

Company registration number: 07489127 (England and Wales)

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

Annual report and financial statements

Period ended 31 August 2011

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

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

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

Governors (Directors)

D Wardle *FRX* (Chairman)
P Barker *FP* (Parent Governor)
J Chitty *FRX* (Vice Chairman, Parent Governor)
B Cushing *F* (Staff Governor)
L Desborough *F* (Parent Governor, resigned 22 May 2011)
R Edwards *FARX* (Head teacher and Accounting Officer)
K Falvey *FARX* (Vice Chairman)
I Hendry *FP* (Parent Governor)
L Jeffrey *F* (Staff Governor)
L Kerrison *FAPRX* (Staff Governor)
D Linney *FP*
D Marchini *FP* (Towcester Learning Trust Governor)
R Michel *F*
C Nickel *F*
D Reynolds *FAP* (Parent Governor)
N Rossini *FA*
R Savage *A* (Responsible Officer, Parent Governor)
A Soulsby *F* (Towcester Learning Trust Governor, resigned 1 November 2011)
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

D Wardle, R Edwards and J Chitty were appointed on 11 January 2011. All remaining Governors were appointed on 1 February 2011

Associate Governors

E Edwards
J Jeffrey

Senior management team:

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

R Edwards
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
Bloxam Court
Corporation Street
Rugby
CV21 2DU

**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

National Westminster Bank plc
173 Watling Street West
Towcester
Northants
NN12 6FZ

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 period ended 31 August 2011

The Governors present their annual report together with the financial statements and auditors' report of the Charitable Company for the period ended 31 August 2011.

Structure, Governance and Management

Constitution

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

The governors act as trustees for the charitable activities 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 except as noted are included in the Reference and Administrative Details on page 1.

Members' Liability

Each member of the Charitable Company undertakes to contribute to the assets of the Charitable Company in the event of it being wound up while they are a member or within one year after they cease to be a member, such amount as may be required not exceeding £10, for the debts and liabilities contracted before they ceased to be a member. The Academy has adequate third party indemnity insurance for the period, as defined by Section 234 of the Companies Act 2006.

Principal Activities

The Charitable Company was incorporated on 11 January 2011, and obtained Academy Status 1 February 2011.

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).

**Nicholas Hawksmoor Primary School
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**Report of the Governors (continued)
for the period ended 31 August 2011**

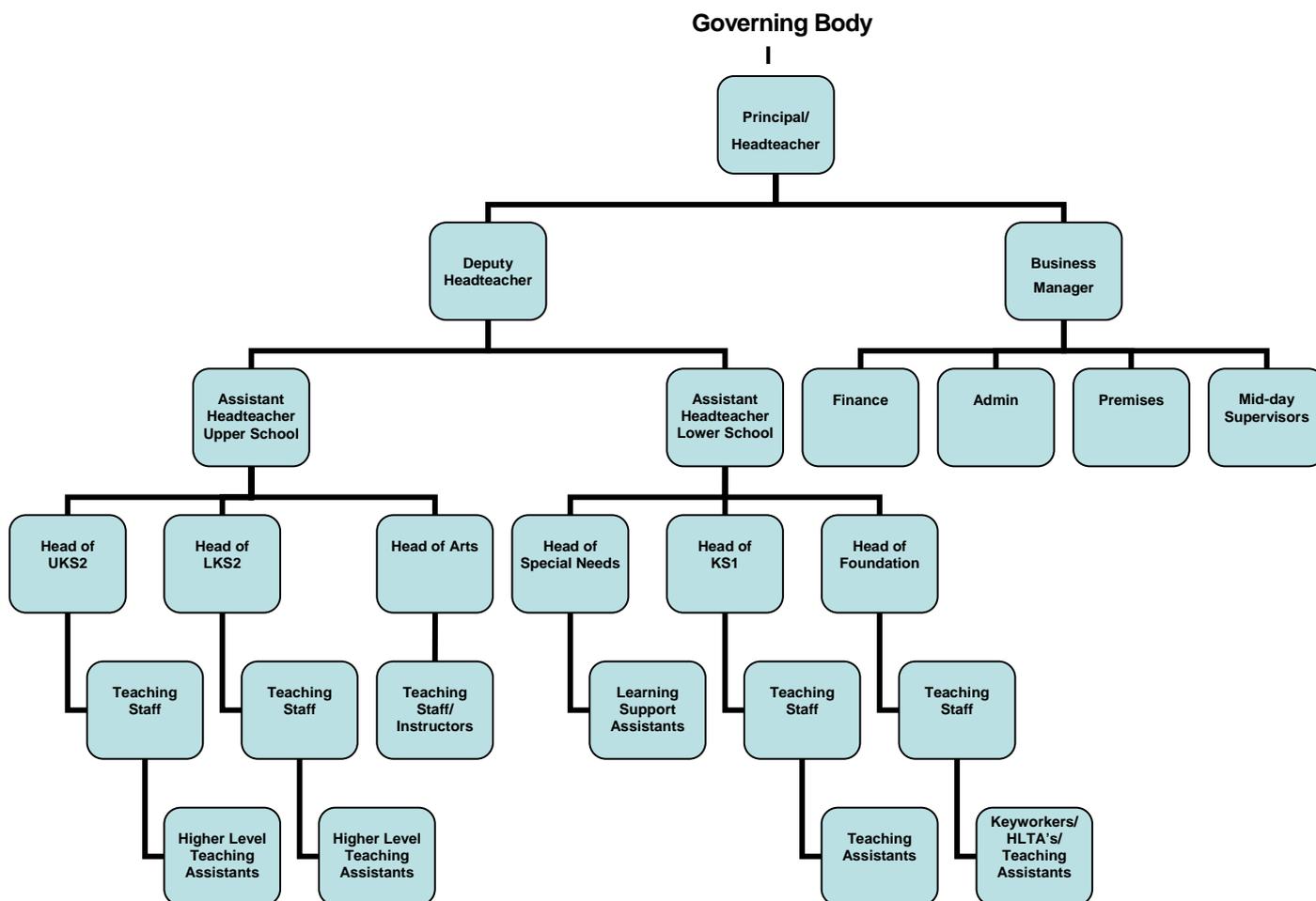
Method of Recruitment and Appointment of Governors (continued)

The term of office for all governors except the principal is 4 years. The principal's term of office runs parallel with their contract of employment. The Governors who were in office at 31 August 2011 who served throughout the year except where shown are listed on page 1.

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 period ended 31 August 2011

Organisational Structure (*continued*)

As specified in the Memorandum of Association, Nicholas Hawksmoor Primary School is responsible for running the Academy. The Governors are responsible for setting general policy, adopting an annual plan and budget, monitoring the Academy 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 Principal and Senior Leadership Team on a regular basis.

The Senior Leadership Team members for the Academy 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, 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 ensures adequate insurance cover. The school has an effective system of internal financial controls and this is explained in more detail in the statement of internal control.

Aims and Objectives

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 Government" approved by the Secretary of State for Education. The Scheme of Government 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 31 August 2011 are summarised below:

- We seek to ensure that all children and young people in Towcester and the surrounding area 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 well-being.
- 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 period ended 31 August 2011**

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 guardian feels confident that their children are being encouraged to reach their potential in a calm, safe, 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 life-long learning experiences in a pluralist society. We want them all 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 these wherever possible.
- Enable the school to move to a new shared campus site with their Trust partner, Sponne School, and achieve a new-build school that will offer a wider range of facilities, expertise and equipment.

Public Benefit

In setting the objectives, 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.

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

**Report of the Governors (continued)
for the period ended 31 August 2011**

Public Benefit (*continued*)

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.

Achievements and Performance

Nicholas Hawksmoor Primary School is in its first year of operation as an Academy Trust and has had a hugely successful academic year. We are an over-subscribed school achieving its maximum pupil numbers. The total number of students for the period up to 31 August 2011 were in the region of 490.

Our Key Stage 1 children achieved well above the national average in reading, writing and mathematics. We are extremely pleased with our reading results which showed an improvement on last year's results. Also we have implemented a new writing scheme which we believe has had a very positive effect on our writing results. The Raiseonline (Summary of results from Ofsted) showed a significant difference between our results and the national results, which has been the case in the last five years.

Key Stage 2 Year 6 SAT's results were our best for 7 years, and were significantly above the National Average.

- English Level 4+ 97% Level 5 57%,
- Reading Level 4+ 99%, Level 5 82%,
- Writing Level 4+ 96% Level 5 31%,
- Maths Level 4+ 99% Level 5 59%.

A new monitoring system New Group Reading Test (NGRT) implemented by staff in 2010/11 for reading along with a significant investment in reading books, has enabled our children achieve highly throughout the school, in English, Reading and Writing. Our Year 6 children (68) left us with an average reading age of 14, which is a remarkable achievement.

Our value added in all year groups was significant in comparison to the National Average.

Overall this is very pleasing as close monitoring through our assessment scheme (Target Tracker) has identified any problems which can be quickly rectified, for the benefit of all our pupils.

In addition to our academic achievements, once again our school achieved highly in all local sports. Also our work in the arts has continued to be recognised, with us making major contributions to the new Artsmark programme. We were winners in the Silverstone Circuit design challenge and also took 1st prize in the engineering section ahead of a number of secondary schools, we were the only primary taking part which is an achievement in itself.

**Nicholas Hawksmoor Primary School
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**Report of the Governors (continued)
for the period ended 31 August 2011**

Going Concern

After making appropriate enquiries, the Governing Body has a reasonable expectation that the Academy 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 trading accounting period is from 1 February 2011 to 31 August 2011.

The majority of Nicholas Hawksmoor Primary Schools income is obtained from the YPLA 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 YPLA during the period ended 31 August 2011 and the associated expenditure are shown as restricted funds in the statement of financial activities.

The school also received grants for fixed assets from the Young Peoples Learning Agency (YPLA). 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.

A significant Capital Maintained Grant was also awarded for a new boiler project and works commenced during the accounting period 1 February 2011 to 31 August 2011.

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

- Curriculum Server.
- Updating all curriculum computer networks and wireless connectivity.
- Enlarging the pathways around the school courtyard for ease of access.
- Enlarging the Reception playground.
- School Trim Trail.
- New boiler, heating and hot water systems throughout the school.
- Reading Books.

**Nicholas Hawksmoor Primary School
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**Report of the Governors (continued)
for the period ended 31 August 2011**

Financial Review (continued)

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 16.3% to bring a reduction in this pension deficit in future. The actuarial report has been based on paying back the projected deficit of £97,000 over a 20 year span and will be reviewed in the financial year 2013/2014.

Reserves

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

Reserves at the end of the period are £1,436,529. This surplus includes a Restricted Fixed Asset fund of £1,480,377, Unrestricted Funds £24,663 and a Restricted Fund deficit of £68,471. This deficit is due to the accounting treatment of the LGPS pension scheme.

The Restricted General Fund holds a deficit of £68,471 that is made up of the following:

Pension Deficit	(£97,000)	as per the actuarial report
General Annual Grant	£14,751	within the 2% allowance Funding Agreement
Personalised Learning	£11,672	Personalised Learning was not issued until July 2011
Restricted	£283	
Special Educational Needs	£1,048	
Pupil Premium	<u>£755</u>	
Total Deficit	<u>(£68,491)</u>	

The General Annual Grant and Personalised Learning reserves will be used against future commitments for staffing costs.

Plans for Future Periods

With regard to our long term plans (5 year plan), we wish to secure the future of our 'Outstanding' school in the context of a very large housing development proposed for Towcester South. Working closely with our local secondary school 'Sponne Music and Science Academy' in our joint trust (Towcester Learning Trust) we have formulated plans to move to a new shared site. Creating a dynamic learning hub at the centre of the new development, linking our existing catchment areas within the development and beyond to the high tech businesses that are being proposed at Silverstone Circuit.

Presently we are in negotiation with the District Council over our plans, and have received extremely positive feedback. Our ongoing concerns with our present site are the limited potential to expand and longevity of the substantial temporary building that houses both Key Stage 1 and 2 classes.

**Nicholas Hawksmoor Primary School
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**Report of the Governors
for the period ended 31 August 2011**

Plans for Future Periods (*continued*)

In our current proposals we wish to expand to a 3 form entry academy, with some shared facilities with Sponne Music and Science Academy. Also a further 2 form entry Primary School will be required in Wood Burcote. Towcester Learning Trust will make a bid for the running of this new school, incorporating the high standards that already exist between the 2 schools.

In the meantime it is of high importance that standards are maintained and developed both in curriculum terms, premises, facilities and resources. Therefore we have identified the following areas in which we need to further develop to maintain our successes and build upon them:

- ICT – Teaching, learning and resources.
- Writing – continuing with the development of our grammar and punctuation scheme.
- Planning for the implementation of the new National Curriculum.
- Maths – introduction of Numicom number skills scheme.
- Premises – replacement of toilet facilities.
- Premises – refurbishment of temporary building.

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 29 November 2011 and signed on its behalf by:

Drisc Wardle
Chair of Governors

Nicholas Hawksmoor Primary School (A company limited by guarantee)

Statement on Internal Control for the period ended 31 August 2011

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 Principal, as Accounting Officer, for ensuring that financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between the Academy 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.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Academy's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in the Academy for the period ended 31 August 2011 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Governing Body has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Governing Body is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks that has been in place for the period ending 31 August 2011 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Body.

The Risk and Control Framework

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

- Comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the 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.

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

**Statement on Internal Control (continued)
for the period ended 31 August 2011**

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 Rachael Savage, as Responsible Officer (R/O). The R/O role includes giving advice on financial matters and performing a range of checks on the Institute'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 Principal 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;
- the work of the external auditor;
- the financial management and governance self assessment process; and
- 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 29 November 2011 and signed on its behalf by:

D Wardle
Chair of Governors

R Edwards
Accounting Officer

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

**Statement on Governors' Responsibilities
for the period ended 31 August 2011**

The Governors (who are also directors of Nicholas Hawksmoor Primary School for the purposes of company law) are responsible for preparing the Governors Report and the Financial Statements in accordance with applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Annual Accounts Direction 2010/11 issued by the Young Peoples' Learning Agency (YPLA).

Company law requires the Governors to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the school and of the incoming resources and application of resources, including the income and expenditure, of the school for the 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in business; and
- to challenge the Principal and Senior Leadership Team in continuing to achieve school improvement.

The Governors are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Academy 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 Academy 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 Academy applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the YPLA have been applied for the purposes intended.

In so far as the Governors are aware:

- There is no relevant audit information of which the Academy's auditor is unaware.
- 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.

The Governors are responsible for the maintenance and integrity of the corporate and financial information included on the Academy'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 29 November 2011 and signed on its behalf by:

Drisc Wardle
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 period ended 31 August 2011**

We have audited the financial statements of Nicholas Hawksmoor Primary School for the period ended 31 August 2011 on pages 16 to 35. 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 2010/11 issued by the Young People's Learning Agency.

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the governors and auditors

As explained more fully in the Statement of Governors' Responsibilities set out on page 10, the charitable company's Governors (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the governors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Governors' Report 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 2011 and of its incoming resources and application of resources, including its income and expenditure, for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the Annual Accounts Direction 2010/11 issued by the Young People's Learning Agency; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Nicholas Hawksmoor Primary School
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**Independent Auditor's Report to the Members of Nicholas Hawksmoor Primary
School (*continued*)
for the period ended 31 August 2011**

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.

Opinion on other matter prescribed by the academy's funding agreement with the Secretary of State for Education

In our opinion grants made by the Young People's Learning Agency have been applied for the purposes intended.

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
Bloxam Court
Corporation Street
Rugby
CV21 2DU

Date:

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

**Statement of Financial Activities
for the period ended 31 August 2011**

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

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2011 £
Incoming resources					
<i>Incoming resources from generated funds:</i>					
Voluntary income	4	3,445	-	13,218	16,663
Assets transferred from predecessor school	3	2,724	(87,913)	1,352,345	1,267,156
Activities for generating funds	5	27,483	39,752	-	67,235
Investment income		510	-	-	510
<i>Incoming resources from charitable activities:</i>					
Funding for the Academy's educational operations	6	-	938,152	143,851	1,082,003
Total incoming resources		34,162	889,991	1,509,414	2,433,567
Resources expended					
<i>Charitable activities:</i>					
Academy's educational operations	8	4,690	933,844	29,037	967,571
Governance costs	9	-	20,427	-	20,427
Total resources expended	7	4,690	954,271	29,037	987,998
Net incoming / (outgoing) resources before transfers		29,472	(64,280)	1,480,377	1,445,569
Gross transfer between funds	16	(4,809)	4,809		
Net income/expenditure for the period		24,663	(59,471)	1,480,377	1,445,569
Other recognised gains and losses					
Actuarial losses on defined benefit pension schemes	16	-	(9,000)	-	(9,000)
Net movement in funds		24,663	(68,471)	1,480,377	1,436,569
Reconciliation of funds					
Funds carried forward at 31 August 2011	16	24,663	(68,471)	1,480,377	1,436,569

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

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 2011**

	Notes	2011	
		£	£
Fixed assets			
Tangible fixed assets	13		1,466,577
Current assets			
Debtors	14	190,768	
Cash at bank and in hand		<u>800,651</u>	
		991,419	
Creditors: amounts falling due within one year	15	<u>(924,427)</u>	
Net current assets			<u>66,992</u>
Total assets less current liabilities			1,533,569
Net assets excluding pension liability			<u>1,533,569</u>
Pension scheme liability	21		(97,000)
Net assets including pension liability			<u>1,436,569</u>
Funds of the academy:			
Restricted funds			
Fixed asset fund	16		1,480,377
General fund	16		28,529
Pension fund	16		<u>(97,000)</u>
Total restricted funds			<u>1,411,906</u>
Unrestricted funds			
General fund	16		<u>24,663</u>
Total unrestricted funds			<u>24,663</u>
Total funds	16		<u>1,436,569</u>

The financial statements were approved by the Board of Governors on and signed on their behalf by:

D Wardle
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 period ended 31 August 2011**

	Notes	2011 £
Net cash flow from operating activities	19	795,645
Returns on investments and servicing of finance		
Interest received		<u>510</u>
		<u>510</u>
Capital (expenditure)/income		
Capital grants from DfE/YPLA		9,243
Other capital funding		11,288
Purchase of tangible fixed assets		<u>(16,035)</u>
		<u>4,496</u>
Increase in cash in the year	20	800,651
Reconciliation of net cash flow to movement in net funds		
Net funds at 11 January 2011		-
Net funds at 31 August 2011		<u>800,651</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 period ended 31 August 2011

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 YPLA and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, is set out below.

These are the Academy's first financial statements and hence no comparative information is presented.

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

- **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 period 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.

- **Other income**

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

- **Interest receivable**

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

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

**Notes to the Financial Statements (continued)
for the period ended 31 August 2011**

1 Accounting policies (*continued*)

1.3 Resources expended

Resources expended are recognised in the period in which they are incurred and include irrecoverable VAT where appropriate. 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.

1.4 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 Young People's Learning 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 Young People's Learning Agency, Department of Education and Local Authority, which have to be used in accordance with specific restrictions imposed by them.

1.5 Tangible fixed assets

Tangible fixed assets, other than heritage assets, 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.

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

**Notes to the Financial Statements (continued)
for the period ended 31 August 2011**

1 Accounting policies (continued)

1.5 Tangible fixed assets (continued)

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 in the Statement of Financial Activities over the expected useful economic life of the related asset on a basis consistent with the depreciation policy.

Depreciation

Depreciation is provided on all tangible fixed assets, other than heritage assets, 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% on cost
Fixtures, fittings and equipment	5%-20% on cost
Computer equipment	33% on cost

1.6 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.

1.7 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.

1.8 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.

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

**Notes to the Financial Statements (continued)
for the period ended 31 August 2011**

1 Accounting policies (*continued*)

1.9 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, are contracted out of the State Earnings-Related Pension Scheme ('SERPS'), 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 21, 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 paid 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 period ended 31 August 2011**

2	General Annual Grant (GAG)		2011
			£
	a. Results and carry forward for the period		
	GAG brought forward from previous period		-
	GAG allocation for current period		<u>758,215</u>
	Total GAG available to spend		758,215
	Recurrent expenditure from GAG		<u>(743,464)</u>
	Fixed assets purchased from GAG		-
	GAG carried forward to next year		14,751
	Maximum permitted GAG carry forward at end of current period (12% of allocation for current year)		<u>(90,986)</u>
	GAG to surrender to DfE		(76,235)
	(12% rule breached if result is positive)		No breach
	b. Use of GAG brought forward from previous year for recurrent purposes		
	(of the amount carried forward each year, a maximum of 2% of the GAG can be used for recurrent purposes)		
	Recurrent expenditure from GAG in current period		743,464
	GAG allocation for current period		<u>(758,215)</u>
	GAG allocation for previous year x 2%		-
	GAG b/fwd from previous year in excess of 2%, used on recurrent expenditure in current year		(14,751)
	(2% rule breached if result is positive)		No breach
3	Assets transferred from predecessor school		
		Unrestricted Funds	Restricted Funds
		£	£
	Freehold buildings	-	1,313,913
	Fixtures, fittings and equipment	-	10,134
	Computer equipment	-	5,253
	Heritage assets	-	23,045
	Cash at bank	2,724	4,087
	Local government pension scheme deficit	-	(92,000)
		<u>2,724</u>	<u>1,264,432</u>
			1,313,913
			10,134
			5,253
			23,045
			6,811
			(92,000)
			1,267,156

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

**Notes to the Financial Statements (continued)
for the period ended 31 August 2011**

4 Voluntary income	Unrestricted Funds £	Restricted Funds £	Total 2011 £
Donations – capital	-	13,218	13,218
Other donations	3,445	-	3,445
	<u>3,445</u>	<u>13,218</u>	<u>16,663</u>
5 Activities for generating funds	Unrestricted Funds £	Restricted Funds £	Total 2011 £
Music tuition income	-	10,438	10,438
Hire of facilities	14,234	-	14,234
School visits income	-	20,687	20,687
Nursery care income	10,666	-	10,666
Other income	2,583	8,627	11,210
	<u>27,483</u>	<u>39,752</u>	<u>67,235</u>
6 Funding for the Academy's educational operations	Unrestricted Funds £	Restricted Funds £	Total 2011 £
DfE/YPLA capital grant			
Academy maintained capital grants	-	140,000	140,000
Academy capital grants	-	3,851	3,851
	<u>-</u>	<u>143,851</u>	<u>143,851</u>
DfE/YPLA revenue grants			
General Annual Grant (GAG) (note 2)	-	758,216	758,216
Start up grants	-	25,000	25,000
Other DfE/YPLA grants	-	6,392	6,392
	<u>-</u>	<u>789,608</u>	<u>789,608</u>
Other Government grants			
Maintained grants	-	55,446	55,446
Local authority grants	-	72,553	72,553
Other local authority grants	-	19,400	19,400
Other grants	-	1,145	1,145
	<u>-</u>	<u>148,544</u>	<u>148,544</u>
	<u>-</u>	<u>1,082,003</u>	<u>1,082,003</u>

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

**Notes to the Financial Statements (continued)
for the period ended 31 August 2011**

7 Resources expended	Staff costs	Non Pay Premises	Expenditure Other costs	Total 2011
	£	£	£	£
Academy's educational operations				
Direct costs	673,004	-	63,911	736,915
Allocated support costs	97,070	41,617	91,969	230,656
	<u>770,074</u>	<u>41,617</u>	<u>155,880</u>	<u>967,571</u>
Governance costs	-	-	20,427	20,427
	<u>770,074</u>	<u>41,617</u>	<u>176,307</u>	<u>987,998</u>

The method used for the apportionment of support costs is disclosed in the accounting policies on pages 19 to 22.

Incoming/outgoing resources for the period include:	2011
	£
Operating leases	2,042
Auditor's remuneration	5,000
Fees payable to Auditor - Other services	1,500
Depreciation	<u>29,037</u>

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

**Notes to the Financial Statements (continued)
for the period ended 31 August 2011**

8 Charitable activities – Academy’s educational operations

	Unrestricted Funds	Restricted Funds	Total 2011
	£	£	£
Direct costs			
Teaching and educational support staff costs	-	673,004	673,004
Educational supplies	45	21,654	21,699
Staff development	-	3,121	3,121
Educational consultancy	-	13,915	13,915
Educational visits	-	25,176	25,176
	<u>45</u>	<u>736,870</u>	<u>736,915</u>
Allocated support costs			
Support staff costs	-	97,070	97,070
Depreciation	-	29,037	29,037
Recruitment and support	-	422	422
Maintenance of premises and equipment	-	12,580	12,580
Cleaning	-	3,522	3,522
Printing, postage and stationery	100	12,041	12,141
Light, heat and water	-	13,670	13,670
Insurance	-	5,507	5,507
Music tuition	-	10,606	10,606
Telephone	-	3,854	3,854
Catering	-	3,909	3,909
Computer costs	-	16,963	16,963
Other support costs	4,545	16,830	21,375
	<u>4,645</u>	<u>226,011</u>	<u>230,656</u>
	<u>4,690</u>	<u>962,881</u>	<u>967,571</u>

9 Governance costs

	Unrestricted Funds	Restricted Funds	Total 2011
	£	£	£
Legal and professional fees	-	15,427	15,427
Auditors' remuneration	-	5,000	5,000
Audit of financial statements	-	20,427	20,427
	<u>-</u>	<u>20,427</u>	<u>20,427</u>

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

**Notes to the Financial Statements (continued)
for the period ended 31 August 2011**

10 Staff costs	2011
	£
Staff costs during the period were:	
Wages and salaries	642,414
Social security costs	42,188
Pension costs	<u>82,217</u>
	766,819
Supply teacher costs	<u>3,255</u>
	<u>770,074</u>

The average number of persons (including senior management team) employed by the Academy during the year expressed as full-time equivalents was as follows:

	2011
	£
Charitable activities	
Teachers	17
Administration and support	19
Management	<u>5</u>
	<u>41</u>

11 Governors' remuneration and expenses

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.

During the period ended 31 August 2011, no Governors received any benefits-in-kind or reimbursement of expenses.

Related party transactions involving the Governors are set out in note 23.

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

**Notes to the Financial Statements (continued)
for the period ended 31 August 2011**

12 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 period ended 31 August 2011 was £208.

13 Tangible fixed assets

	Freehold buildings £	Fixtures, fittings and equipment £	Computer equipment £	Heritage assets £	Total £
Cost or valuation					
Additions	1,313,913	138,100	19,626	23,975	1,495,614
Disposals	-	-	-	-	-
At 31 August 2011	<u>1,313,913</u>	<u>138,100</u>	<u>19,626</u>	<u>23,975</u>	<u>1,495,614</u>
Depreciation					
Charged in year	15,329	7,849	5,859	-	29,037
At 31 August 2011	<u>15,329</u>	<u>7,849</u>	<u>5,859</u>	<u>-</u>	<u>29,037</u>
Net book values					
At 30 August 2011	<u>1,298,584</u>	<u>130,251</u>	<u>13,767</u>	<u>23,975</u>	<u>1,466,577</u>

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.

14 Debtors

	2011 £
Trade debtors	18,475
Other debtors	148
Prepayments and accrued income	172,145
	<u>190,768</u>

15 Creditors: amounts falling due within one year

	2011 £
Other creditors	770,819
Accruals and deferred income	153,608
	<u>924,427</u>

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

**Notes to the Financial Statements (continued)
for the period ended 31 August 2011**

15 Creditors: amounts falling due within one year (continued)

Deferred income	2011 £
Resources deferred in period	12,836
Amounts released from previous periods	-
Deferred income at 31 August 2011	<u>12,836</u>

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

16 Funds

	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2011 £
Restricted general funds				
General Annual Grant (GAG)	758,216	(743,465)	-	14,751
Start Up Grant	25,000	(25,451)	451	-
Other DfE/YPLA/Government Grants	154,936	(141,441)	-	13,495
General fund	43,839	(47,914)	4,358	283
Pension fund	(92,000)	4,000	(9,000)	(97,000)
	<u>889,991</u>	<u>(954,271)</u>	<u>(4,191)</u>	<u>(68,471)</u>
Restricted fixed asset funds				
DfE/YPLA Capital Grants	157,069	(7,930)	-	149,139
Assets transferred from predecessor school	1,352,345	(21,107)	-	1,331,238
	<u>1,509,414</u>	<u>(29,037)</u>	<u>-</u>	<u>1,480,377</u>
Total restricted funds	<u>2,399,405</u>	<u>(983,308)</u>	<u>(4,191)</u>	<u>1,411,906</u>
Unrestricted funds				
Unrestricted funds	34,162	(4,690)	(4,809)	24,663
Total unrestricted funds	<u>34,162</u>	<u>(4,690)</u>	<u>(4,809)</u>	<u>24,663</u>
Total funds	<u>2,433,567</u>	<u>(987,998)</u>	<u>(9,000)</u>	<u>1,436,569</u>

The General Annual Grant (GAG) must be used for the normal operating costs of the Academy. The Academy is allowed to carry forward up to 12% of the current GAG. Of the carried forward amount, up to 2% of GAG can be used for general purposes at the discretion of the Academy, but any balance over 2% must be used for capital purposes.

Other restricted funds comprise funds received from the DfE, Local Government and parents to fund expenditure incurred by the Academy in its ordinary operational activities.

The Restricted fixed asset fund includes all transactions related to the purchase of capitalised assets with capital grants and assets transferred from the predecessor school.

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

**Notes to the Financial Statements (continued)
for the period ended 31 August 2011**

17 Analysis of net assets between funds

Fund balances at 31 August 2011 are represented by:

	Unrestricted funds	Restricted general funds	Restricted fixed asset funds	Total funds
	£	£	£	£
Tangible fixed assets	-	-	1,466,577	1,466,577
Current assets	24,663	822,260	144,496	991,419
Current liabilities	-	(793,731)	(130,696)	(924,427)
Pension scheme liability	-	(97,000)	-	(97,000)
Total net assets	24,663	(68,471)	1,480,377	1,436,569

18 Financial commitments

Operating leases

At 31 August 2011 the Academy had annual commitments under non-cancellable operating leases as follows:

Other	2011
	£
Expiring within one year	825
Expiring within two and five years inclusive	2,676
	3,501

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

	2011
	£
Net income	1,445,569
Depreciation	29,037
Capital grants from DfE and other capital income	(20,531)
Fixed asset donations	(1,354,275)
Interest receivable	(510)
Transfer of LGPS pension scheme deficit upon conversion	92,000
FRS 17 pension credit	(4,000)
Increase in debtors	(190,768)
Increase in creditors	799,123
Net cash inflow from operating activities	795,645

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

**Notes to the Financial Statements (continued)
for the period ended 31 August 2011**

20 Analysis of changes in net funds

	At 11 January 2011 £	Cash flows £	At 31 August 2011 £
Cash at bank and in hand	<u>-</u>	<u>800,651</u>	<u>800,651</u>

21 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 Northampton 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.

The total pension cost to the Academy during the period ended 31 August 2011 was £86,217 of which £60,161 relates to the TPS and £26,056 relates to LGPS.

Teachers' Pension Scheme

The TPS is an unfunded defined benefit scheme. Contributions on a "pay-as-you-go" basis are credited to the Exchequer under arrangements governed by the Superannuation Act 1972. A notional asset value is ascribed to the scheme for the purpose of determining contribution rates.

The pensions cost is normally assessed no less than every four years in accordance with the advice of the Government Actuary. The assumptions and other data that have the most significant effect on the determination of the contribution levels are as follows:

Latest actuarial valuation (under the new provisions)	31 March 2004
Actuarial method	Prospective benefits
Investment returns per annum	6.5 per cent per annum
Salary scale increases per annum	5.0 per cent per annum
Notional value of assets at date of last valuation	£162,650 million
Proportion of members' accrued benefits covered by the notional value of the assets	98.88%

Following the implementation of Teacher's pension (employers' Supplementary Contributions) Regulations 2000, the Government Actuary carried out a further review on the level of employer contributions. For the period from 1 September 2010 to 31 August 2011 the employer contribution was 14.1 per cent. The employee rate was 6.4% for the same period.

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.

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

**Notes to the Financial Statements (continued)
for the period ended 31 August 2011**

21 Pension and similar obligations (continued)

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 and the implications of the Academy in terms of the anticipated contribution rates.

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 period ended 31 August 2011 was £34,057, of which employer's contributions totalled £26,056 and employees' contributions totalled £8,001. The agreed contribution rates for future years are 16.3% for employers and between 5.5% and 7.5% for employees.

The following information is based upon a full actuarial valuation of the fund at 31 March 2010, updated to 31 August 2011 by a qualified actuary.

Principal Actuarial Assumptions

	At 31 August 2011
Rate of increase in salaries	4.9%
Rate of increase in pensions	2.6%
Inflation assumption (CPI)	2.6%
Inflation assumption (RPI)	3.4%
Discount rate for scheme liabilities	5.4%
Expected return on assets	6.2%

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 2011
<i>Retiring today</i>	
Males	21.4
Females	23.3
<i>Retiring in 20 years</i>	
Males	23.4
Females	25.5

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

**Notes to the Financial Statements (continued)
for the period ended 31 August 2011**

21 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 2011	Fair value at 31 August 2011 £
Equities	6.8%	174,000
Bonds	4.6%	43,000
Property	4.8%	17,000
Cash	3.9%	5,000
Total market value of assets		239,000
Present value of scheme liabilities - funded		(336,000)
Deficit in the scheme		(97,000)

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 £(10,000).

Amounts recognised in the Statement of Financial Activities

	2011 £
Current service cost (net of employee contributions)	21,000
Past service cost	-
Transfer of LGPS deficit upon conversion	92,000
Expected return on pension scheme assets	(9,000)
Interest on pension liabilities	10,000
Total operating charge	114,000

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 £9,000.

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

**Notes to the Financial Statements (continued)
for the period ended 31 August 2011**

21 Pension and similar obligations (continued)

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

	2011 £
At 11 January 2011	-
Transfer of LGPS balances	(306,000)
Current service cost	(21,000)
Past service costs	-
Interest cost	(10,000)
Employee contributions	(8,000)
Actuarial gain	9,000
At 31 August 2011	<u>(336,000)</u>

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

	2011 £
At 11 January 2011	-
Transfer of LGPS balances	214,000
Expected return on assets	9,000
Actuarial loss	(18,000)
Employer contributions	26,000
Employee contributions	8,000
At 31 August 2011	<u>239,000</u>

Amounts for the current period:

	2011 £
Fair value of scheme assets	239,000
Present value of defined benefit obligation	<u>(336,000)</u>
Deficit	(97,000)
Experience losses on scheme assets	(18,000)
Experience gains/(losses) on scheme liabilities	-

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

**Notes to the Financial Statements (continued)
for the period ended 31 August 2011**

21 Pension and similar obligations (continued)

Projected pension expense for the year to 31 August 2012:

	2012
	£
Current service cost	36,000
Interest on obligation	19,000
Expected return on scheme assets	(16,000)
Total	39,000

The estimated value of employer contributions for the year ended 31 August 2012 is £36,000.

Sensitivity analysis

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

Change in assumptions at 31 August 2011:	Approximate % increase to Employer Liability	Approximate monetary amount (£)
0.5% decrease in Real Discount Rate	14%	48,000
1 year increase in member life expectancy	3%	10,000
0.5% increase in the Salary Increase Rate	7%	23,000
0.5% increase in the Pension Increase Rate	7%	23,000

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.

22 Members' liability

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

23 Related Party Transactions

Two Faces Design, is a business in which D Wardle, Governor has an interest. Transactions totalling £443 relating to the purchase of webspace, forwarding and hosting took place in the period. There were no amounts outstanding at 31 August 2011.

24 Control

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