**

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

19 Pension and similar obligations (continued)

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.

Valuation of the Teachers' Pension Scheme

At the last valuation, the contribution rate to be paid into the TPS was assessed in two parts. First, a standard contribution rate (SCR) was determined. This is the contribution, expressed as a percentage of the salaries of teachers and lecturers in service or entering service during the period over which the contribution rate applies, which if it were paid over the entire active service of these teachers and lecturers would broadly defray the cost of benefits payable in respect of that service. Secondly, a supplementary contribution is payable if, as a result of the actuarial review, it is found that accumulated liabilities of the account for benefits to past and present teachers, are not fully covered by standard contributions to be paid in future and by the notional fund built up from past contributions. The total contribution rate payable is the sum of the SCR and the supplementary contribution rate.

The last valuation of the TPS related to the period 1 April 2001 to 31 March 2004. The Government Actuary's report of October 2006 revealed that the total liabilities of the Scheme (pensions in payment and the estimated cost of future benefits) amounted to £166,500 million. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at that valuation date) was £163,240 million. The assumed real rate of return was 3.5% in excess of prices and 2% in excess of earnings. The rate of real earnings growth was assumed to be 1.5%. The assumed gross rate of return was 6.5%. From 1 January 2007, the SCR was assessed at 19.75%, and the supplementary contribution rate was assessed to be 0.75% (to balance assets and liabilities as required by the regulations within 15 years). This resulted in a total contribution rate of 20.5%, which translated into an employee contribution rate of 6.4% and employer contribution rate of 14.1% payable.

The Public Service Pensions Bill provides for future scheme valuations to be conducted in accordance with Treasury directions. The actuarial valuation report in summer 2014 takes effect from September 2015.

**Nicholas Hawksmoor Primary School
(A company limited by guarantee)**

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

19 Pension and similar obligations (*continued*)

Teachers' Pension Scheme Changes

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

The key provisions of the reformed scheme include: a pension based on career average earnings; an accrual rate of 1/57th; 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 2014-15. The increases have been phased in since April 2012 on a 40:80:100% basis.

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

**Nicholas Hawksmoor Primary School
(A company limited by guarantee)**

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

19 Pension and similar obligations (continued)

Valuation of the Teachers' Pension Scheme (continued)

the supplementary contribution rate was assessed to be 0.75% (to balance assets and liabilities as required by the regulations within 15 years). This resulted in a total contribution rate of 20.5%, which translated into an employee contribution rate of 6.4% and employer contribution rate of 14.1% payable.

Actuarial scheme valuations are dependent on assumptions about the value of future costs, the design of benefits and many other factors. Many of these assumptions are being considered as part of the work on the reformed TPS, as set out below. Scheme valuations therefore remain suspended. The Public Service Pensions Bill, which is being debated in the House of Commons, provides for future scheme valuations to be conducted in accordance with Treasury directions. The timing for the next valuation has still to be determined, but it is likely to be before the reformed schemes are introduced in 2015.

Teachers' Pension Scheme Changes

Lord Hutton published his final report in March 2011 and made recommendations 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 and Ministers engaged in extensive discussions with trade unions and other representative bodies on reform of the TPS. Those discussions concluded on 9 March 2012 and the Department published a Proposed Final Agreement, setting out the design for a reformed TPS to be implemented from 1 April 2015.

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. Importantly, pension benefits built up before 1 April 2015 will be fully protected.

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

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

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.

**Nicholas Hawksmoor Primary School
(A company limited by guarantee)**

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

19 Pension and similar obligations (continued)

Local Government Pension Scheme

The academy is one of several employing bodies included within the Local Government Pension Scheme (LGPS).

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. Contributions to the scheme are determined by a qualified actuary on the basis of triennial valuations using the projected unit method. The total contribution made for the year ended 31 August 2014 was £76,426 (Year ended 31 August 2013: £64,122), of which employer's contributions totalled £58,238 (Year ended 31 August 2013: £47,122) and employees' contributions totalled £18,188 (Year ended 31 August 2013: £17,000). The agreed contribution rates for future years are 15.2% for employers and between 5.5% and 12.5% for employees.

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

The following information is based upon a full actuarial valuation of the fund at 31 March 2010, updated to 31 August 2014 by a qualified actuary, Hymans Robertson LLP.

Principal Actuarial Assumptions

	At 31 August 2014	At 31 August 2013
Rate of increase in salaries	5.1%	5.1%
Rate of increase in pensions	2.8%	2.8%
Discount rate for scheme liabilities	4.6%	4.6%
Expected return on assets	5.9%	5.9%

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

	At 31 August 2014	At 31 August 2013
<i>Retiring today</i>		
Males	22.3	21.4
Females	24.3	23.3
<i>Retiring in 20 years</i>		
Males	24.0	23.4
Females	26.6	25.5

**Nicholas Hawksmoor Primary School
(A company limited by guarantee)**

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

19 Pension and similar obligations (continued)

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

	Expected return at 31 August 2014	Fair value at 31 August 2014 £	Expected return at 31 August 2013	Fair value at 31 August 2013 £
Equities	6.4%	410,000	6.7%	319,000
Bonds	2.9%	109,000	3.5%	78,000
Property	4.5%	40,000	4.7%	22,000
Cash	3.3%	17,000	3.6%	17,000
Total market value of assets		576,000		436,000
Present value of scheme liabilities – funded		(948,000)		(596,000)
Deficit in the scheme		(372,000)		(160,000)

None of the fair values of the assets shown above include any of the academy's own financial instruments or any property occupied by, or other assets used by, the academy.

The expected return on assets is based on the long-term future expected investment return for each asset class at the beginning of the period.

The actual return on scheme assets in the period was £57,000 (Year ended 31 August 2013: £47,000).

Amounts recognised in the Statement of Financial Activities

	Year ended 31.08.2014 £	Year ended 31.08.2013 £
Current service cost (net of employee contributions)	72,000	62,000
Expected return on pension scheme assets	(28,000)	(17,000)
Interest on pension liabilities	29,000	21,000
Total operating charge	73,000	66,000

The actuarial gains and losses for the current period are recognised in the Statement of Financial Activities. The cumulative amount of actuarial gains and losses recognised in the Statement of Financial Activities is a loss of £254,000 (Year ended 31 August 2013: £54,000 loss).

**Nicholas Hawksmoor Primary School
(A company limited by guarantee)**

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

19 Pension and similar obligations (continued)

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

	Year ended 31.08.2014 £	Year ended 31.08.2013 £
At 1 September	(596,000)	(479,000)
Current service cost	(72,000)	(62,000)
Interest cost	(29,000)	(21,000)
Employee contributions	(18,000)	(17,000)
Actuarial (losses)/gains	(235,000)	(17,000)
Estimated benefits paid	2,000	-
At 31 August	(948,000)	(596,000)

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

	Year ended 31.08.2014 £	Year ended 31.08.2013 £
At 1 September	436,000	325,000
Expected return on assets	28,000	17,000
Actuarial gains/(losses)	35,000	30,000
Employer contributions	61,000	47,000
Employee contributions	18,000	17,000
Estimated benefits paid	(2,000)	-
At 31 August	576,000	436,000

History of experience adjustments

Amounts for the current and previous accounting periods:

	Year ended 31.08.2014 £	Year ended 31.08.2013 £	Year ended 31.08.2012 £
Fair value of scheme assets	576,000	436,000	325,000
Present value of defined benefit obligation	(948,000)	(596,000)	(479,000)
Deficit	(372,000)	(160,000)	(154,000)
Experience gains/(losses) on scheme assets	35,000	30,000	7,000
Experience gains/(losses) on scheme liabilities	(61,000)	-	-

**Nicholas Hawksmoor Primary School
(A company limited by guarantee)**

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

19 Pension and similar obligations (continued)

Projected pension expense for the year to 31 August 2014:

	2014
	£
Current service cost	94,000
Interest on obligation	37,000
Expected return on scheme assets	(34,000)
Total	<u>97,000</u>

The estimated value of employer contributions for the year ended 31 August 2015 is £77,000.

Sensitivity analysis

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

Change in assumptions at 31 August 2014:	Approximate % increase to Employer Liability	Approximate monetary amount (£)
0.5% decrease in real discount rate	14%	136,000
1 year increase in member life expectancy	3%	28,000
0.5% increase in the salary increase rate	8%	72,000
0.5% increase in pension increase rate	6%	59,000

It must be appreciated in accordance with the Charity Commission publication, 'Charity Reserves and Defined Pension Schemes' that where, under FRS 17, a charity discloses a significant pension fund deficit, this does not mean that an immediate liability for this amount crystallises. Similarly, where a pension surplus is disclosed this does not create an immediately realisable asset than can be released straight away and expended on the purposes of the charity. In particular, the disclosure of a pension liability does not mean that an equivalent amount is already committed and is no longer available to the governors to further the charity's objectives.

20 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.

21 Related Party Transactions

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

No related party transactions took place during the year.

22 Control

The charitable company is controlled by the governors listed on page 1.